



Global Environment Facility

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Leonard Good
Chief Executive Officer
and Chairman

June 17, 2004

Dear Council Member:

UNDP, as the Implementing Agency for the project, ***Latvia: Biodiversity Protection in North Vidzeme Biosphere Reserve***, has submitted the attached proposed project document for CEO endorsement prior to final approval of the project document in accordance with UNDP procedures.

The Secretariat has reviewed the project document. It is consistent with the proposal approved by the Council in August 2003, and the proposed project remains consistent with the Instrument and GEF policies and procedures. The attached explanation prepared by UNDP satisfactorily details how Council's comments and those of the STAP have been addressed. I am, therefore, endorsing the project document.

We have today posted the proposed project document on the GEF website at www.gefweb.org. If you do not have access to the Web, you may request the local field office of the World Bank or UNDP to download the document for you. Alternatively, you may request a copy of the document from the Secretariat. If you make such a request, please confirm for us your current mailing address.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. Good', written in a cursive style.

cc: Alternate, Implementing Agencies, STAP



15 June 2004

Len
Dear Mr. Good,

Subject: BD/OP-2, SP1 - Latvia: Biodiversity Protection in North Vidzeme Biosphere Reserve (PIMS 2190)

I am pleased to attach herewith the above-mentioned project document, which includes our response to the GEF Council's comments on page 0. The brief was approved at the GEF Inter-sessional WP meeting in July 2003. Also attached are endorsement and co-financing letters from the following: Baltic Environmental forum, Ministry of Environment of Latvia (ISPA financing), project "Protection and Management of Coastal Habitats in Latvia", NGO Salaca Valley, NGO North Vidzeme Waste Management Organization, WWF Latvia, State Forest Service, Ministry of Agriculture (SAPARD financing), project "Integrated Wetland and Forest Management in the Transboundary Area of North Latvia" (PIN Matra financing), State Land Service and UNDP Latvia.

As per paragraph 29 and 30 of the GEF Project Cycle, we are submitting this project document for circulation to the members of the GEF Council and, subsequently, for your final endorsement.

Thank you in advance for expediting the review and endorsement of this project.

Yours sincerely,

Warm regards

A handwritten signature in black ink, appearing to read 'Frank Pinto', is written over a horizontal line.

Frank Pinto
Executive Coordinator

Mr. Leonard Good
Chief Executive Officer and Chairman
Global Environment Facility
Room G6005
1776 G Street
Washington D.C. 20433

Cc: Mr. Nick Remple, GEF Regional Coordinator

**UNDP RESPONSE TO COMMENTS ON THE GEF PROJECT BRIEF
RESPONSE TO COMMENTS FROM COUNCIL**

1.1 Comment

Most of these indicators are “output” or process indicators. Need “outcome” indicators in this project in order for a good measurable performance framework. If conservation is the goal, then could measure changes in numbers of certain species or land mass.

Response:	Document reference:
Indicators of change in "land mass" area have been strengthened. Measuring project success in terms of changes in species population numbers was not done for two reasons. The establishment of the expanded network of protected core areas in the NVBR will occur only during the second half of the project. This will not provide enough time to record changes in population numbers of specific species. Also, globally important species in the NVBR have habitat ranges that exceed the boundaries of the Reserve. That is, their survival depends not only on what this project does and accomplishes within the NVBR but also on the effects of other activities and projects outside of the Reserve. Thus, it would be difficult, if not impossible, to attribute a change in population numbers of such wide-ranging species to the effect of this project alone. Secondly, indicators of management effectiveness have also been strengthened. These indicators measure the reduction of the identified threats to the NVBR’s biodiversity and apply to deforestation, exotic species, and illegal use of natural resources in the Reserve. Pressure reduction indicators have also been strengthened.	Revised section on "Approach to project M&E system" (section 2.f.2, pages 37-38) and the Log Frame matrix (Annex A, page 51)

1.2 Comment

Not entirely clear if there are some economic benefits expected from this project also. If so, how expected to achieve? Need to measure income or GDP for the region. Need baseline, quantitative targets and timeline.

Response:	Document reference:
Strategies for linking biodiversity conservation objectives with economic benefits are found throughout the proposal. For example, Output 5 is specifically designed to simultaneously provide for economic and biodiversity benefits. Examples of initiatives with economic and biodiversity benefits include forest certification pilots, tourism planning and development, fishing regulation, the use of concessions, a micro-grant facility and biodiversity friendly production techniques in the agricultural sector. It is considered that for the purposes and scale of this project’s interventions, measuring the project’s economic benefits using GDP for the region would not be indicative. Rather, the project’s economic benefits will be measured in terms of economic change fostered at the level of targeted project affected communities. Existing economic data (average incomes and employment figures) will be gathered and additional relevant data will be compiled during Year 1 to establish the baseline for these indicators. The targets and timeline for Years 2-5 are presented in the Logframe.	Output 5. (Pages 25-26) Section 2.f.2 in text (page 38) Logframe - Annex A under Output 5 (pages 53-54)

UNITED NATIONS DEVELOPMENT PROGRAMME
Global Environment Facility
Project of the Government of Latvia



Project information

Project number: LAT/03/G31/A/1G/99
Project title: Biodiversity Protection in North Vidzeme Biosphere Reserve
PIMS number: 2190
Estimated start date: Q1 2004
Estimated duration: 5 years
Project EA: Ministry of Environment
Project IA: North Vidzeme Biosphere Reserve
Project site: North Vidzeme Biosphere Reserve
Beneficiary countries: Latvia

Summary of UNDP and cost-sharing inputs
(as per attached budgets)

UNDP/GEF:	\$ 2,660,500
Cost-sharing:	
ISPA :	\$ 8,297,500
SAPARD:	\$ 900,000
State Land Service:	\$ 430,000
Baltic Environmental Forum:	\$ 212,000
PIN-Matra:	\$ 200,000
LSFS:	\$ 200,000
UNDP:	\$ 170,000
Others:	\$ 330,000
TOTAL:	\$ 13,400,000

LPAC review date:
Programme officer: Silviija Kalnina

ACC/UNDP sector and subsector: Environment/ Environment Enhancement and Management/DCAS sector and subsector: 003 Natural Resources/013 Land Use Planning
Government sector and subsector: G3: Environment
Primary areas of focus/subfocus: 03 Promoting Environment and Natural Resources Sustainability/19 Promotion of Sustainable Natural Resources Management
Primary target beneficiaries: Environmental habitats, Local communities

Brief description:

The project's development objective is to optimise biodiversity conservation practice in Latvia's protected areas and associated landscapes. Its immediate objective is to ensure conservation of globally significant biodiversity in the North Vidzeme Biosphere Reserve (NVBR) by implementing a set of initiatives required to integrate biodiversity conservation principles and practices into the planning, management and sustainable use of the Reserve.

The project has eight primary outputs: (i) Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making; (ii) Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve; (iii) Identification of desirable reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour; (iv) Integrated ecological landscape planning for the NVBR; (v) Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism; (vi) Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders; (vii) Habitat restoration at selected sites to maintain and enhance globally significant biodiversity; and (viii) Systematic identification and dissemination of lessons learned and best practices through ministerial and NGO channels throughout Latvia.

On behalf of:	Signature	Date	Name & Title
Ministry of Environment	_____		, Minister
Implementing agent (NVBR)	_____		Ms. Sandra Berzins, Director
UNDP Latvia	_____		Ms. Gabriele Koehler, Resident Representative

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LIST OF ACRONYMS

BEF	Baltic Environmental Fund
BR	Biosphere Reserve
CBD	Convention on Biological Diversity
CCF	Country Cooperation Framework (of UNDP)
DEP	Department of Environmental Protection (of MoE)
EA	Executing Agency
EC	European Commission
EU	European Union
GEF	Global Environment Facility
GoL	Government of the Republic of Latvia
IA	Implementing Agency
IBA	Important Bird Area (of BirdLife International)
IC	Incremental Cost
ISPA	Instrument for Structural Policies for Pre-Accession
IUCN	World Conservation Union
LSFS	Latvian State Forestry Service
MAB	Man and the Biosphere Programme of UNESCO
M&E	Monitoring and Evaluation
MoA	Ministry of Agriculture
MoC	Ministry of Culture
MoE	Ministry of Environment
MoRDLG	Ministry of Regional Development and Local Government
NGO	Non-governmental Organization
NPD	Nature Protection Department (of MoE)
NTFP	Non-timber Forest Product
NVBR	North Vidzeme Biosphere Reserve
NVBR-A	North Vidzeme Biosphere Reserve Administration
NVBR-AC	North Vidzeme Biosphere Reserve Advisory Council
NVWMO	North Vidzeme Waste Management Organization (NGO)
PA	Protected Area
PD	Project Director
PM	Project Manager
PSC	Project Steering Committee
PDF-B	Project Development Facility, Block B (GEF)
SAPARD	Special Accession Programme on Agricultural Rural Development
SLS	State Land Service
UNDP	United Nations Development Programme
UNDP-CO	United Nations Development Programme Country Office in Riga
UNESCO	United Nations Educational, Scientific and Cultural Organization
WFD	Water Framework Directive (of EC)
WWF	World Wide Fund for Nature

1. COUNTRY OWNERSHIP

1.a. Country Eligibility

The Republic of Latvia ratified the Convention on Biological Diversity on 14 December 1995, and is currently eligible to receive technical assistance from UNDP.

1.b. Country Drivenness

The Government of Latvia is strongly committed to protecting and maintaining the country's rich biodiversity as evidenced by its undertaking of numerous important initiatives in the field of biodiversity conservation over the past decade.

In 1995, the Cabinet of Ministers approved the National Environmental Policy Plan for Latvia (<http://www.vdc.lv/NEPP/lot.htm>). This document established a set of national policy goals including:

- Maintaining current levels of biological diversity;
- Ensuring that the use of natural resources is sustainable; and,
- Creating a basis for sustainable development.

Building upon this policy platform, in 1998 Latvia commenced the GEF/UNDP project "Enabling Activity National Biodiversity Strategy and Country Report to Conference of the Parties of the Convention on Biological Diversity". This project resulted in the preparation of the National Programme on Biological Diversity (that is comprised of the Biological Diversity Strategy and the Action Plan), and its subsequent approval in 2000. The National Biological Diversity Strategy defines specific long-term national goals for the conservation of biodiversity. The Action Plan specifies necessary actions, along with time frames, responsible institutions, and financing requirements for the implementation of the Biodiversity Strategy.

The objectives of the National Biological Diversity Strategy are to:

- Maintain and improve the diversity of ecosystems and their natural elements;
- Maintain and improve natural species diversity;
- Maintain the genetic diversity of natural species, as well as of crop plants and animal breeds;
- Promote the conservation of traditional landscape structures; and,
- Ensure that the use of natural resources is sustainable.

This Project is supportive of many of the priority actions identified as being required in the National Biodiversity Strategy. Specifically, the Project will assist in the realization of the following:

- The preparation and implementation of a management plan for NVBR, identified as one of the national priority sites;
- The prevention of the continued degradation of sensitive bogs with high biodiversity value;
- The protection of coastal dunes from continued damage;
- The advancement of regulations for coastal meadow protection;
- The reduction and prevention of the continued loss of biodiversity in forest biotopes;
- The provision of assistance in the promotion of low input agricultural practices;

- The provision of proper management of semi-natural grasslands;
- The education of the public, decision makers and stakeholders about the importance of biodiversity;
- The increasing of public and stakeholder involvement in decisions involving the protection and conservation of natural resources;
- The development of habitat protection and restoration programs for the Salaca River (that flows through the NVBR) and related wetlands;
- The advancement of plans for the management of private lands;
- The advancement of protection plans for internationally important bird areas;
- The development of estimates of subsidies/compensation requirements for farmers for the promotion of management methods compatible with biodiversity conservation in meadows and pastures.

For further information on the National Biodiversity and Action Plan, see http://www.varam.gov.lv/vad/English/Plans/BD_national_prog.html

The Latvian Strategy for Sustainable Development, adopted by the Cabinet of Ministers on August 13, 2002, also contains the following objectives that are supported and advanced by this Project:

- “Latvia must build up a stable economy capable of ensuring social needs at the same time safeguarding that the rate of economic growth does not exceed the rate of environmental pollution and consumption of resources.”¹
- “Latvia must ensure a safe and healthy environment for both the present and next generations.”²
- “Latvia must take adequate measures aimed at preserving biodiversity and protection of ecosystems.”³
- “Latvia must develop a responsible attitude in the society towards natural resources and constantly increase the efficiency of the utilisation of resources.”⁴
- “Latvia must ensure the integration of environmental matters and develop a wide use of environmental policy measures in all other sectoral policies.”⁵
- “Latvia must ensure social participation in sustainable development processes.”⁶

The Project also promotes the realization of the following long-term aims of the Nature Protection Department of the MoE:

- To promote the adoption of the National Programme on Biological Diversity;
- To co-operate with other structural units of the Ministry as well as institutions supervised, subordinated or under authority of the Ministry;
- To co-operate with international nature conservation organisations to ensure the consideration of Latvian interests and to draw financial investments into the adoption of the National Programme of Biological Diversity;
- In co-operation with the Department of Investments, the Environmental Protection Fund, the Environmental Investment Fund and other financial institutions, to participate in the co-ordination of usage of national and international financial instruments according to priorities of the National Programme of Biological Diversity and Strategy of Environmental Investments.

¹ Strategy for Sustainable Development of Latvia (Riga, Latvia; August 2002), Section 4.

² Ibid

³ Ibid

⁴ Ibid

⁵ Ibid

⁶ Ibid

Further, this Project is consistent with the following draft action plans developed by the Nature Protection Department of MoE:

- “Habitat Conservation Action Plan for Coastal Dunes”; and,
- “Action Plan for the Management of the Relationship Between Cranes (*Grus grus*) and Agriculture”.

In accordance with the law “*On North Vidzeme Biosphere Reserve*” (1997), the project will also contribute toward the realization of the following goals:

- Ensure the protection of landscapes, species and biological diversity of the territory;
- Promote sustainable economic and social development of the territory;
- Restore damaged ecosystems in the territory and ensure information exchange on environmental and nature protection and sustainable development of the territory.

The Project also is consistent with the aims of the MoE-endorsed and European Union-funded project “Protection and Management of Coastal Habitats in Latvia”.

Finally, the co-financing made available to the project by the Government of Latvia (through a range of institutions) and Latvian non-governmental organizations further reinforces the extent of country driven-ness. The majority of co-financing comes from GoL funds for EU accession, used in support of project objectives. This highlights the commitment of the GoL to use available resources to ensure attainment of national development objectives and global biodiversity benefits.

1.c. Endorsement

The project has been endorsed by the GEF Operational Focal Point in a letter dated **28 May 2003** (see [Annex 2 B](#)).

2. PROGRAM & POLICY CONFORMITY

2.a. Program Designation & Conformity

The project meets GEF eligibility criteria under Operational Program #2 “Coastal Marine and Freshwater Ecosystems”. Threats to biodiversity will be removed in targeted areas by mainstreaming biodiversity protection with socio-economic goals⁷. The end-of-project situation will show sectoral integration in the management and conservation of project sites and in areas adjacent to those sites in the NVBR⁸. Project activities include remedial actions in areas under threat⁹ and sustainable use and awareness components¹⁰. It has built-in mechanisms for monitoring outcomes, both in terms of ecosystem structure/function and sustainable use by local populations¹¹. Finally, project risks have been minimized by applying best practice and best available knowledge and by ensuring that local communities share the conservation objectives of the GEF project¹².

⁷ In accordance with GEF-OP2 criteria; see GEF-OP2 para 2.8

⁸ In accordance with GEF-OP2 criteria; see GEF-OP2; para 2.15

⁹ In accordance with GEF-OP2 criteria; see GEF-OP2; para 2.17 (c)

¹⁰ In accordance with GEF-OP2 criteria; see GEF-OP2; para 2.17 (l)

¹¹ In accordance with GEF-OP2 criteria; see GEF-OP2; para 2.12

¹² In accordance with GEF-OP2 criteria; see GEF-OP2; para 2.19 (a) and (c)

The project has been designed in line with Biodiversity Strategic Priority 1 “Catalysing Sustainability of Protected Areas”. The North Vidzeme Biosphere Reserve (NVBR) covers 6% of the territory of Latvia and consists of a network of protected areas - three core zones and 36 other sites designated for special protection - nested in a landscape of productive uses. The project will strengthen the institutional, managerial and financial sustainability of this system of protected areas through legislation and policy analysis, strengthening institutional and stakeholder capacities to improve all aspects of NVBR management, including training of staff. At the same time, the project will implement a set of activities to integrate biodiversity conservation into the planning, management and sustainable use of the Reserve. As the NVBR contains a representative selection of the threats and opportunities found in other areas of Latvia, lessons and best practices will be disseminated to strengthen other Protected Areas outside the NVBR to ensure their sustainability.

2.b. Project Design

2.b.1 Introduction

Situated on the eastern coast of the Baltic Sea, in the western part of the East-European Plain, Latvia covers an area of 64,600 km², 74% of which can be classified as lowlands and 26% as highlands. Latvia’s highest elevation is 311 meters above sea level. Latvia has 2.4 million inhabitants. More than 40% of Latvia’s territory is forest and the country possesses significant wetlands, something rare for Europe as a whole. Latvia has a Baltic Sea coastline of 490 km. with much of the coastal area still relatively untouched.

According to recent scientific assessments, approximately 23,000 faunal species, including 18,000 insect species, are found in Latvia. The large number of species can be explained by the mosaic of diverse habitats that are present (bogs, coastal meadows, forests, dunes, semi-natural grasslands, mires), and the substantial territories in which land use and thus human impact has been minimal (this applies most directly to wetlands). The high number of bird species (325) is accounted for by the fact that migration routes cross the territory of Latvia. In addition, large numbers of migrating bats concentrate along the Baltic Sea coast in south-western Latvia during August and September. According to the *Red Data Book*, of 1,600 vascular plant species found in Latvia, 16% are considered threatened. Similarly, 38% of Latvia’s mammals and 24% of the country’s birds are considered endangered. Of the 18,000 insect species recorded in Latvia, 131 are threatened.

The Gulf of Riga and Irbe Strait are internationally important waterfowl wintering sites where the total amount of birds during the autumn and winter period exceeds two million individuals. According to current data, 24% of northern and Western Europe’s population of Red-throated Diver (*Gavia stellata*), 23% of Long-tailed Duck (*Clangula hyemalis*) (more than 1 million individuals), 36% of Velvet Scoter (*Melanitta fusca*), and 15% of the Black Guillemot (*Cephus grille*) population are found in Latvia. With regard to fish species, the Gulf of Riga’s population of Eelpout (*Zoarces viviparous*) - the biggest population in the eastern Baltic - is worthy of mention. Latvia, and specifically the Salaca River basin within the North Vidzeme Biosphere Reserve, provides the only natural spawning site in the eastern Baltic for Atlantic Salmon (*Salmo salar*).

For further information, see also <http://www.biodiv.org/doc/world/lv/lv-nr-01-en.pdf>

2.b.2. Description of the project site

The NVBR, Latvia's only Biosphere Reserve, is located in the north-western part of the country (see map in [Annex D](#)). The boundaries of the Reserve lie within the Limbazi, Valka, and part of the Valmiera administrative districts. The NVBR abuts Latvia's border with Estonia, sharing important wetland areas with neighbouring Estonian districts. The NVBR includes approximately 70,000 people in 41 municipalities, with the majority residing in nine urban centres. The rest live in smaller rural centres and on farms throughout the Reserve. The Reserve is traversed by a number of paved, gravel and dirt roads.

Prior to the December 1997 adoption of the law "*On the North Vidzeme Biosphere Reserve*", the area of the Reserve was designated as the North Vidzeme Regional Nature Protection Complex. According to the above law, the NVBR is an internationally significant protected natural territory that is under special protection of the State. It is managed by its own Administration, and is supervised by the Ministry of Environment. The main legislated tasks of the Reserve are to:

- Ensure the preservation of the territory's landscapes, ecosystems, species and genetic diversity;
- Promote the territory's sustainable social and economical development;
- Ensure information exchange on environmental research, monitoring and education in relation to nature protection and regional development in the territory;
- Promote understanding in regard to environmental protection and sustainable development within the Reserve; and,
- Promote the restoration of degraded ecosystems in the Reserve.

To ensure coordination on matters pertaining to environmental protection and social and economic development within the Reserve, the legislation also established the Biosphere Reserve Advisory Council, whose membership is approved by Cabinet. The Reserve's funding sources include fixed budgetary allocations, assets allocated by the municipalities within the Reserve, donations and grants, and revenues generated through the provision of chargeable services.

The legislation also provided for the delineation of the [NVBR's territory](#) into three functional zones: restricted nature area; landscape protection area; and a neutral zone. In intent, these classifications are comparable to the internationally recognized BR core areas, and buffer and transition zones. The Reserve includes three core areas ([Augstroze](#), [Vidusburtnieks](#) and [Northern bogs](#)) totalling 18,440 ha, as well as 160,000 ha of buffer zones, and 162,560 ha of transition areas (see map in Annex 2D). Core areas have the highest degree of legislated protection. However, because the entire NVBR has "protected area" status according to the legislation governing the Reserve, even the transition areas present some restrictions on economic activities, though with inevitable tensions given the lack of alternative economic practices, low awareness of Reserve goals, and lack of mechanisms to ensure stakeholder participation in planning and management (see "Threats affecting the project site"). The NVBR currently encompasses 17 established Nature Reserves, 19 Nature Monuments and a Nature Park. The former are relatively small sites designed to protect important or unique features. The Salaca River Nature Park stretches along the [Salaca River](#) from Lake Burtnieki to the coast. In addition, the following potential Natura 2000 sites have been identified in the Reserve¹³: Salaca River Nature Park; Augstroze Reserve; Lake Dunezers; Dzerve Bog; Lake Dzilezers; Lake Riebezers; Karki Bog; Lielpurv Bog; Limsani Bog; Lake Maizezers; Mernieki marshes; Niedraji-Pilka Bog; Oleru Bog;

¹³ The Natura 2000 is the European network of special areas for conservation. It encompasses areas designated by Member States as required by the EU Bird and Habitat directives.

Pirtsmeza Bog; Purgaili Bog; Randu Meadows; Sedas Bog; Ungurpils Forests; Vidusburtnieks Reserve; Vidzeme Stony Beach; and Northern Bogs.

The Reserve was established to protect a [biodiversity rich area](#), the Salaca River basin, which includes the Salaca River and Lake Burtnieki along with their tributaries, as well as a marine area to a depth of 10 m along 60 km of the Gulf of Riga’s Vidzeme coast. The Reserve’s total area of 457,000 ha, including 116,000 ha of marine area, represents nearly 6% of Latvia’s entire territory.

The NVBR represents two natural regions of Latvia – the Coastal Lowland and the Middle Latvia Lowland. The highest elevation in the Reserve is 127 m above sea level. The present landscape, formed at the end of the last glacial period approximately 10,000 years ago, is characterized by forests, moraines, drumlins, kettle lakes, rivers, wetlands, raised bogs, semi-natural grasslands, coastal meadows and agricultural lands. Forests cover more than 45% of the Biosphere Reserve. There are 63 lakes of greater than 3 ha in size within the Reserve.

Of 63 biotopes found in Latvia that are important at the European Union level, 37 are represented in the NVBR. Of particular note are the following biotopes that are either rare or represent the only examples to be found in Latvia.

Biotope Name	Natura 2000 Code
Vegetated sea cliffs of the Atlantic and Baltic coasts	1230
Perennial vegetation of stony banks	1220
Boreal Baltic coast meadows- EC Habitats Directive Priority Habitat	1630

The Biosphere Reserve is home to a number of rare and threatened species of fauna included in the *Bern Convention* and *EU Directives*. Of 61 *EU Bird Directive* species nesting in Latvia, 48 do so in the NVBR.

While the entire NVBR is an internationally important site, the primary areas of interest for biodiversity conservation include the following:

[The Salaca River Area](#): This area includes the river itself (95 km), its main tributaries, Lake Burtnieki (4,007 ha), and the lake’s main tributaries. The river is among the 4 most important salmon rivers in Europe. Species named in the *Bern Convention* and *EU Directive 92/43/EEC Annex II* that are found in the Salaca River include:

- Fish: *Baltic Salmon* (a main spawning river); *Lampreta planeri*, *Lampetra fluviatilis*; *Rhodeus sericeus Amarus*; *Cobitis taenia*; and *Cottus goio*. The river contributes approximately 6% of the natural wild salmon population of the Baltic Sea. The International Baltic Sea Fishery Commission of the Helsinki Commission declared the river the most productive salmon spawning area in the Eastern Baltic.
- Invertebrate: *Unio crassus*
- Mammals: *Castor fiber* and *Lutra lutra*.

Bern Convention and *EU Bird Directive Annex I* listed species found in the lake and river include: *Ciconia nigra*; *Ciconia ciconia*; *Pernis apovirus*; *Pandion haliaetus*; *Porzana parva*; *Crex crex*; *Sterna hirundo*; and *Chlidonias nigra*.

The lake and surrounding arable meadows and forests have been nominated as an Important Bird Area. The lake area is an important migratory site for water birds, particularly for *Cygnus cygnus*.

[Semi-natural grasslands](#) form a very important part of the mosaic of biotopes that make up the NVBR and give rise to its high biodiversity values. These areas do not form a single, homogenous area but are distributed across the Reserve as part of the landscape mosaic and provide important foraging areas for animal and bird species that live in adjacent forest or wetland areas. The importance of the meadows is highlighted by the fact that they provide habitat for globally significant species, and constitute approximately only 1% of the Reserve's territory. An inventory of meadows and their biodiversity values has recently been completed.

[Bogs and wetlands](#) are particularly rich in globally significant biodiversity. Of the three core areas of the NVBR, two are bog areas. These two areas, the Augstroze and Northern bogs, cover approximately 20,000 ha, with two thirds of this area being undisturbed raised bog. Relict tundra plant associations, not found elsewhere in NVBR, can be found here. Six habitats included in either the *Bern Convention* or in *Appendix I* of the *EU Directive* are found here. Two of the habitats (active raised bogs and active blanket bogs) are priority areas under the *EU Directive*. Ten wetlands are nominated as potential Natura 2000 areas.

The most significant plant species found in NVBR bog areas include: *Trichophorum cespitosum*, *Dactylorhiza incarnata*, *Salix myrtilloides*, *Plantathera bifolia*, and *Primula farinosa*. The most important bird species include: *Aquila chrysaetos*, *Aquila pomarina*, *Botaurus stellaris*, *Bubo bubo*, *Bucephala clangula*, *Chlidonias niger*, *Ciconia nigra*, *Circus pygargus*, *Circus aeruginosus*, *Falco columbarius*, *Gavia arctica*, *Grus grus*, *Lanius excubitor*, *Larus argentatus*, *Larus canus*, *Lullula arborea*, *Numenius arquata*, *Numenius phaeopus*, *Pandion haliaetus*, *Pernis apivorus*, *Philomachus pugnax*, *Picoides tridactylus*, *Picoides leucotos*, *Picus canus*, *Pluvialis apricaria*, *Podiceps auritus*, *Sterna hirundo*, *Strix uralensis*, *Tetrao tetrix*, *Tetrao urogallus*, *Tringa glareola*, and *Tringa totanus*.

The bog area bordering Estonia is included in the list of IBAs and is of outstanding value for migrating geese with at least 10,000 *Anser fabalis* and *A. albifrons* using the site. The bog provides habitat for several rare and endangered birds such as *Aquila chrysaetos*, *Ciconia nigra*, *Circus pygargus*, *Gavia arctica*, *Numenius phaeopus*, *Grus grus*, *Philomachus pugnax*, *Pandion haliaetus*, *Crex crex*, and *Calidris alpina Schinzii*. The globally threatened *Aquila clanga* has also been observed there during the breeding season. The site is also important for migrating *Grus grus*, and for its diverse assemblage of breeding species.

The following are some additional distinctive characteristics of the NVBR (see [Annex H](#) for a more detailed description of important habitats in the NVBR and their significant biodiversity):

- The NVBR provides habitat for several globally threatened plant and animal species, for example, the IUCN Red Data Book species *Ciconia nigra*, *Crex crex*, and *Lutra lutra*. According to the *Red Data Book of Latvia*, there are 91 endangered vascular plant, 12 mammal, 42 bird, 1 reptilian and 3 amphibian species in the Biosphere Reserve.
- Many of the biotopes found in NVBR are included in the *Bern Convention* "On the Conservation of European Wildlife and Natural Habitats". Altogether, 6 areas are included in the List of Important Bird Areas (IBAs) prepared by BirdLife International¹⁴. There is a number of plant and animal species in need of strict protection as defined by *EU Directive 92/43/EEC* "On the conservation of natural habitats and of wild fauna and flora";
- The Reserve represents most of the biotopes and habitats typical for Latvia, which at the same time contain high biodiversity value. Thus, biodiversity conservation activities within

¹⁴ Heath, M.F. and Evans, M.I., eds. (2000) Important Bird Areas in Europe: Priority sites for conservation. 2 vols. Cambridge, UK: BirdLife International (BirdLife Conservation Series No 8)

the NVBR have high relevance and potential for successful replication in other parts of Latvia.

In summary, the biodiversity of the NVBR is of global significance for the following reasons:

- The high number of globally significant species and habitats present in this diverse and complex assemblage of ecosystems (see [Annex H](#));
- Its transboundary location;
- The inclusion within the NVBR of coastal areas and rivers flowing into the Gulf of Riga, the Baltic Sea and international waters;
- The significant European as well as global value of many of its nearly untouched wetland areas; and,
- The high potential for demonstrating means of integrating biodiversity conservation with sustainable development in a cultural landscape in a country undergoing economic transition and disseminating and replicating best practices nation-wide.

Socio-economic Context

The NVBR is largely a non-urbanized territory. The largest centre in NVBR is Limbazi with a population of approximately 9,200. Since Latvia's re-independence, the population in NVBR has remained relatively constant at around 70,000. Ethnically, the majority of NVBR's population is Latvian (82.9%), with the remainder being of Russian (10.2%), Byelorussian, Ukrainian and other descent.

In 2000, 56% of NVBR's population was of working age, 23% was retired, and 21% was of school age or younger. The average monthly salary in NVBR is approximately 120 LVL (US\$ 210). Approximately 15% of the NVBR workforce is unemployed, which is higher than in other parts of Latvia. More than one half of the people work in the private sector, mostly in retail. Other employment sectors include farming, transportation, and real estate. Only about 7% of NVBR residents have post-secondary education. Nearly 20% of households have more than 5 people. Most of the households in NVBR have electricity but less than half of the households in the rural parts of NVBR have toilets or hot water. Overall, it can be said that a large part of the rural population in the NVBR is poor. This situation has implications for the long-term sustainability of resource use and underlines the urgency to undertake biodiversity conservation measures that are supportive of local economic development and vice-versa.

Non-governmental Organizations

The environmental NGO sector is one of the most developed and strongest among Latvian NGOs. NGOs include large international organizations such as the World Wide Fund for Nature (WWF Latvia), an organization that cooperates closely with NVBR administration in the implementation of freshwater and forest conservation programs. There are also several locally based environmentally oriented NGOs in the NVBR area.

NVBR is a partner in the Latvian–Danish project “Development of Latvian Environmental Interpretation Service” (VITILA) (2001 - 2003) that established a basic framework for a national Environmental Interpretation Service in Latvia. NVBR staff established close cooperation with a children's environmental school.

Within the Baltic Sea Project, a significant educational programme has been developed on the health and quality of the Baltic Sea Basin. Four schools within NVBR are engaged in this programme as so called “river watchers”.

Municipalities around the Salaca River have formed an association, the “Salaca Valley”, which works to prevent illegal fishing and help manage fishery resources in the Salaca River.

Many environmental protection activities have arisen at the local community level. Schools have been involved in different projects, while municipalities have initiated other projects. One of the best examples is the Burtnieki Environmental Protection Club (EPC). The Burtnieki EPC’s main activities are related to environmental interpretation and organized clean up of lands surrounding Lake Burtnieki.

2.b.3. Institutional Context: a general description

After independence in 1990, Latvia reinstated its original 1922 constitution called “Satversme”. In 1998, the Constitution was amended with the addition of a chapter on basic human rights, which also declared that the State protects the right of individuals to live in a favourable environment. In addition, the law “*On Environmental Protection*”, adopted in 1991 and amended in 1997, provides a general legislative umbrella for the protection of habitats considered of high environmental and/or biodiversity value.

In recent years, several additional pieces of legislation directly addressing biodiversity protection in general, and the needs of the NVBR in particular, have been approved. The most relevant for the project are the following:

- The law “*On particularly protected nature areas*” (adopted in 1993, amended in 1997);
- The law “*On North Vidzeme Biosphere Reserve*” (1997, currently undergoing minor amendments in line with forestry legislation);
- The law “*On protection of species and biotopes*” (2000);
- The law “*On protection belts*” (1997);
- The Regulation of the Cabinet of Ministers “*On use and protection of particularly protected nature areas*”;
- The Regulation of the Cabinet of Ministers “*On nature parks*”;
- The Regulation of the Cabinet of Ministers “*On Sanctuaries*”;
- The Regulation of the Cabinet of Ministers “*On protection and Use of the North Vidzeme Biosphere Reserve*”;
- The Regulation of the Cabinet of Ministers “*On methodology to determine protection belts*”;
- The Regulation of the Ministry of Environmental Protection and Regional Development (now Ministry of Environment) “*On protection belt of the Baltic Sea and the Gulf of Riga*”; and,
- The Agreement between the Ministries of Environment of Latvia and Estonia on cross border co-operation in nature protection.

It should be noted that the Latvian legal framework is currently undergoing considerable reforms in anticipation of the country’s entry into the European Union. Nevertheless, the legislative base is comprehensive. The main areas requiring improvement to enable better management of the NVBR are related to the following issues:

- Revision of legislation governing NVBR so that it does not impose the restrictive demands of a PA to the entire BR area, even in the transition zones;
- Defining an appropriate management regime for the core (nature protection), buffer (landscape protection zone) and transition (neutral) zones;
- Improving procedures to facilitate the exchange of property from a special protected area designation to another zone (landscape protection area or transition zone);

- Clarifying functions and responsibilities between the NVBR Administration and those of other institutions charged with environmental protection; and,
- Revising the role of the NVBR Administration to de-emphasize control and regulation and emphasize coordination, facilitation, conflict resolution and mediation, innovation, education and research.

The current incomplete status of municipal land use plans within NVBR may appear to present a constraint to planning for the NVBR as a single unit. Presently, only nine municipalities (all in the Valmiera district) have approved land use plans. Eleven other municipalities are developing their land use plans. However, the NVBR has been collaborating with the municipalities in the preparation of the plans to date. This situation, however, represents an opportunity to address planning needs at a regional or NVBR scale.

The past dozen years have witnessed a vast program of land privatisation in Latvia. Today, property rights are well established and land markets function reasonably well. Land ownership in the NVBR is a mix of private and state owned land. In the case of forests, approximately 51% are privately owned, 44% state owned, and 5% owned by municipalities. Land in the coastal belt and bogs show similar distributions of private and state owned land. Semi-natural grasslands that provide habitats for some species of global significance are overwhelmingly in private hands.

In 1997 Latvia developed its “Tourism Development Concept”. The Concept defines the main goals, basic principles as well as strategies and future objectives for tourism development in Latvia. The main policy goal in the field of tourism is to create an environment that is attractive for national and foreign tourists, diverse in tourism activities, where the tourism sector is well organized, economically and socially efficient, environmentally friendly and safe. Therefore:

- Tourism development must integrate the principles and objectives of environmental protection;
- Natural and cultural / historical heritage must be maintained and protected;
- The maintenance, protection and development of biological diversity must be promoted.

The area of NVBR also possesses significant cultural and historical values. In recognition of this, NVBR was chosen by the Council of Europe as one of three pilot areas in Central and Eastern Europe for the elaboration of Guidelines for Development of Sustainable Tourism in Protected Areas (1997-1999). Similarly, the Program of Rural Development in Latvia (1998) nominated the Biosphere Reserve as one of two priority areas for the promotion of environmentally friendly tourism activities in Latvia. The project will also demonstrate ways how to use the possibilities offered by natural and cultural values of NVBR in developing sustainable tourism while protecting its biodiversity.

In addition to the set of action plans in the area of environment (see section [1.b. Country Drivenness](#)), Latvia has defined strategies in the areas of **rural development, agriculture and forestry**, which are key sectors for the long-term conservation of the NVBR. In 1998, the country defined and approved a Strategy for Forest Development with the objective of preserving and increasing the country’s forests to meet society's ecological, economic and social needs¹⁵. The strategy clearly recognizes that “forests cannot be measured simply in Lats¹⁶ and cubic meters: it fulfils irreplaceable ecological and social functions at both the national and international levels.” The Latvian forest policy has been developed in order to:

¹⁵ See the Forestry Action Plan and monitoring updates at www.zm.gov.lv.

¹⁶ The “Lat” is the Latvian currency.

- Coordinate the general development goals of the Latvian forest sector;
- Create a favourable environment for economic development;
- Preserve the ecological values of Latvia's forests; and,
- Ensure the social functions of forests.

For the NVBR, the Latvian Strategy for Forestry Development is of great importance as it has resulted in the widespread adoption of sustainable practices on state lands, specifically forest certification, with a positive impact on biodiversity conservation.

The Latvian regional development policy objective is to mitigate the unfavourable regional differences existing between the countryside and the cities. The effective key document of Latvian rural development policy – the **Rural Development Programme** passed by the Parliament on June 15, 1998 – provides for an entire set of activities implemented under the supervision of a number of ministries that are oriented towards rural development. The core strategy comprises the following objectives:

- To enhance the Rural Development Programme in view of EU integration aspects, clearly defining the guiding principles for rural development, the objectives to be attained and the respective activities, together with the financial resources; as well as to set up an efficient co-ordinating structure; and,
- Without delay, to focus extra attention on support for development of non-agricultural activities in the countryside.

For the NVBR, the Latvian Rural Development Programme is of significant support in promoting alternative livelihoods in the rural areas of the Reserve. It does so through the activities of the Ministry of Regional Development and Local Government, in collaboration with municipalities.

Latvian **Agriculture Policy** is dominated by the requirements of EU accession, specifically the EU Common Agricultural Policy. Despite strong efforts, the restructuring of agriculture and food industries is still far from being complete, particularly in the livestock sector¹⁷. The changes brought by EU accession are expected to encourage cereal production and discourage feed consumption. The effects on beef and dairy production are slightly positive, but not enough to cause a significant increase compared to current production levels. Pork production is likely to decline, at the same time as its consumption increases. The major impact of direct payments on production would be a further shift towards coarse grains and a faster development of specialised beef production. For the NVBR, this means that the conservation of globally significant meadows will require the adoption of further incentives. These will be applied in collaboration with the SAPARD programme.

2.b.4 Threats affecting the project site

The principal threats to the NVBR's biodiversity may be grouped into the following general categories: increasing **deforestation**, primarily of privately owned lands; increasing **fragmentation** of tracts of contiguous forests; continuing **degradation** of aquatic, coastal, semi-natural grassland and, to a lesser extent, bog habitats; the ecosystem transforming effects of **exotic species**; and, the **illegal use of natural resources**.

Increasing deforestation of privately owned lands. A mix of state, private and municipal owners represents forest ownership in the Reserve. Approximately one half of the forests, however, are

¹⁷ The competitiveness of agriculture and the agro-food chain in the candidate countries is generally much lower than the EU average.

under private ownership. The land privatisation process of the past decade has left much forested land in the hands of owners who live outside the Reserve and are not actively involved in its management. Individuals who have lost other revenue sources or simply desire additional income have resorted to logging their land, and thus forest clear-cutting is intensifying on small privately owned plots of land within the NVBR. The threat to biodiversity comes from direct destruction of forest habitat, its consequences for forest fragmentation, and the effect of clear cutting on the landscape mosaic, and what this implies for species richness and ecosystem function.

Most of the lumber is exported as round logs without any processing or value added. The problem of clear-cutting in private forests is serious and threatens to derail any plan for the establishment of a network of interconnected forests within the NVBR. Options to reduce clear-cutting, however, cannot be narrowed to just prohibition of the activity, as people have acquired land under a previously established legal regime that allowed the cutting of trees. Changes that are perceived as an infringement upon landowners' rights will require compensation. This situation is further exacerbated by the fact that biodiversity inventories have not been conducted on these lands and thus their biodiversity and ecosystem function values are not yet known. With continued logging, options for long-term biodiversity conservation are being foreclosed.

Current weak zoning of the Reserve, the lack of a long-term vision of conservation and sustainable development for the area, gaps in the legal framework, unawareness of economic alternatives, and embryonic stakeholder participation in Reserve governance comprise elements of an incentive framework to manage forest resources unsustainably.

There are several *root causes* of this threat. First is the unawareness of potential alternative, sustainable economic development opportunities in the area. Under existing conditions, and considering that many of the private forest owners reside elsewhere, the cutting of trees on private lands is also a simple response to an opportunity to generate additional income. Following a decade of widespread political and economic change, local rural inhabitants are left with few income generation opportunities aside from the direct exploitation of natural resources. Poverty in rural areas presently represents a significant challenge to local residents' support for biodiversity conservation.

Secondly, these private lands are subject to few legal restrictions on tree-cutting activities even though they are located within the NVBR. As such, these lands are being logged in the absence of knowledge of their biodiversity values. While state owned lands have been appraised for their biodiversity values, the values of privately owned lands are still largely unknown. Coupled with this is the general lack of appreciation of the forested lands' biodiversity and ecological importance.

Thirdly, while the NVBR has three core zones and 36 other sites designated for special protection, there is an absence of an ecosystem-based network of protected sites in the Reserve. Many important areas that should be included in such a network likely occur on privately owned lands. Due to the lack of knowledge of their values, the absence of compensation mechanisms or other forms of incentives that could be used to secure protection for these sites, and the absence of an ecosystem based management plan for the NVBR that would guide the identification of important sites, these lands continue to be deforested. Considerable effort, therefore, must be devoted to rapid assessment of these lands' biodiversity and ecological values, to the development of a landowner contact programme, to awareness raising, to the preparation of a comprehensive participatory management plan for the NVBR territory, and to the development of incentive and compensation mechanisms to influence attitudes and behaviour and safeguard biodiversity values and ecosystem sustainability.

Increasing habitat fragmentation is also leading to direct and indirect biodiversity loss, the loss of ecosystem sustainability, and the foreclosure of options to create a network of linked ecologically important sites to safeguard ecosystem functionality over the long term. This is of particular concern in the remaining larger contiguous tracts of forest. The principal *root cause* of this is the absence of a participatory, multi-sectoral planning and management framework for the NVBR and mechanisms for integrating biodiversity conservation and development. This is in turn compounded by the lack of information on biodiversity values and ecological-function importance of lands, together with the absence of an ecosystem-based network of protected sites and corridors in the Reserve. It is essential the entire NVBR be seen and treated as a single unit for planning purposes.

Habitat degradation is a threat to the biodiversity of water bodies, most notably the Salaca River and Lake Burtnieki, as well as to that of semi-natural grasslands, the coast, and to a lesser extent, bogs. While the basic legal framework guiding overall land use within the Reserve is relatively well developed, specific, critical gaps do remain. At the same time, enforcement of compliance with current regulations is weak, primarily due to low staffing. Given the current weak zoning of the Reserve, conflicts can be expected to grow if enforcement is strengthened without a concomitant effort to zone the Reserve appropriately, tighten the legal framework, and engage stakeholders directly in Reserve planning and management.

Water bodies. The principal agents of habitat degradation in the Salaca River and Lake Burtnieki are: nutrient run-off from lands resulting in eutrophication, weed growth and resulting loss of spawning habitat; increased sedimentation through run-off from agricultural lands; decreasing water quality due to point source pollution; and, the obstruction of historical spawning habitat for salmon and lamprey due to the remains of a dam in the town of Staicele.

Agricultural use of pesticides, herbicides and fertilizers has diminished since the collapse of the former Soviet Union and the subsequent disappearance of an economic system that heavily subsidized agrochemical inputs. Currently, the farming sector uses a reduced amount of pesticides and fertilizers, but runoff still occurs due to inappropriate agricultural practices. Despite the decline in use of nutrient and pesticide inputs, Lake Burtnieki still experiences algal blooms during the summer months. Excessive growth of macrophytes in unshaded sections of the Salaca River also attests to an overabundance of nutrients in the water. Pollution of the Salaca River by essentially untreated waste discharge at a number of locations is also of considerable concern - the project will benefit from extensive co-financing available to address this problem through the construction of waste treatment plants. This has been recognized and will be pursued through activities undertaken under the EU Water Framework Directive (WFD) and the preparation of the Salaca River Basin Management Plan using ISPA funds. These will be important activities contributing to the project's objectives.

Semi-natural grasslands. A mix of political and economic forces has left fallow much agricultural land within the NVBR. Economic changes that have occurred in the past 10-15 years have left landowners with little incentive to continue using the semi-natural grasslands for agricultural purposes. Conventional input-driven agriculture has become unprofitable and farmers have not yet become conversant with newer and more economically viable ways of using their land while maintaining its globally significant biodiversity values. Because of relatively far distances to markets and the owners' inability to invest in alternative agricultural techniques, considerable areas of previously mowed or grazed meadows have gone out of production. Much of this semi-natural grassland is becoming reforested and, thus, lost to significant species dependent upon a grassland habitat. It is estimated that in ten years the majority of meadows providing habitat for

species of global significance in the NVBR will be heavily damaged or transformed through successional processes.

There is also a general lack of community awareness of the great biodiversity value found in the semi-natural grasslands of NVBR. Essentially, there are three ways to maintain meadows. The first is to acquire meadows considered as critically important habitats and proceed to maintain them through regular mowing. The second alternative is to provide incentives to farmers so that agricultural activities, including grazing and mowing, are continued. The third alternative is reintroduction of (semi) wild large herbivores.

Coastal area. The coastal area possesses high recreational value. As such, it is experiencing rapid construction of private houses and other infrastructure. Current regulation, however, is proving to be weak and ineffective in ensuring that development does not negatively affect areas of considerable biodiversity and ecological value. Four municipalities are situated along the 60 km of coastline found in the Reserve but they do not possess a single unifying vision for the coast and its future development. This could lead to conflicting development visions. The absence of formally approved municipal land-use or development plans lies at the heart of the problem¹⁸. Presently none of the municipalities sharing the coastline within NVBR have such plans developed and formally approved, although one of them is currently preparing a development plan. Under the law “*On North Vidzeme Biosphere Reserve*”, municipalities are obliged to align their land use plans with Reserve plans and requirements – nevertheless, the absence of a land use plan *de facto* permits many activities that negatively impact biodiversity.

The “Via Baltica” highway connecting Estonia with Latvia, and subsequently Lithuania and Poland, also runs along the coast. The increasing volume of commerce among the Baltic countries is contributing to increasing transport flows and ever-greater associated impacts on coastal areas. While the highway is a fixture, there are opportunities that must be acted upon to lessen and subsequently manage associated impacts.

Bogs. The primary threat to bogs in the NVBR is peat extraction. Due to significant declines in agriculture, and a lack of economic alternatives, local inhabitants are left with little alternative but to pursue unsustainable resource exploitation. If sustainable economic alternatives were developed, then residents of the NVBR would be able to assist in the preservation of bog areas of global significance. However, with the exception of 4 or 5 locations, including the Seda bog in the south-eastern part of NVBR, this is not a widespread threat to bog biodiversity in NVBR.

Exotic species

An American crustacean, the signal crayfish (*Pacifastacus leiusculus*) was introduced to Latvia in the 1970s and 1980s and is now found in the lower reaches of three rivers in the NVBR, including the Salaca River. The population of the crayfish is increasing and its distribution is spreading. The crayfish transmits a disease, to which it itself is immune, to native crayfish (*Astacus astacus*) resulting in the dying out of populations of the native species.

Similarly, the rapidly growing plant, the Giant hogweed (*Heracleum sosnowski Manden*), was introduced to Latvia in the 1960s to provide feed for cattle. While it was originally restricted to pastures and was controlled by grazing pressure, with the reduction in the number of cattle and the abandonment of many farms that occurred over the past decade, the plant has begun to spread rapidly. Today it is found near water bodies and in forests. Being an aggressive exotic, it is out-

¹⁸ In order to be off-limits to development, the area in question should show as “protected” in the land use plan of the municipality. Thus the absence of these plans constitutes a (*de-facto*) no-objection.

competing native vegetation and reducing native biodiversity. It is also negatively affecting the recreational value of affected territories since human contact with it results in skin burns.

The principal root cause of the threat from exotic species is the lack of awareness of biodiversity and the impacts of exotic species on local species and ecosystems. Effort should be directed toward educating local populations and visitors about the impacts of exotic species on native biodiversity and ecosystems. While there appears to be little chance of reversing what has occurred, awareness should be raised to prevent future introductions. Also, monitoring of species' distributions and effects, and possibly undertaking research directed at controlling species' spread, should also be undertaken as part of the NVBR's education and research programmes.

Illegal use of natural resources and conflicts among resource users

Over-fishing and poaching is a threat to the populations of species such as the Atlantic salmon in the Salaca River. Since the early 1990s, the number of institutions and personnel responsible for controlling fisheries has drastically decreased. Thus, it has become easier to indulge in illegal fishing, ignoring fishing regulations. Since such fishing is usually carried out at prohibited places and times, it has a particularly significant impact on economically valuable and significant species such as the Atlantic salmon, lamprey and sea trout. While precise numbers of fish caught illegally are, for obvious reasons, unavailable, it has been estimated that this may account for 20% - 30% of the number of migrating fish in the commercial catch. Compounding this situation is that increasing fishing pressure (commercial, angling and poaching) is resulting in the catching of smaller and smaller fish. This is a clear indicator of an unsustainable fishery.

Weak enforcement capacity is a major contributing factor to this. Only one inspector is available for this work in the Reserve. Another is the lack of awareness. Another contributing factor is that local authorities, that sell fishing licences, attempt to maximize revenues. This leads to increased fishery pressure and also to conflicts among the sea and inland fisheries. In addition, there is currently no conflict resolution mechanism that is acceptable to competing users. The design and introduction of such a mechanism on a pilot basis is an innovative element of this project.

Conflicts also occur among recreational users, primarily along the Salaca River. Some sites along the river, such as the Red Cliffs, are well used for various forms of recreation. Approximately 3,000 people use rafts or canoes on the Salaca River annually. The river is also used for sport fishing, picnicking on the banks, and other water-related sports. In 2002, approximately 27,000 people visited a park on the river near Mazsalaca. The attraction of the river and its valley is leading to increasing demand, conflicts among users, and inevitably, in the absence of site planning and good controls, to undesirable and cumulative effects on the areas themselves and their biodiversity. Thus, there is a need to plan for and demonstrate approaches to resolving these conflicts and stresses while promoting the sustainable use of the natural attractions of the area in a manner that also protects its biodiversity values, and raises the environmental awareness of users.

Summary of Threats and Root Causes

THREATS	ROOT CAUSES
Increasing deforestation of privately owned lands that have important biodiversity and ecosystem function values	<ul style="list-style-type: none"> • Lack of information on biodiversity values and ecological function importance of private lands and absence of a comprehensive monitoring programme to track biodiversity trends, continually update information, and make it available to decision-makers • Poverty or lack of opportunities to generate additional income • Lack of knowledge and options for pursuing sustainable alternatives • Undifferentiated zoning of NVBR • Absence of an ecosystem-based network of protected sites in the NVBR established to secure important habitats • Undeveloped incentive and compensation mechanisms to be used in safeguarding biodiversity values on private lands
Habitat fragmentation leading to loss of ecosystem sustainability in the long term	<ul style="list-style-type: none"> • Lack of information on biodiversity values and ecological function importance of private lands resulting in logging of ecologically important lands • Deficiencies in existing monitoring programme at landscape level • Undifferentiated zoning of NVBR • Absence of an established and secured ecosystem-based network of protected sites in NVBR to ensure ecological sustainability • Undeveloped incentive and compensation mechanisms to be used in safeguarding biodiversity values • Absence of a planning and management framework and mechanisms for integrating conservation and development
Habitat degradation, particularly in water bodies, along the coast, semi-natural grasslands, and to a lesser extent, in bogs, resulting in habitat and biodiversity loss	<ul style="list-style-type: none"> • Point source pollution and nutrient run-off from lands resulting in eutrophication and weed growth caused by lack of waste treatment and inappropriate agricultural practices • Absence of an ecosystem based network of protected sites in NVBR to secure areas of high biodiversity value and ecosystem functioning importance • Weak compliance capacity • Undeveloped incentive and compensation mechanisms to be used in safeguarding biodiversity values • Undifferentiated zoning of NVBR • Absence of a planning and management framework and mechanisms for integrating conservation and development • Weak linkages among stakeholders and lack of coordination
Introduced exotic species resulting in negative impacts on native biodiversity	<ul style="list-style-type: none"> • Lack of environmental awareness • Poor inter-institutional coordination in managing the NVBR
Illegal use of natural resources and conflicts among resource users resulting in biodiversity loss	<ul style="list-style-type: none"> • Lack of community involvement in planning and management • Poverty or lack of opportunities to generate additional income • Lack of environmental awareness • Weak compliance capacity • Absence of good site planning • Lack of an accepted conflict resolution mechanism

2.b.5 Description of proposed project strategy

The Project recognizes two broad groups of stakeholders whose actions affect the conservation of biodiversity in the North Vidzeme Biosphere Reserve: those involved in the overall management and governance of the Reserve, including those engaged in building and strengthening a suitable enabling environment - policies; legislation; regulatory/incentive frameworks; management

plans/strategies; participation mechanisms; multi-sectoral cooperation frameworks; etc. - for constructive conservation actions; and those living and/or working within the boundaries of the NVBR whose activities (farming, forestry, fishing, tourism) affect the quality of its biodiversity.

It will be crucial that these two groups work in a concerted fashion to avoid conflict and maximize potential economic and biodiversity benefits of Reserve management. The project recognizes that while improved enforcement of regulations is fundamental, for project goals to be achieved, it will be indispensable to count upon the firm commitment and support of local and institutional stakeholders of the vision, plans and management strategy of the NVBR.

The project's broad development objective is to optimise biodiversity conservation practice in Latvia's protected areas and associated landscapes. The immediate objective is to implement a set of initiatives required for integrating biodiversity conservation into the planning, management and sustainable use of the North Vidzeme Biosphere Reserve. The project will work with the members of the two stakeholder groups mentioned above to create or reinforce the elements of an effective enabling policy, regulatory and incentive environment, strengthen the institutions and mechanisms required for participatory, multi-sectoral planning and management of the NVBR, and build the capacities of local stakeholders to identify and adapt best resource management practices aimed at optimising biodiversity in the context of economic development. The project will deliver the following outputs:

1. Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making;
2. Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve;
3. Identification of potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour;
4. Integrated ecological landscape planning for the NVBR;
5. Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism;
6. Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders;
7. Habitat restoration at selected sites to maintain and enhance globally significant biodiversity;
8. Systematic identification and dissemination of lessons learned and best practices through ministerial and NGO channels throughout Latvia.

1. Improved information, information management and use of information in decision-making (GEF US\$ 296,671 Co-financing US\$ 575,000)

At present, information essential for effective planning and management of NVBR is incomplete. Currently available information in the NVBR GIS system includes: a topographical map (1:50,000); existing NVBR zoning; land cover (1:100,000); geological objects; locations of old trees, oaks and conifers; locations of specially protected sites within the Reserve such as nature reserves and nature monuments and the Salaca River Nature Park; locations of protected plant species; soils and relief (1:50,000); municipalities, settlements and roads; and, limited information on land tenure and land use. This information is inadequate for appropriate long-term planning and management. For example, there is practically no information on the functional aspects of ecosystems, such as habitat use by species, important movement corridors, breeding or nesting areas. As well, there is almost no solid information on the values of ecosystem services and biodiversity in the NVBR. There is a great need, therefore, to improve the information base.

There is also a parallel need to improve how the information is managed, and to make up to date information readily available to decision makers and all stakeholders in a form that they can use. The latter also implies the need for the development and implementation of a comprehensive multi-level monitoring programme for the Reserve. At present, the Reserve's monitoring programme utilizes several permanent plots in lakes and streams, and conducts some inventories of fishes, mammals, invertebrates and vascular plants. Given the foregoing deficiencies in information, the Project will support the following:

- Compilation and appraisal of existing information and the identification of key information gaps for effective management of the NVBR;
- Implementation of original valuation studies (e.g. contingent valuation surveys to document non-use/passive use values) for potential use in defining benefit transfers (and with direct relevance to outputs 2 and 3);
- Design and implementation of an information acquisition programme focused on addressing the key management needs;
- Meta-database establishment and development of protocols for access to, sharing and use of the information; and,
- Design and implementation of a multi-level monitoring programme to meet global BR obligations and satisfy the daily management needs of the NVBR

2. Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve (GEF US\$ 434,411)

The Project will support a set of initiatives that will strengthen the institutional arrangements governing the Reserve's management, as well as those affecting the relationship of the NVBR with its multiple partners. The initiatives will include:

- Changing governing legislation to facilitate management of NBVR as a Biosphere Reserve (core areas, buffer zones and transition areas) and not as a conventional "protected area" in its entirety
- Improving compliance/enforcement mechanisms through training and organization of stakeholder support groups
- Analysis of multi-sectoral requirements of effective NVBR management and administration, identification of potential reforms and proposal of concrete measures to strengthen NVBR management/governance, as appropriate.
- Ensuring integration of conservation and development in the NVBR's governing policy base through a multi-sectoral cooperation mechanism, as well as district and municipal development plans
- Strengthening of the NVBR Administration on the basis of a needs analysis and ensuring this new capacity will be sustainable after the project's completion
- Establishing a model conflict resolution mechanism among competing resource users, using commercial and sport fishermen as a pilot¹⁹
- Reconstituting the NVBR Advisory Council to ensure the representation of all stakeholders, including local communities and land and resource users
- The provision of training opportunities, including visits to other Biosphere Reserves, for the NVBR Administration and Advisory Council members.

¹⁹ Resource use conflict management mechanisms will be developed in communities along the Salaca River and in Salacgriva, a community on the coast and the location of the Headquarters of the NVBR. The sites were chosen since conflicts occur there and also to prevent over-fishing of lamprey, salmon and other fish species in the Gulf of Riga and the Salaca River. The conflict resolution mechanism would be chaired by the NVBR and would exploit the comparative advantages of the Reserve.

3 Identification of potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour (GEF US\$ 61,453)

The project will support stakeholders to construct and/or strengthen key elements of an enabling environment for biodiversity conservation and sustainable development in the NVBR.

- Participatory and expert analysis of the existing policy, legislative and regulatory frameworks guiding resource use on private lands in the NVBR and identification of gaps and opportunities; this will include analysis of EU standards for agrochemical loading to watercourses and other forms of pollution, and relevance to biotic conditions;
- Analysis of policy, legislative and regulatory requirements to ensure biodiversity-friendly resource use on private lands in the NVBR for review and approval by national, district or municipal authorities, as appropriate;
- Identification and development of potential economic incentives such as compensation schemes and taxes and subsidies to induce economically sustainable biodiversity-friendly activities on private lands in the NVBR; the project will work with private landowners to develop public-private partnerships to generate set-asides, conservation easements and changes to current agricultural and other economic practices;
- Development of policy and institutional arrangements and mechanisms to allocate locally generated revenues to compensation and other schemes.

4. Integrated ecological landscape planning for the NVBR (GEF US\$ 445,006; Co-financing US\$ 823,500)

A fundamental barrier to biodiversity conservation efforts and the effective management of the NVBR as a Biosphere Reserve is the fact that it has not been planned and zoned on the basis of ecological and sustainable development considerations and principles. For example, it has three core zones that are not surrounded by buffer zones. Likewise, land, water and resource use is occurring in a somewhat disjointed manner given that the Reserve encompasses two planning regions and forty-one municipalities, each preparing its own development plan. To eliminate this significant barrier to effective management for biodiversity and sustainable development, the Project will support the design and implementation of a pilot demonstration of an approach to integrated ecological landscape planning that will provide a basis for treating the NVBR as a single unit for planning purposes, as well as the required integration and consistency among the existing planning processes.

The methodology to be employed is referred to as the ABC (abiotic or physical, biotic or biological, and cultural or human) approach. In short, the thrust of this approach is the conservation of biodiversity and ecological values of a territory through the identification of areas requiring special protection or other appropriate levels and forms of land use controls or incentives, while simultaneously providing a rational basis for sustainable development of other parts of the territory. The particular advantages of this approach, which has not yet been tried in Latvia, include the fact that it integrates both structural and functional aspects of ecosystems, as well as land and resource use and historical or cultural heritage considerations. It is also inclusive of stakeholders and participatory in decision-making. It is also flexible and adaptable to the different needs of users. The main steps involved are the following:

- Areas of abiotic, biotic and cultural (both structural and functional) significance and constraint on use or development in NVBR will be identified in a broadly participatory manner using a set of agreed upon criteria
- Following this, areas of overall integrated abiotic, biotic and cultural structural and functional significance and constraint to use and management will be determined

- NVBR will be re-zoned on the basis of ecosystem management and biodiversity conservation requirements in the context of sustainable economic development considerations in a cultural landscape (including protection of key sites, areas important for ecosystem functional sustainability)
- Protective status will be provided to the identified sites of agreed upon abiotic, biotic and cultural significance and functional importance in the ecosystem (including corridors for habitat connectivity)
- Other forms of most appropriate land use controls will be identified for other areas (buffer, transition zones) to promote both biodiversity conservation and sustainable economic development
- The NVBR Management Plan will establish use and management guidelines for all lands and waters on the basis of this analysis and subsequent zoning (gradation of policy and management for core protection areas, buffer zones, transition zones)
- Institutional matching will be performed for the establishment of the most appropriate and effective management arrangements for implementing the agreed upon management regime for all NVBR lands and waters
- The NVBR Management Plan and guidelines will provide the basis for the required vertical integration and coordination of district and municipal plans in a consistent and coordinated manner to pursue common objectives
- The results of the Management Plan's implementation will be monitored and evaluated, management will be adapted as required, and the results will be circulated to stakeholders in an iterative manner.
- Local stakeholders will be trained in biodiversity related issues and techniques that may be employed to assist the NVBR Administration (surveying, monitoring)

5. Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism (GEF US\$ 508,578; Co-financing US\$ 1,070,000)

The Project will carry out a set of initiatives intended to stimulate the development of alternative sustainable livelihoods that jointly provide economic benefits for the local population and global biodiversity benefits overall.

- **Sustainable forestry.** The project will support the demonstration of different approaches to sustainable forestry and biodiversity friendly forestry practices on private lands. The long-term objective is to promote the widespread adoption of forest certification schemes on private holdings. Pilot activities are intended to identify barriers imposed by landholdings that may be too small to encourage sustainable forestry and for which pooling carries high transaction costs - and identify measures to overcome these barriers. The project envisages support for coordination among private landowners so that their combined area can be managed as a single unit and support to overcome barriers to access local and international commercialisation channels for certified forestry products. During the PDF-B phase, one demonstration site was selected in the Limbazi region²⁰. Other pilot sites will be chosen in consultation with regional forestry managers.
- **Development of the use of concessions and opportunities for provision of services related to tourism and recreation.** Two areas of the NVBR show the most promising prospects for tourism and recreation activities. One of them is the coastal area thanks to its

²⁰ The site was chosen on the basis of criteria suggested by WWF. The size of the area should be at least 10 ha, the site should be comprised of different forest types, the forest owner should have premises for workshops and the display of educational and information materials, the owner should have good communication skills and should be motivated to promote sustainable forest management practices

high scenic value. The definition of areas for concession will be based on the results of the integrated landscape planning exercise (ABC methodology) in collaboration with coastal municipalities. The value of concessions will have an established minimum and will be awarded on a competitive bidding basis. The second area in the NVBR with potential for tourism and recreation development is Lake Burtnieki and selected tracts of the Salaca River. The municipalities around Lake Burtnieki have already begun a planning exercise to ensure that the development of the recreational sector takes into account environmental quality as the most important basis for tourism and recreation. This project will add a layer of global biodiversity concerns and provide expertise for a long-term plan to promote recreational and tourism activities that respect habitats crucial for biodiversity of global significance. Finally, the NVBR and the corresponding municipalities might also open other areas within the NVBR to tourism and recreational activities after the completion of the integrated landscape planning exercise.

- **Support for the adoption of biodiversity friendly production techniques in the agricultural sector in combination with SAPARD programmes.** This will primarily target the forestry and agricultural sectors by supporting individuals to overcome barriers to tapping EU accession funds (SAPARD), which will then be used to encourage biodiversity friendly production practices. The project will ensure that, all other things being equal, the co-financing available from SAPARD will be directed towards those farmers whose activities have the greatest impact on biodiversity of global significance. Activities to be supported will include practices that reduce nutrient, pesticide, and sediment loading to watercourses. The project will support the development of a viable network of small and medium-sized rural enterprises providing environmentally friendly services (e.g. rural tourism and recreation) as well as the diversification of economic activities providing alternative income (e.g. crafts, woodcrafts, textile and leather, ceramics etc.), non-traditional agriculture (medicinal herbs, mushrooms, deer, horses, growing plants for landscape gardening). The project will also support farms taking in globally significant meadows so that these can tap SAPARD funds to obtain supplementary financing for meadow conservation. Pilot initiatives in meadow management using a combination of mowing and grazing so as to maintain their biodiversity values while providing for economic use will be undertaken. The sites will include meadows at Lake Burtnieki, Seda River, Udzeni and Randu Meadows. These sites were chosen on the basis of recommendations of a meadow appraisal study completed during the PDF-B phase and the national grasslands inventory completed in 2003.
- **Implementation of a micro-grants facility** to stimulate local biodiversity supporting initiatives. The project will provide technical and financial support for the establishment of a micro-grants facility jointly run by the NVBR and the municipalities. Micro-grants are not currently expected to exceed US\$ 10,000 with a minimum of a 1:1 ratio of co-financing. On average, the GEF would be expected to contribute not more than ¼ of each grant with at least another ¼ coming from municipal or regional development funds. Those grants will be targeted at local communities and interest groups to build their capacities and participation in the NVBR by carrying out biodiversity-friendly resource use alternatives, supporting renovation of facilities for recreational/tourism purposes, producing material necessary to tap credit lines (provided the proposal clearly shows benefits in terms of biodiversity conservation or sustainable resource use), and other initiatives, as appropriate. These micro-grant funds – as ¼ of a larger activity amount - would be adjudicated in close coordination and collaboration with the set of “model activities” envisaged as part of the project (see below).
- **Establishment of River Watch and Forest Watch programmes** to involve local communities in biodiversity conservation and monitoring. The establishment of these programs would be an innovative element of this project and would involve individuals as well as organizations and institutions (e.g. schools).

6. Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders (GEF US\$ 349,648; Co-financing US\$ 491,000)

The Project will support the implementation of a set of activities designed to raise the awareness and support for biodiversity conservation among all stakeholders. The activities will include:

- The development and implementation of a project Communications Strategy delivering specific messages targeted to different audiences using a variety of means
- Delivery of training to stakeholders on Biosphere Reserves, biodiversity conservation and sustainable development

7. Habitat restoration at selected sites to maintain and enhance globally significant biodiversity (GEF US\$ 455,601; Co-financing US\$ 7,780,000)

The Project will restore specific key habitats in the NVBR. Some of these will be undertaken by the Project's partners through co-financing and will be carried out in concert with the overall umbrella objectives of the Project. These initiatives include:

- Reduction of aquatic pollution through the preparation and implementation of a River Basin Management Plan for the Salaca River under the Water Framework Directive (ISPA funded)
- Restoration of Lake Burtnieki water quality (weed overgrowth, algal blooms, run off control) (co-financed)
- Removal of obstruction to migrating salmon on the Salaca River. Removal of the remnants of the dam at Staicele to restore the migration of salmon, lamprey and sea trout to upper reaches of the Salaca River (co-financed)
- Restoration of salmon and lamprey spawning habitat at selected locations along the Salaca River. Restoration of spawning grounds for salmon in the Salaca River in the stretch between Mazsalaca and Lake Burtnieki. Restoration of spawning beds for lamprey from the mouth of the Salaca River to Mazsalaca. The sites were recommended by a study conducted during the PDF-B.
- Exotic species control methods are implemented on a pilot basis and monitored for effectiveness.
- Biodiversity values of meadows are restored and maintained through demonstration projects in meadow management using a combination of mowing and grazing, with links to associated local economic benefits

8. Systematic identification of lessons learned and best practices and dissemination through ministerial and NGO channels throughout Latvia (GEF US\$ 109,132)

An important goal of this Project is the replication in other parts of Latvia - including protected areas, buffer zones, and the broader landscape - of lessons and best practices gleaned from this Project's experience. Initiatives will include:

- Based on baseline data, indicators and the project's monitoring plan, the identification of specific learning objectives for the Project to be analysed and adjusted on a twice-yearly basis;
- Lessons and best practices to be identified on a yearly basis as a part of the Tripartite Review process, and discussed, codified and compiled;
- Codified lessons and best practices to be reviewed by the Project Steering Committee for use as material for potential training, policy analysis and programme development;
- Dissemination plan developed and implemented to ensure widest audience for best practices and lessons learned.

2.b.6 Institutional context for project implementation

Under Latvian legislation, the **Ministry of Environment** designs and implements policies related to natural resource conservation and management. The MoE is responsible for the supervision and management of all specially protected areas (SPAs). The MoE is also responsible for supervising the **Regional Environmental Boards**. Regional Environmental Boards implement national environmental protection policy and are responsible for its supervision and enforcement at the local and regional levels. The Regional Environmental Boards have regulatory functions that overlap those of the NVBR Administration. The territory of the NVBR lies within the borders of the Valmiera Regional Environmental Protection Board. The MoE also coordinates ISPA funded projects related to the improvement of environment quality (water, air, sewage, waste management).

The **Nature Protection Department** within the Ministry designs and executes policies related to biodiversity conservation and management. The Nature Protection Department has taken an active role in the drafting, approval and enforcement of nature protection legislation.

The **NVBR Administration** is subordinated to the MoE and oversees a significant range of functions within the Reserve. Generally, it administers regulations related to the protection of specific objects (core areas, coastal zones and other designated areas) in the Reserve. It also oversees some forestry functions in SPAs. The Administration also manages binding regulations of towns and local rural municipalities (parishes) relevant to a “scenery protection zone” in the coastal area. Of note is that the scope and diversity of functions to be performed by the Administration of NVBR are spread over more than twenty normative documents dealing with nature protection.

The **Latvian Environment Agency** is subordinated to the MoE. The agency’s main objective is to implement governmental policy in the area of environmental data and information compilation, processing and dissemination. Its main tasks are to: establish the environment information system in Latvia; establish the system of environment quality testing laboratories; participate in different international conventions, programs and treaties to implement environmental policy in Latvia; and, to ensure the public right of free access to environmental information.

The **Valmiera Regional Environmental Board** includes the Cesis, Limbazi and Valka districts. It has largely a control function. It issues licences for household waste dumps, the shipping of hazardous waste, as well as permits for air pollution, water use, and wastewater. It also coordinates the cutting of trees not included in the forestry fund. The Board also carries out initial impact assessment of planned activities, arranges laboratory work for the monitoring of environmental pollution, and participates in national environmental monitoring. National environmental inspectors may apply administrative punishment in case of violations of environmental protection as provided in the Code of Administrative Violations.

The **Ministry of Agriculture** is responsible for agricultural policy and rural development. The Ministry also oversees the SAPARD program for Latvia. This Ministry is important to the project for its influence over a large economic sector in the NVBR, and also for policies of such important branches as forestry and fisheries.

The **Latvian State Forest Service (SFS)** is within the Ministry of Agriculture and is responsible for ensuring compliance with forestry policy. It supervises the implementation of legislation and state programmes for the sustainable use of forest resources. The SFS issues permits, licenses,

certificates, and other documents needed for the use of forest resources. The SFS, therefore, has substantial influence in the NVBR and will be a significant and active partner in the project.

State Joint Stock Company "Latvia's State Forests" is responsible for the management and protection of state owned forests. Its principal task is to ensure sustainable use of the forest resources entrusted to it. This will be a major partner in project implementation as it is responsible for the management of nearly one half of the forest in NVBR.

The Latvian Fisheries Research Institute is under the Ministry of Agriculture. Its main functions are to provide the scientific basis for the development and implementation of fisheries policy and the sustainable utilization of fisheries, and the protection and increase of fish resources in Latvian waters in the Baltic Sea, Gulf of Riga and in inland waters.

The **Fish Fund** provides supplementary financial support for research on fish resources, the assessment of the impact of pollution and economic activities on fish resources, as well as re-stocking, and the elaboration and implementation of compensation projects for damage caused to fish resources.

The Ministry for Regional Development and Local Government has responsibility for regional development projects, and assists in the preparation of economic development plans in all regions. It will be an important partner in project implementation on account of the importance of municipal plans to overall NVBR management.

The Vidzeme Development Agency is a non-profit organization, founded by the Councils of Aluksne, Cesis, Gulbene, Limbaži, Madona, Valka and Valmiera districts. The objectives of the Agency are planning, promotion, and realization of long-term development of the Vidzeme region through co-ordination and promotion of development projects. The Agency maintains a regional socio-economic and project database. It is also responsible for the organization of education and training required for the realization of regional and state programmes.

The Ministry of Economy (Tourism Development Division) drafts state tourism development policy and supervises its implementation. The Division drafts laws and normative acts as well as changes to the valid laws and normative acts. The Tourism Development Division is responsible for the drafting of the Latvian National Programme for Tourism Development and the supervision of its implementation, and it also takes part in the drafting and implementation of the National Development Plan. The Tourism Development Division co-ordinates drafting of regional programmes for tourism development. The Division represents the interests of the Ministry in the field of tourism and projects realized by other ministries and state institutions. Since economic development (and tourism as a significant component) will be an important part of this project, the Ministry of Economy will have an important role to play in this project.

The State Land Service (SLS) administers state lands and is responsible for the inventory (cadastre) and geographical information of the territory (geodesy and cartography). The main tasks of the SLS are: to implement land reform and land privatization, to process data on real estate, to develop and maintain the land and real estate cadastre, to develop regulations for land use planning and surveying, to perform land use planning and cadastral surveying, to arrange and manage the state geodetic network, to develop the regulations for geodesy, photogrammetry, topography and cartography, to co-ordinate and manage the development of the land cadastre and geographical information system, to provide information to State institutions and individuals. This will be a key partner in the project on account of its information holdings.

Municipalities. The territory of the NVBR is located in three district-level and 41 local municipalities. The district municipalities comprise the territories of parishes and towns; the district councils consist of all the chairpersons of the municipalities of the respective district. Important functions of the district municipalities are participation in ensuring civil defence measures, organizing of public transport services, and planning of development at the district level. Local municipalities are one of the most important actors in biodiversity conservation and promotion of sustainable development at the local level. Some of their more relevant functions for the project include:

- To provide utilities (water supply and sewerage; heat; management of municipal waste; collection and purification of waste water);
- To oversee the public services and facilities on their administrative territory;
- To determine procedures for the use of public forests and waters if not specified otherwise by law;
- To provide for the education of residents;
- To maintain culture and facilitate the preservation of traditional cultural values;
- To facilitate entrepreneurial activity; and,
- To plan land use and procedures for land development.

The Ministry of Transport oversees transportation policy and transportation project development. It also coordinates ISPA fund disbursement for road-related projects. The Ministry is a project partner because of the presence of numerous roads in the NVBR and on account of the importance of transport to local development.

The Latvian Road Administration has been a State Joint Stock Company since 1997 operating on the basis of an agreement with the Ministry of Transport. It is responsible for the operation, planning, maintenance and improvement of the country's road network.

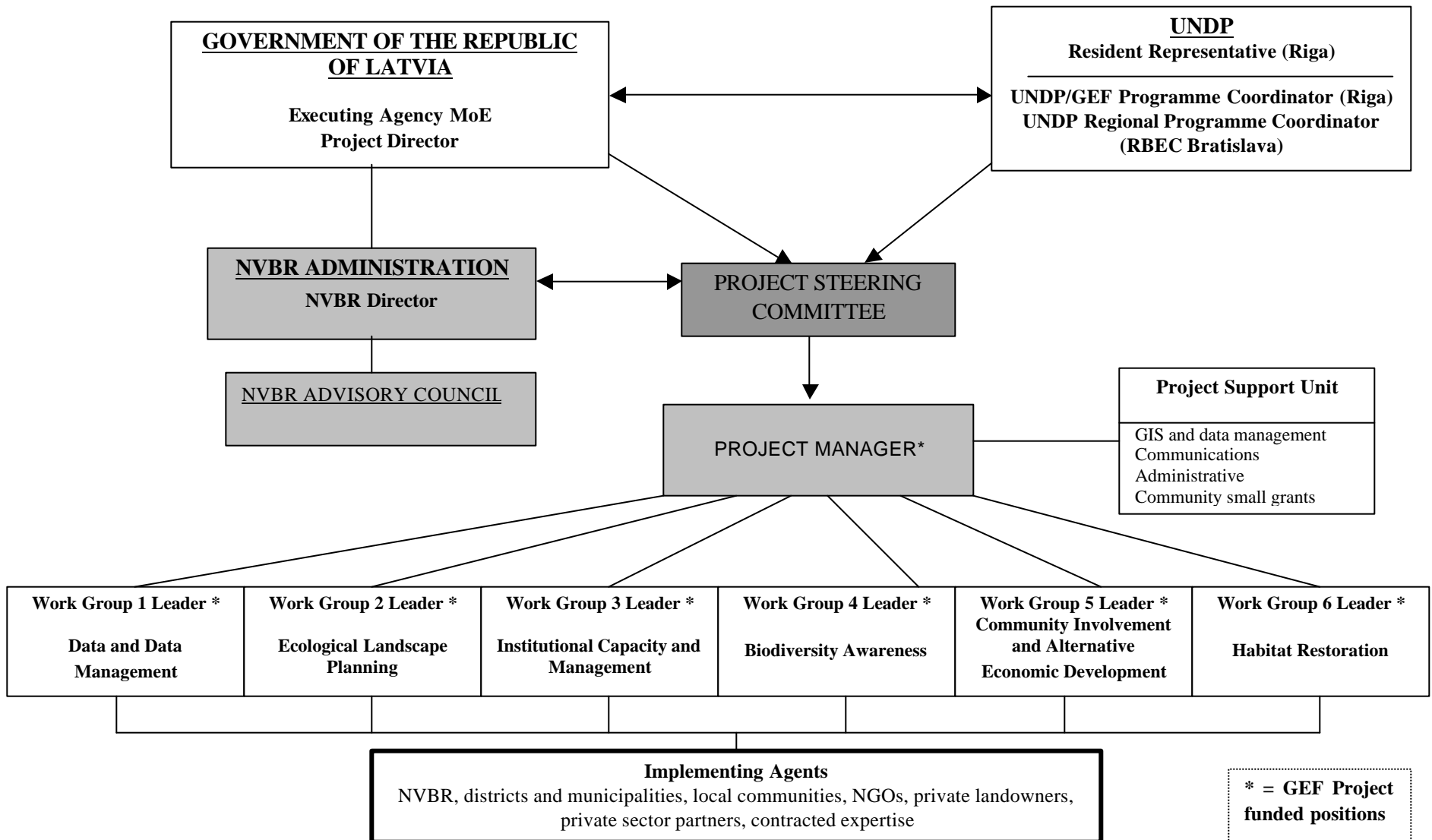
The Ministry of Culture develops and coordinates state cultural policy, and is responsible for cultural heritage, amateur and folk art, theatre, music, fine arts, museums, libraries, publishing, cinema, archives. The Ministry has been involved in project development on account of its support for the cultural and historical heritage of NVBR, and will continue to be a partner in project implementation.

2.b.7. Project Implementation Arrangements

The project will be nationally executed following established UNDP procedures. The Executing Agency will be the Ministry of Environment and it will appoint the national Project Director. The North Vidzeme Biosphere Reserve will be the project Implementing Agency. The project implementation team (Project Team) will be comprised of a national Project Manager who will lead and manage the Project Implementation Unit (PIU). The PIU will consist of the Project Manager, a communications specialist, a GIS and data management specialist, a micro-grants facility manager, heads of six working groups (one for each project output), and a project assistant for performing supportive administrative and organizational tasks. The physical location of the PIU will likely be within the NVBR Administration building in Salacgriva.

The Executing Agency will establish a Project Steering Committee (PSC) to advise and guide project implementation. The national Project Director will chair the PSC. The composition of the PSC will be representative of the range of stakeholders and will ensure the inclusion of community level interests, as well as the different Ministries relevant to land-use activities and governance in the NVBR. Potential PSC participants will include the Ministry of Agriculture, the

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Ministry of Economy (Tourism Development Division), the Ministry of Regional Development and Local Government, and representatives of local landowners, entrepreneurs, and others.

To avoid the duplication of functions between the PSC and the NVBR Advisory Council, whose membership and role will be reconstituted in the project, and to avoid the creation of additional bureaucratic structures, it would be advisable to subsequently transfer the functions of the PSC to the new Advisory Council. The Advisory Council then in effect would serve as the PSC. This arrangement would also enhance the relevance of the Advisory Council as well as the post project sustainability of this important body.

The Project Steering Committee (or Advisory Council) will monitor the project’s implementation, provide guidance and advice, and facilitate communication, cooperation, and coordination among the stakeholders and project partners. At the initial stage of project implementation, the PSC may, if deemed advantageous, wish to meet more frequently to build common understanding and to ensure that the Project is initiated properly.

A Working Group will be established for each project output. One individual, who will be paid project staff, will head up each Working Group. These individuals will be responsible for the management of all tasks required to effectively deliver the expected outputs, including hiring and supervising sub-contractors, and will report to the Project Manager.

Project activities will be carried out on a competitive basis through official tenders. Certain institutions are also foreseen as potential partners to conduct specific studies or activities during project implementation. The project will be implemented in close co-ordination and collaboration with relevant national institutions and NGOs.

Potential partners for the implementation of project activities

Area	Possible Key Partners
Information upgrading	Latvian Fisheries Research Institute State Land Service, Vidzeme Regional Office Latvian State Forestry Service North Vidzeme Regional Agricultural Authority State Inspection for Heritage Protection State Geological Survey of Latvia Faculty of Biology, University of Latvia Faculty of Geography and Earth Sciences, University of Latvia Latvian Environment Agency
Ecological landscape planning	Faculty of Geography and Earth Sciences, University of Latvia Faculty of Rural Engineering, Latvian University of Agriculture WWF Latvia State Forest Service, Ministry of Agriculture Joint Stock Company “Latvia’s State Forests”
Institutional strengthening	Ministry of Environment Ministry of Regional Development and Local Government Valmiera Regional Environmental Board Nature Protection Board, Ministry of Environment
Environmental education and awareness	Latvian Environmental Interpretation Service Children’s Environmental School Environmental Instructor’s Association Regional Environmental Centre office in Latvia Vidzeme University College Institute for Environmental Science and Management, University of Latvia Baltic Environmental Forum
Alternative livelihoods and community based conservation	Vidzeme Regional Development Agency Rural Support Service, Ministry of Agriculture LHZB (Latvian State Mortgage and Land Bank)

	Latvian Agricultural Advisory and Training Centre, Ministry of Agriculture State Joint Stock Company "Latvia's State Forests" Burtnieki Environmental Protection Club Association of Municipalities of Salaca Valley WWF Latvia, Rujiena Tourism Information Centre
Habitat restoration	State Joint Stock Company "Latvia's State Forests" Latvian Environmental Protection Fund Fish Fund Association of Municipalities of Salaca Valley

2.C. Risks and Sustainability

2.c.1. Risks

For the project to realize its immediate objective, the following assumptions must hold:

1. *The expected levels of co-financing are secured.* This potential risk is limited by the fact that much of the co-financing includes sources already having considerable expenditure commitments in NVBR. These include the MoE, MoA and EU sources such as SAPARD.
2. *Baseline funding continues at expected levels.* This risk is minimized by the fact that most baseline funding is from MoE and local municipalities. They have demonstrated their past commitment to NVBR and the project by current and past funding, and they have supported the Project during its development. Their funding support is expected to continue.
3. *Partners/agencies are willing to exchange and share data on NBVR.* Many of the partners and agencies to be involved in information exchange have already actively shared information in the development of the Project. Thus, this risk is considered to be low.
4. *The re-zoning of the NVBR is acceptable at all levels.* The clear need for re-zoning NVBR was identified in consultations during project development and was accepted at all levels. As long as the re-zoning process continues in a stakeholder driven manner, it will be accepted.
5. *The primacy of the NVBR Management Plan as the guiding "umbrella" policy document is accepted at all levels.* As with re-zoning, the need for the Management Plan was identified by stakeholders at all levels. Since the Management Plan will resolve many of the outstanding issues pertaining to the Reserve's management, its acceptance as the overall document setting the framework for the use of the NVBR can be safely assumed.
6. *Municipal plans are supportive of and consistent with the NVBR Management Plan.* The NVBR Administration has been and continues to be involved in the development of these plans. The project foresees expanding the ability of NVBR to provide expert assistance to municipalities in developing their plans. With the acceptance of the NVBR Management Plan as the "umbrella" document, and with the continued assistance provided by NVBR staff in the municipal plans' development, consistency will be assured.
7. *The Cabinet supports and enacts required changes to legislation.* MoE support for the Project is high and the Ministry is expected to be active in developing and supporting legislative changes needed to support the Project. As MoE is the lead Ministry involved in these changes, it is realistic to assume that it will be successful in gaining full Cabinet approval of the required changes.
8. *Acceptance of mediation mechanism for conflict resolution by stakeholders.* The need for such a mechanism is based upon stakeholder consultations during project development. Thus, acceptance of the mechanism is implicit.
9. *The Cabinet supports the reconstitution of the BR Advisory Council and redefines its role.* The MoE has been active in the Project's development and is cognizant of the need for these

changes. Since the MoE will take the lead in initiating these changes, it is expected that the Cabinet will accept them.

10. *The transformation of the role of the NVBR from a protection/enforcement management orientation to one emphasizing coordination/facilitation/consultancy/education is supported.* Local stakeholders, in particular, desire this change in the role of the NVBR. Since local stakeholders are the most affected, their support is critical. During project development there was considerable support for this change in the NVBR's management orientation. The understanding of the need to make this re-orientation is also present within the NVBR Administration.
11. *Local communities are understanding and supportive of community involvement programmes.* The local desire to actively participate in biodiversity conservation initiatives in NVBR has already been demonstrated during stakeholder meetings.

In summary, the risks associated with this project are considered to be low or have been mitigated through the project development and design process.

2.c.2. Sustainability

The project has been designed to ensure the long-term sustainability of results following project completion. The main factors contributing to the sustainability of project results include:

- Budgetary contributions from the central government. The GoL has demonstrated its commitment to maintaining sufficient funding for the protection of the environment and conservation of biodiversity. Since its inception, the NVBR has counted with sufficient budget to undertake all activities as required by its mandate, its staff has been paid competitive salaries so as to retain capacity, and the physical installation of the NVBR has been fully refurbished. *This GEF project counts upon the commitment of the GoL to support the recurrent cost of project objectives after project termination date.* These costs have been estimated to be within the capacities of the GoL, and specifically within those of the MoE and municipalities. UNDP has received assurances that this commitment will be maintained.
- Multi-sectoral coordination. The sustainability of project objectives demands that there is in place a solid mechanism for inter-sectoral coordination because of the mix of development and conservation activities taking place in the NVBR. Latvia is a small country with a small government, a fact that greatly facilitates coordination and information exchange among government units. The municipalities, the Ministries of Environment, Agriculture and Regional Development, the NVBR Administration and the central authorities in Riga share fluid exchange and consultation mechanisms that are expected to be further consolidated after the project termination date. They will be participants in the Project Steering Committee.
- A strengthened NVBR Administration. The NVBR Administration will be strengthened and its continuing capacity will be ensured after project completion. The MoE has committed itself to cover the additional recurrent costs of this expanded capacity. At the same time, as part of the project, the multisectoral requirements of effective NVBR management and administration will be analysed, potential reforms identified and proposed, as appropriate.
- Re-zoning of the NVBR. The NVBR will be re-zoned on the basis of ecosystem sustainability and biodiversity conservation requirements in the context of sustainable economic development. At present, current legislation gives the whole of the NVBR protected status, and this has caused much difficulty to the NVBR administration. After project termination date, protected status will be provided to specific sites of abiotic, biotic and cultural significance selected in consultation with a wide array of stakeholders. The re-zoning will allow the NVBR to concentrate its resources on priority areas while counting with financial and legislative tools to ensure the conservation of the selected sites. In

addition, the NVBR Management Plan will provide binding guidance for implementation through district and municipal plans. Re-zoning will be broadly participatory as a means to ensure support for the Reserve and commitment to its goals.

- Strengthening of partnerships. The project will create a broadly based partnership and a unified common framework for the planning and use of the Reserve. The proposed activities have been designed based on extensive public involvement, listening to opinions and recommendations, discussions about the possible future of NVBR, and the creation of partnerships with the involved interests. Thus the sustainability of project activities has been strengthened by paying due attention to the needs of target groups in preserving the biological diversity of NVBR.

All factors considered, the sustainability of project objectives is considered to be very good.

2.D. Replicability

The approach of the project determines a focused dissemination of experience and knowledge with the help of a specially created communications strategy. The strategy will define the potential target groups and their interests concerning Project activities.

The natural diversity of the territory of NVBR represents a miniature Latvia. This makes it possible to undertake activities in different ecosystems, on different levels and involving representatives of different sectors and institutions. The result will be the protection of biological diversity in the territory of the Reserve and the simultaneous generation of experiences and best lessons learned for replication elsewhere. The following can be singled out:

- Integrated ecological landscape planning;
- Establishment of model conflict mediation mechanism among competing resource users;
- Establishment of River Watch and Forest Watch programmes;
- Pilot projects in sustainable forestry, agro biodiversity, recreation management;
- Model projects in sustainable alternative livelihoods;
- Development of use of concessions, service provision contracts;
- Habitat and ecosystem restoration examples.

Because the NVBR covers a non-trivial percentage of Latvian territory (6%), the dissemination of experiences and best practices and lessons learned to other areas within the reserve will by itself be a major replication exercise. It will involve multi-sectoral coordination by representatives of the Ministries of Environment, Agriculture, Transport, Economy, Regional Development, 41 municipalities, 2 regional development agencies and the NVBR administration. The replication work within the territory of the NVBR will be led by the NVBR administration with capacities strengthened by this GEF project.

In addition, the NVBR Administration, with support of the MoE, will codify lessons, instruments and guidelines from experiences in the NVBR for replication in other protected areas and landscapes in Latvia. It is envisaged that based on the experiences in the NVBR, the MoE will lead a process of replication of best lessons to other protected areas in Latvia including the production of material on best lessons for widespread dissemination and, as much as is appropriate, information and capacity building programmes for the implementation of new practices by staff in different agencies and organizations. The project provides a budget for this purpose, and this constitutes a specific output (#8). The stakeholders involved in this project widely recognize that the effective replication of best lessons to other areas in Latvia will demand the same multi-sectoral approach as applied in the project. Stakeholders, however, have also agreed that the definition of the specific mechanism for replication of best lessons (e.g. a multi-

sectoral coordination group housed within the MoE) would be left for the project implementation stage. This would allow stakeholders to test the efficacy of mechanisms like the NVBR Advisory Council in bringing different ministries and municipalities together for information exchange and policy coordination.

Finally, the project also plans to make full use of the UNDP Sub-regional Resource Facility and the Environment Network of UNDP to exchange information with other projects, experts and institutions.

2.E. Stakeholder Involvement

The PDF-B that led to the preparation of this project document was designed to ensure the full participation of all relevant stakeholders. The process of project development took the form of successive iterations with all relevant stakeholders placing emphasis on particular groups according to their current and possible role in the protection of biodiversity and the Reserve's management. Consultations were regularly conducted throughout the PDF-B and included workshops, interviews, questionnaires, surveys and open forums with a varied cross section of local and national stakeholders.

Project activities will be executed by a representative cross-section of institutions and agencies having the best local capacities for the tasks at hand. Stakeholders have also agreed on implementation and execution arrangements that provide them with the tools and mechanisms to contribute effectively towards project objectives.

For a detailed description of stakeholder participation, see Annex F.

2.F. Monitoring and Evaluation

2.f.1 Incorporation of lessons from similar past projects in project design

The Administration of NVBR has been involved in a project developing a **Management Plan for Lake Burtnieki**. The Valmiera District Department of Development has been the lead agency in this undertaking. This project has been of considerable value in helping the NVBR Administration in learning skills involved in effective partner cooperation. This project has further demonstrated the need for such management plans within the reserve. The Management Plan project has helped this project proposal by setting up functioning partnership models for use.

The project, **Development of a Latvian Environmental Interpretation Service** (VITILA- a project of Co-operation between the Latvian and Danish Ministries of Environment), was carried out by staff of NVBR. The main goal was to develop a strategy of environmental education and interpretation. The conclusions of this project regarding the need for increased capacity at NVBR and the necessity of an active nature interpretation program were of value in the development of the current project proposal. This project vividly demonstrated the possibilities of partnership with such groups as tourist information centres, community volunteers and the NVBR Administration. The VITILA project also demonstrates MoE and other stakeholder commitment to the general goals of the current project proposal, though on a smaller scale.

The proposed project will build on the accomplishments of the recently completed UNDP Project **“Priority Capacity Building for Biodiversity and Establishment of Clearing House Mechanism Structures”** (LAT/01/G31). Project development made particular use of Development of the Biodiversity monitoring section of the National Environmental Monitoring Programme for Latvia and the report on the assessment of existing incentive measures for biodiversity (including capacity building needs). The evaluation of GEF/UNDP project

LAT/01/G31 – Priority Capacity Building for Biodiversity and Establishment of CHM Structures includes several recommendations for projects supporting biodiversity conservation. In particular, it is suggested that particular emphasis should be given to stakeholders outside the nature conservation “community” and to capacities working across disciplinary boundaries including the social and economic dimensions of biodiversity conservation. In order to ensure broad stakeholder consultation and participation, it is recommended to make explicit in the project document specific mechanisms and processes, including participation indicators.

The evaluation suggested that the North Vidzeme Biosphere Reserve could be a “laboratory” for the identification and implementation of positive incentives through income-generation (sustainable agriculture/forestry/fisheries, eco-tourism) and serve as a “platform” for an eco-regional integrated monitoring programme. With regard to monitoring activities, it is recommended to explore overlaps and linkages with other monitoring activities and initiatives such as the National Forest Inventory. All of the above mentioned recommendations have been taken into account in developing the GEF project document.

Other relevant projects include the European Commission-funded project **Protection and management of coastal habitats in Latvia (LIFE02 NAT/LV/008498)**. This project is primarily concerned with mapping and protection of endangered and priority biotopes in a 300m strip along the entire Baltic coast of Latvia. The NVBR administration currently cooperates with this project and areas of integration and cooperation are foreseen, specifically regarding protection of the coastal zone of NVBR. Administration of the NVBR made use of expertise developed by the LIFE project during project development. Specifically, the project has benefited from inputs such as model legislation suggestions and inventories of coastal areas.

The awareness of project nature values come also from inventories within the project ‘Coordination of Latvia’s system of specially protected areas with the **EMERALD** / NATURA 2000 network of protected areas’ (abbreviated to ‘EMERALD Project’), funded by the Danish Environmental Protection Agency and prepared and implemented by the consultancy firm DARUDEC (*Danish Rural Development Consultants*). Acting as sub-contractors in this project are the Latvian Fund for Nature, which performs the implementation of the requirements of the EU Habitats Directive in Latvia, the Latvian Ornithological Society, which is undertaking the implementation of the requirements of the Birds Directive, and the Latvian Environment Agency, which undertakes information storage and database administration. The project has been underway since 1 January 2001, and was to continue until 30 June 2003. The inventories and methods developed by this project were used in developing lists of important areas in NVBR and in understanding threats to the region.

2.f.2 Approach for project M&E system

This project has a comprehensive M&E program included in its overall design. The main outcome **indicators measure change in the land area under protection and reduction of threats:**

- By year 5, an ecosystem-based network of protected areas linked by corridors is established representing an increase of at least 25% over baseline coverage of core areas
- By year 5, the annual rate of deforestation has been reduced by 25% over baseline, no new exotic species have been introduced, and incidences of illegal fishing have been reduced by 75% over baseline.

The underlying strategy behind the selection of this indicator is that the establishment of an ecosystem-based network of protected areas as described above ensures the availability of critical habitat for the targeted species of global significance. In turn, because the loss of critical habitat is

what is driving down the population of targeted species, the establishment of an ecosystem-based network of protected areas is the principal indicator of project success²¹. This system of linked protected areas will encompass bogs, coastal areas, forests, sections of the Salaca River and semi-natural grasslands. During the project preparation phase, local experts assessed that a functional system of protected areas linked by corridors will require an increase of at least 15% over baseline in core areas. The project, however, aims to reach 25% increase in core area coverage.

In addition, for its immediate objective, the project includes three indicators measuring the type of activities on land areas outside the system of protected or core areas within NVBR. These are:

- By year 5, clear cutting of forest takes place only within the specific zones where this is defined as acceptable by the NVBR Management Plan
- By year 5, land clearance for development along the coastal area takes place only within development zones as these are defined by the NVBR Management Plan
- By year 5, meadows identified as habitats critical for species of global significance are either under a biodiversity supporting management regime or have been given protected status within the expanded NVBR system of protected core areas.

These indicators complement the main outcome indicator of this project. They are intended to track changes in activities that even though take place outside of core protected areas, can nevertheless have an impact on the quality of habitat within the protected zones and the NVBR overall.

A secondary outcome indicator measures economic benefits accruing to communities in the region as a result of the project.

- By year 5, average income in project affected communities is raised by 20% and 15% additional jobs will be created over the baseline

Other indicators shown in the Log Frame Matrix will be used to monitor whether expected project outputs have been accomplished and, therefore, stand as mostly process indicators. The following output indicators will also require the undertaking of baseline surveys at the beginning of the project's implementation:

- *By year 4, the NVBR resolution of conflicts is rated as effective by municipalities.* In Year 1 there will be a survey of the current satisfaction of municipalities with the performance of the NVBR as a vehicle for conflict resolution.
- *By year 5, an increase of 50% over baseline in support by the general public and authorities of NVBR activities for biodiversity conservation.* There will be an opinion survey in year 1 measuring the current level of support for NVBR activities by the local population.
- *By year 5, an increase of 50% over baseline of awareness by the general public and authorities about the NVBR role in management and conflict resolution.* There will be an opinion survey in year 1 measuring the current level of public awareness about the role of the NVBR in management and conflict resolution.
- *By year 5, the distribution of exotic species has been slowed down or halted.* There will be a field survey in year 1 of the current area invaded and an estimation of the rate of advance by invasive/exotic species.

²¹ Outcome indicators monitoring changes in population numbers of threatened species are not included because the establishment of the system of protected zones linked by corridors will take place during the second half of project implementation therefore not allowing enough time to record its impact on population numbers of threatened species.

Finally, indicators for output #1, 2, 3 and 8 include the undertaking of independent evaluations, for example aimed at assessing whether deficiencies in data and information management by the NVBR have been rectified. These independent evaluations complement other indicators for outputs. The experts responsible for these evaluations will be professionals of recognized experience who will not have had affiliation with the project's activities.

Project progress will be monitored using annual reviews against a set of implementation milestones. Monitoring will be *ongoing*, involving data collection and assessment of the project's field implementation and will involve key project staff meeting periodically to review operations and field implementation and assess whether new priorities require a shift in the project's implementation.

The PSC will meet at least twice a year to assess the project's progress against planned outputs, to give strategic directions to the implementation of the project, and to ensure the necessary inter-agency coordination. Implementing agency staff, the National Project Director and UNDP, will undertake regular field visits. Quarterly Progress Reports reflecting all aspects of project implementation will be prepared by the Project Manager (PM) and submitted to the PSC for review and recommendations.

Annual Project Reports (APR) will be prepared by the PM and submitted to the PSC through the Implementing Agency. The APRs, prepared in UNDP format, shall assess the performance of the project and the status of achievement of project outputs and their contribution to the relevant UNDP Strategic Results Framework Outcomes. The project will be subject to annual external audit to be conducted by a government authority or an independent auditor engaged by UNDP in consultation with the Executing Agency.

2.f.3. Organizational arrangements for implementing M&E

Panels of national and international experts will assess progress on several output indicators. The PIU, specifically the Project Director, is responsible for organizing these evaluations, including contractual and reporting obligations. Project staff, the NVBR experts and other subcontracted institutions will gather data for process indicators and analysis. The PIU, specifically the Project Director, will be ultimately responsible for the timely gathering of project data and reporting, including the reporting requirements as per UNDP-NEX guidelines.

3. FINANCING

3.a Incremental Cost of the Project (also see Annex E)

Development Objective. The broad development objective is to optimise biodiversity conservation practice in Latvia's protected areas and associated landscapes. The immediate objective of the project is to secure the globally significant biodiversity values of North Vidzeme Biosphere Reserve by implementing a set of initiatives required for integrating biodiversity conservation into the planning, management and sustainable use of the Reserve.

Baseline Scenario. The Government of Latvia is strongly committed to protecting and maintaining the country's rich biodiversity as evidenced by its undertaking of numerous important initiatives in the field of biodiversity conservation over the past decade. The National Environmental Policy Plan for Latvia, the National Programme on Biological Diversity and the Latvian Strategy for Sustainable Development all indicate the government's commitment to take adequate measures to protect the nation's biodiversity and ecosystems. The baseline comprises a

set of activities that ensures the GEF increment is directed towards the protection of biodiversity of global significance. Baseline activities take place for all outputs of the project. Total baseline expenditures are estimated at **US\$ 19,434,000**.

The GEF Alternative. The GEF alternative builds upon the existing baseline by providing incremental technical and financial resources to ensure biodiversity conservation and the adoption of integrated ecosystem management approaches in the NVBR.

The GEF alternative delivers eight main outputs: (i) Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making; (ii) Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve; (iii) Identification of potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour; (iv) A pilot-demonstration of integrated ecological landscape planning for the NVBR to identify best practices and lessons, for future replication throughout the Reserve; (v) Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism; (vi) Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders; (vii) Habitat restoration at selected sites to maintain and enhance globally significant biodiversity; and (viii) Systematic identification and dissemination of lessons learned and best practices through ministerial and NGO channels throughout Latvia.

The total sum of all contributions to the GEF alternative is estimated at **US\$ 32,834,000**.

Incremental Cost of the GEF Alternative: The difference between the GEF alternative and the baseline amounts to **US\$ 13,400,000** which represents the total incremental cost of securing sustainable global environmental benefits. Of this amount, the contribution from non-GEF sources in the form of co-financing amounts to **US\$ 10,739,500**. The GEF funded portion of the increment amounts to **US\$ 2,660,500**.

For a full Incremental Cost Analysis, see Annex E.

3.b. Project total costs and budget by outputs

Total project costs: US\$ 13,650,000
Of which

PDF-B US\$ 250,000
GEF Project: US\$ 2,660,500
Co-financing: US\$ 10,739,500

For a description of types and purposes of co-financing see Annex G.

Project Budget by outputs and sub-outputs – GEF and Co-financing contributions

Output	GEF	Co-financing	Source and description of co-financing
1. Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making	296,671	575,000	
1.1. Directly relevant available information on NVBR is compiled, analyzed and key gaps and other deficiencies are determined	40,000	575,000	1. Development of cartographical material on land ownership in North Vidzeme Biosphere Reserve Area (State Land Service; US\$ 430,000) 2. Mapping of priority biotopes in a 300m strip along the entire Baltic coast of NVBR (Life Nature; US\$ 100,000) 3. Landscaping/mapping in Salaca River Area (Association of Municipalities; US\$ 45,000)
1.2. Management need driven plan for the acquisition of key data is formulated and implemented	50,000		
1.3. NVBR meta-database is established and protocols for access and use of information are implemented	90,000		
1.4. A monitoring programme to meet global BR obligations and satisfy management needs of NVBR is developed and implemented	100,000		
1.5 Project Follow up, Monitoring and Auditing	16,671		
2. Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve	434,411	0	
2.1 Governing legislation is changed to facilitate management of NBVR as a BR	10,000		
2.2 Changes in legislation undertaken for improving compliance and enforcement mechanisms	20,000		
2.3. Biodiversity conservation and development are integrated in policy base, regional and municipal development plans, and management among the NVBR, districts and municipalities is coordinated and consistent	120,000		
2.4. The NVBR Administration is strengthened on the basis of a functional needs analysis	60,000		
2.5. A conflict mediation mechanism is implemented on a pilot basis	40,000		
2.6. The NVBR Advisory Board is reconstituted to ensure effective representation of all stakeholders, including local communities and land users	10,000		
2.7. RiverWatch and ForestWatch programmes involving local communities are established and changes in legislation undertaken to facilitate their implementation	80,000		
2.8. Biodiversity supporting management guidelines for buffer zones and transition areas are prepared and regional and municipal development plans are consistent with these guidelines	70,000		
2.9 Project Follow up, Monitoring and Auditing	24,411		
3. Identification of potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour	61,453	0	
3.1 Participatory and expert analysis of the existing policy and legislative framework guiding resource use on	10,000		

private lands in the NVBR and identification of gaps and opportunities			
3.2. Analysis of policy and legislative requirements to ensure biodiversity-friendly resource use on private lands in the NVBR for review and approval by national, district or municipal authorities, as appropriate	12,000		
3.3. Identification of potential incentives and regulations to induce economically sustainable biodiversity-friendly activities in the NVBR	11,000		
3.4. Development of potential incentive and compensation mechanisms to promote sustainable biodiversity use on private lands, for review and approval by national, district or municipal authorities, as appropriate	25,000		
3.5 Project Follow up, Monitoring and Auditing	3,453		
4. Integrated ecological landscape planning for the NVBR	445,006	823,500	
4.1. Areas of abiotic, biotic and cultural structural and functional significance and constraint for development in NVBR are identified in a broadly participatory manner using a set of agreed upon criteria	140,000		
4.2. Areas of overall integrated structural and functional significance and constraint are determined	80,000		
4.3. Protective status is provided to the identified sites of abiotic, biotic and cultural significance	60,000		
4.4. NVBR is re-zoned on the basis of ecosystem management and biodiversity conservation requirements in the context of sustainable economic development considerations in a cultural landscape	20,000		
4.5. NVBR Management Plan establishes guidelines for use of all lands and waters on basis of zoning	10,000	823,500	1. Establishment of integrated master plan for Salaca River (ISPA; US\$ 517,500) 2. Management plans for Natura 2000 sites (Baltic Environmental Forum; US\$ 106,000) 3. Transborder cooperation with Estonia and management plans for areas within the NVBR (PIN-Matra; US\$ 200,000)
4.6. Institutional matching is performed for the establishment of most appropriate management arrangements for NVBR lands and waters	20,000		
4.7. Guidelines provide basis for implementation through NVBR and district and municipal plans in a consistent and coordinated manner	40,000		
4.8. Results of implementation are monitored and evaluated, results are assessed among stakeholders, and management is adapted as required	40,000		
4.9. Local stakeholders will be trained in biodiversity related issues and techniques that may be employed to assist the NVBR Administration (surveying, monitoring)	10,000		
4.10. Project Follow up, Monitoring and Auditing	25,006		
5. Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism	508,578	1,070,000	
5.1. Establishment of a grant facility	180,000		
5.2. Sustainable alternative livelihood options in forestry, involvement in provision of tourism and recreation support services, and biodiversity-friendly agricultural activities are demonstrated through model projects at	290,000	1,070,000	1. Diversification of rural economy to facilitate development of alternative income sources (SAPARD;

selected sites			US\$ 900,000) 2. Promotion of environmentally friendly business (UNDP; 170,000)
5.3. Establishment of the River Watch and Forest Watch programmes	10,000		
5.4. Project Follow up, Monitoring and Auditing	28,578		
6. Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders	349,648	491,000	
6.1. A Communications Strategy (including general and sector specific content and delivery mechanisms) is prepared and implemented	220,000	491,000	1. Environmental education on importance of restricted areas (Baltic Environmental Forum; US\$ 106,000) 2. Environmental Education on forest conservation (Latvian State Forestry Service; US\$ 200,000) 3. Public awareness activities on forest management (WWF Latvia; US\$ 100,000) 4. Environmental education on waste management (NGO "North Vidzeme Waste Management Organization"; US\$ 40,000); 5. Public Awareness on Salaca Valley (Association of Municipalities Salaca Valley; US\$ 45,000)
6.2. Training, including visits to other Biosphere Reserves, is provided for NVBR Administration and members of the NVBR Advisory Board	110,000		
6.4. Project Follow up, Monitoring and Auditing	19,648		
7. Habitat restoration at selected sites to maintain and enhance globally significant biodiversity	455,601	7,780,000	
7.1. Aquatic pollution is reduced through the preparation and implementation of a River Basin Management Plan for the Salaca River under the WFD	20,000	7,780,000	1. For the Salaca River basin: Improvement/reconstruction of the sewerage network, extension of the sewerage network, and construction of the wastewater treatment plant. (ISPA; US\$ 7,780,000)
7.2. The condition of Lake Burtnieki is improved through the removal of weeds and reduction of nutrient run off and siltation	80,000		
7.3. Obstruction to migrating salmon in Salaca River at Staicele is removed	80,000		
7.4. Salmon and lamprey spawning habitat is restored and improved at selected sites	60,000		
7.5. Exotic species control measures are implemented on a pilot basis and monitored for effectiveness	40,000		
7.6. Biodiversity values of meadows are restored and maintained through demonstration projects in meadow management using a combination of mowing and grazing, with links to associated local economic benefits	150,000		
7.7 Project Follow up, Monitoring and Auditing	25,601		
8. Systematic identification of lessons learned and best practices and dissemination through ministerial and NGO channels throughout Latvia	109,132		
8.1. · Based on baseline data, indicators and the project's monitoring plan, identification of specific learning	13,000		

objectives for the project to be analysed and adjusted on a twice-yearly basis			
8.2. Lessons and best practices to be identified on a yearly basis as a part of the Tripartite Review process, and discussed, codified and compiled	20,000		
8.3. Codified lessons and best practices to be reviewed by the Project Steering Committee for use as material for potential training, policy analysis and programme development	30,000		
8.4. Dissemination plan developed and implemented to ensure widest audience for best practices and lessons learned	40,000		
8.5. Project Follow up, Monitoring and Auditing	6,132		
TOTAL	2,660,500	10,739,500	

Project GEF budget

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Sbln	Description	Implementing		Total	2004	2005	2006	2007	2008
010	PERSONNEL								
011	International Consultants								
011.01	Experts for technical support	LATVIA	Net Amount	125,000	35,000	35,000	20,000	20,000	15,000
			Total	125,000	35,000	35,000	20,000	20,000	15,000
011.99	Line Total	-----	Net Amount	125,000	35,000	35,000	20,000	20,000	15,000
			Total	125,000	35,000	35,000	20,000	20,000	15,000
013	Administrative Support								
013.01	Project support officer	LATVIA	Net Amount	66,000	13,200	13,200	13,200	13,200	13,200
			Total	66,000	13,200	13,200	13,200	13,200	13,200
013.02	GIS& data mgmt. specialist	LATVIA	Net Amount	72,000	9,000	18,000	18,000	18,000	9,000
			Total	72,000	9,000	18,000	18,000	18,000	9,000
013.03	Communications specialist	LATVIA	Net Amount	36,400	9,280	7,280	7,280	7,280	5,280
			Total	36,400	9,280	7,280	7,280	7,280	5,280
013.04	Small grants manager	LATVIA	Net Amount	39,000	7,800	7,800	7,800	7,800	7,800
			Total	39,000	7,800	7,800	7,800	7,800	7,800
013.99	Line Total	-----	Net Amount	213,400	39,280	46,280	46,280	46,280	35,280
			Total	213,400	39,280	46,280	46,280	46,280	35,280
015	Monitoring and Evaluation								
015.01	Monitoring of project results	LATVIA	Net Amount	27,000	6,000	6,000	6,000	6,000	3,000
			Total	27,000	6,000	6,000	6,000	6,000	3,000
015.02	Expert official travel	LATVIA	Net Amount	22,500	4,500	4,500	4,500	4,500	4,500
			Total	22,500	4,500	4,500	4,500	4,500	4,500
015.99	Line Total	-----	Net Amount	49,500	10,500	10,500	10,500	10,500	7,500
			Total	49,500	10,500	10,500	10,500	10,500	7,500
016	Mission Costs								
016.01	Mission costs	LATVIA	Net Amount	60,000	12,000	12,000	12,000	12,000	12,000
			Total	60,000	12,000	12,000	12,000	12,000	12,000
016.99	Line Total	-----	Net Amount	60,000	12,000	12,000	12,000	12,000	12,000
			Total	60,000	12,000	12,000	12,000	12,000	12,000
017	National Consultants								
017.01	National project manager	LATVIA	Net Amount	102,000	20,400	20,400	20,400	20,400	20,400
			Total	102,000	20,400	20,400	20,400	20,400	20,400
017.02	National experts (6 WG leaders)	LATVIA	Net Amount	306,000	61,200	61,200	61,200	61,200	61,200
			Total	306,000	61,200	61,200	61,200	61,200	61,200
017.99	Line Total	-----	Net Amount	408,000	81,600	81,600	81,600	81,600	81,600
			Total	408,000	81,600	81,600	81,600	81,600	81,600
019	PROJECT PERSONNEL TOTAL	-----	Net Amount	855,900	178,380	185,380	170,380	170,380	151,380
			Total	855,900	178,380	185,380	170,380	170,380	151,380

020	CONTRACTS								
021	Contract A								
021.01	Data, data management and monitoring programme	LATVIA	Net Amount	180,000	46,000	52,000	30,000	26,000	26,000
			Total	180,000	46,000	52,000	30,000	26,000	26,000
021.99	Line Total	-----	Net Amount	180,000	46,000	52,000	30,000	26,000	26,000
			Total	180,000	46,000	52,000	30,000	26,000	26,000
022	Contract B								
022.01	Ecological land use planning and Management Plan	LATVIA	Net Amount	215,000		90,000	85,000	15,000	25,000
			Total	215,000		90,000	85,000	150,000	25,000
022.99	Line Total	-----	Net Amount	215,000		90,000	85,000	15,000	25,000
			Total	215,000		90,000	85,000	15,000	25,000
023	Contract C								
023.01	Institutional capacity strengthening	LATVIA	Net Amount	258,000	60,000	75,000	65,000	35,000	23,000
			Total	258,000	60,000	75,000	65,000	35,000	23,000
023.99	Line Total	-----	Net Amount	258,000	60,000	75,000	65,000	35,000	23,000
			Total	258,000	60,000	75,000	65,000	35,000	23,000
024	Contract D								
024.01	Biodiversity awareness and education	LATVIA	Net Amount	220,000	50,000	60,000	50,000	30,000	30,000
			Total	220,000	50,000	60,000	50,000	30,000	30,000
024.99	Line Total	-----	Net Amount	220,000	50,000	60,000	50,000	30,000	30,000
			Total	220,000	50,000	60,000	50,000	30,000	30,000
025	Contract E								
025.01	Community involvement and alternative economic development	LATVIA	Net Amount	264,000	50,000	60,000	60,000	50,000	44,000
			Total	264,000	50,000	60,000	60,000	50,000	44,000
025.99	Line Total	-----	Net Amount	264,000	50,000	60,000	60,000	50,000	44,000
			Total	264,000	50,000	60,000	60,000	50,000	44,000
026	Contract F								
026.01	Habitat restoration	LATVIA	Net amount	155,600	25,600	40,000	40,000	30,000	20,000
			Total	155,600	25,600	40,000	40,000	30,000	20,000
026.99	Line total		Net amount	155,600	25,600	40,000	40,000	30,000	20,000
			Total	155,600	25,600	40,000	40,000	30,000	20,000
029	SUBCONTRACTS TOTAL	-----	Net Amount	1,292,600	231,600	377,000	330,000	186,000	168,000
			Total	1,292,600	231,600	377,000	330,000	186,000	168,000
030	TRAINING								
032	Other Training								
032.01	Training seminars	LATVIA	Net Amount	80,000		20,000	20,000	25,000	15,000
			Total	80,000		20,000	20,000	25,000	15,000
032.02	Study tours	LATVIA	Net Amount	42,000		10,000	12,000	12,000	8,000
			Total	42,000		10,000	12,000	12,000	8,000
032.03	Information campaigns	LATVIA	Net Amount	96,000	20,000	30,000	25,000	12,000	9,000
			Total	96,000	20,000	30,000	25,000	12,000	9,000
032.99	Line Total	-----	Net	218,000	20,000	60,000	57,000	49,000	32,000

			Amount						
			Total	218,000	20,000	60,000	57,000	49,000	32,000
039	TRAINING TOTAL	-----	Net Amount	218,000	20,000	60,000	57,000	49,000	32,000
			Total	218,000	20,000	60,000	57,000	49,000	32,000
040	EQUIPMENT								
045	Equipment								
045.01	Monitoring	LATVIA	Net Amount	90,000		60,000	20,000	10,000	
			Total	90,000		60,000	20,000	10,000	
045.02	Ecological education	LATVIA	Net Amount	14,000	6,000	8,000			
			Total	14,000	6,000	8,000			
045.03	Nature management	LATVIA	Net Amount	120,000	20,000	50,000	40,000	10,000	
			Total	120,000	20,000	50,000	40,000	10,000	
045.04	Project management	LATVIA	Net Amount	15,000	15,000				
			Total	15,000	15,000				
045.99	Line Total	-----	Net Amount	239,000	41,000	118,000	60,000	20,000	
			Total	239,000	41,000	118,000	60,000	20,000	
049	EQUIPMENT TOTAL	-----	Net Amount	239,000	41,000	118,000	60,000	20,000	
			Total	239,000	41,000	118,000	60,000	20,000	
050	MISCELLANEOUS								
052	Reporting Costs								
052.01	Audit	LATVIA	Net Amount	35,000			15,000		20,000
			Total	35,000			15,000		20,000
052.99	Line Total	-----	Net Amount	35,000			15,000		20,000
			Total	35,000			15,000		20,000
053	Sundries								
053.01	Sundry costs	LATVIA	Net Amount	20,000	4,000	4,000	4,000	4,000	4,000
			Total	20,000	4,000	4,000	4,000	4,000	4,000
053.99	Line Total	-----	Net Amount	20,000	4,000	4,000	4,000	4,000	4,000
			Total	20,000	4,000	4,000	4,000	4,000	4,000
059	MISCELLANEOUS TOTAL	-----	Net Amount	55,000	4,000	4,000	19,000	4,000	24,000
			Total	55,000	4,000	4,000	19,000	4,000	24,000
080	MISCELLANEOUS								
085	Exchange Differential								
085.01	Exchange differential	LATVIA	Net Amount						
085.99	Line Total	-----	Net Amount						
089	MISCELLANEOUS TOTAL	-----	Net Amount						
099	BUDGET TOTAL	-----	Net Amount	2,660,500					
			Total	2,660,500					

4. INSTITUTIONAL COORDINATION & SUPPORT

4.a. Core commitments & Linkages

4.a.1. Location of proposed project within the IA's program.

The second Country Cooperation Framework for Latvia (2001 – 2004) identifies the conservation of biodiversity as one of the focus areas for UNDP support. One of the expected results is the improved management of biotopes. With GEF support, UNDP is assisting Latvia in meeting its obligations under the Convention on Biological Diversity. To achieve results, UNDP support is being directed towards the strengthening of institutional capacity, the raising of environmental awareness, the promotion of partnerships, and the facilitation of inclusive participatory processes.

4.a.2. GEF activities with potential influence on the proposed project

Latvia is a participant state in the WB/GEF **Baltic Sea Regional Project** (BSRP). That project's objective is to increase sustainable biological productivity, improve coastal zone management and reduce agricultural non-point source pollution through the introduction of ecosystem-based approaches for land, coastal and marine environmental management. The Project's long-term goal is to provide the three Baltic Sea cooperating international bodies, HELCOM, IBSFC, ICES, and the recipient countries with management tools for sustainable agricultural, coastal and marine management, while improving social and economic benefits for farming, coastal and fishing communities. The GEF Baltic Sea project had its first phase (2003-2006) recently approved. The total size of the GEF grant is US\$ 5.85 million with a co-financing estimated at US\$ 12.450 million. The proposed project has limited areas of physical overlap with the BSRP aside from a part of the coast and that water flow from NVBR into the Baltic Sea impacts the overall health of the Baltic Sea basin. The objectives of the GEF Baltic Sea project and this GEF project in Latvia are mutually supportive. To maximize synergistic benefits between the projects, this Project will maintain regular contacts with counterparts involved in the BSRP.

UNEP/GEF is also undertaking activities in the Baltic Coast region. These activities are part of an 11-country regional project entitled **“Enhancing Conservation of the Critical Network of Wetlands Required by Migratory Waterbirds on the African/Eurasian Flyways”**. Although the two projects work in different geographical areas, they complement each other and show potential for exchange of information and best lessons learned.

Several other relevant initiatives should be mentioned. The first is the Implementation of the Latvian Biodiversity Action Plan, which is financed by the Danish Ministry's of Environment and Energy agency (DANCEE). The second is the Species and Habitats Project (Inventories of Species and Habitats, Development of Management Plans and Capacity Building in Relation to Approximation of EU Birds and Habitats Directives), which is financed by the Danish Environmental Protection Agency (DEPA). The third is the UNDP/GEF Project **“Priority Capacity Building for Biodiversity and Establishment of Clearing House Mechanism Structures”**.

4.b. Consultation, Coordination and Collaboration between IAs, and IAs and EAs

Same as point 4.a.2.

5. LEGAL CONTEXT

This Project Document shall be the instrument referred to as such in Article 1 of the Standard Basic Agreement (SBA) between the Government of Latvia and the United Nations Development Programme.

Equipment purchased from programme funds from the moment of acquisition shall be the property of the project.

The following types of revisions may be made to this Programme document with the signature of the UNDP Resident Representative only, provided that she/he is assured that the other directly concerned parties have no objections to the proposed changes:

(a) Revisions in, or additions to, the document which do not involve significant changes in the immediate objectives, outputs or activities of the programme, but are caused by the re-arrangement of inputs already agreed to or by increases in costs due to inflation; and,

(b) Mandatory annual revisions which re-phase the delivery of agreed inputs, or which increase experts' and other costs due to inflation or take into account agency expenditure flexibility.

6. RESPONSE TO REVIEWS

6.a. Council

See cover page.

6.b. Convention Secretariat

6.c. GEF Secretariat

See Annex K.

6.d. Other IAs and relevant EAs

No action required.

6.e. STAP

See [Annex C1](#) and [Annex C2](#).

ANNEXES

Annex A:	Log Frame Matrix
Annex B:	Endorsement Letter
Annex C1:	STAP review
Annex C2:	Response to STAP Review
Annex D:	Maps of Project Sites
Annex E:	Incremental Cost Analysis
Annex F:	Stakeholder Participation
Annex G:	Co-financing Type and Purpose
Annex H:	Summary Description of Important Habitats and Globally Significant Biodiversity in NVBR
Annex I:	Project Workplan
Annex J:	Terms of Reference

ANNEX A: LOG FRAME MATRIX

Project Strategy	Funding	Indicators	Sources of Verification	Assumptions
<p><u>Development Objective</u> To optimise biodiversity conservation practice in Latvia's protected areas and associated landscapes.</p>				
<p><u>Immediate objective</u> To secure the globally significant biodiversity values of North Vidzeme Biosphere Reserve by implementing a set of initiatives required for integrating biodiversity conservation into the planning, management and sustainable use of the Reserve.</p>	<p>(see funding for respective outputs below)</p>	<p><i>Main indicators:</i></p> <ul style="list-style-type: none"> By year 5, an ecosystem-based network of protected areas linked by corridors is established representing an increase of at least 25% over baseline coverage of core areas By year 5, the annual rate of deforestation has been reduced by 25% over baseline, no new exotic species have been introduced, and incidences of illegal fishing have been reduced by 75% over baseline. <p><i>Complementary indicators:</i></p> <ul style="list-style-type: none"> By year 5, clear cutting of forest takes place within specific areas defined by the NVBR zoning plan By year 5, land clearance for development along the coastal area takes place within the development areas as defined by the NVBR zoning plan By year 5, meadows identified as habitats critical for species of global significance are either under management or under protected status within the NVBR system of protected areas. 	<ul style="list-style-type: none"> Field surveys 	
<p><u>Outputs</u> 1. Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making 1. Directly relevant available information on NVBR is compiled, analysed and key gaps and other deficiencies are determined 2. Management need driven plan for the acquisition of key data is formulated and implemented 3. NVBR meta-database is established and protocols for access to and use of information are implemented</p>	<p>Life-Nature; State Land Service</p>	<p><i>For output 1</i></p> <p><i>Main indicator:</i></p> <ul style="list-style-type: none"> By year 4th, an independent evaluation confirms that obstacles to NVBR management arising from information gaps have been removed; <p><i>Complementary indicators:</i></p> <ul style="list-style-type: none"> By year 4, 50% of municipalities and the regional development boards declared having used the information and monitoring system in their decision making process, 	<ul style="list-style-type: none"> Independent evaluation Data base of available information/gaps TPR minutes Opinion surveys; 	<ul style="list-style-type: none"> No difficulties in accessing or procuring needed information Cooperation among partners/agencies is forthcoming

<p>4. A monitoring programme to meet global BR obligations and satisfy management needs of NVBR is developed and implemented.</p> <p>2. Strengthened institutional capacity and multisectoral and participatory mechanisms for governance and management of the Reserve</p> <p>1. Governing legislation is changed to facilitate management of NBVR as a BR</p> <p>2. Changes in legislation undertaken for improving compliance and enforcement mechanisms</p> <p>3. Biodiversity conservation and development are integrated in policy base, regional and municipal development plans, and management among the NVBR, districts and municipalities is coordinated and consistent</p> <p>4. The NVBR Administration is strengthened on the basis of a functional needs analysis</p> <p>5. A conflict mediation mechanism is implemented on a pilot basis</p> <p>6. The NVBR Advisory Board is reconstituted to ensure effective representation of all stakeholders, including local communities and land users</p> <p>3. Identified potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour</p> <p>1. Participatory and expert analysis of the existing policy and legislative framework guiding resource use on private lands in the NVBR and identification of gaps and opportunities;</p> <p>2. Analysis of policy and legislative requirements to ensure biodiversity-friendly resource use on</p>	<p>N/a</p>	<p>particularly land use plans.</p> <ul style="list-style-type: none"> By year 2, information is compiled and gap analysis done By year 2, the meta-database has been created and protocols developed By year 3, data demonstrating the economic and social value of wetland services is at the disposal of policy makers <p><i>For output 2</i></p> <p><i>Main indicator:</i></p> <ul style="list-style-type: none"> By year 4, an independent evaluation confirms that institutional capacities, including multisectoral mechanisms, are sufficient to manage the NVBR and conserve biodiversity in its territory; <p><i>Complementary indicators</i></p> <ul style="list-style-type: none"> By year 4, the NVBR Resolution of conflicts is rated as effective by municipalities By year 3, the Advisory Board has been rated as “representative of interests” by participating members; By year 4, an independent evaluation confirms consistency among NVBR Management Plan and plans at other levels By end of project the NVBR possesses sufficient resources (GoL and/or internally generated) to meet all management requirements <p><i>For Output 3</i></p> <p><i>Main indicator</i></p> <ul style="list-style-type: none"> By year 5, an expert independent panel confirms that the legal framework plus proposed reforms by the project remove threats to biodiversity arising from regulatory and legislative gaps; <p><i>Complementary indicators</i></p> <ul style="list-style-type: none"> By year 3, minimum of 20% of farmers within the 	<ul style="list-style-type: none"> Independent evaluation; Change to NVBR legislation Compliance records Plans’ content review Opinion surveys among stakeholders Meeting records Constitution of Board and performance satisfaction <ul style="list-style-type: none"> An expert independent panel 	<ul style="list-style-type: none"> Cabinet supports required changes in legislation Agreements and cooperation among stakeholders are maintained Stakeholders accept legitimacy of mediation mechanism Government of Latvia supports mechanism development <ul style="list-style-type: none"> There is commitment to implement reforms to the regulatory and legislative framework;
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<p>private lands in the NVBR for review and approval by national, district or municipal authorities, as appropriate;</p> <p>3. Identification of potential incentives and regulations to induce economically sustainable biodiversity-friendly activities in the NVBR;</p> <p>4. Development of potential incentive and compensation mechanisms to promote sustainable biodiversity use on private lands, for review and approval by national, district or municipal authorities, as appropriate</p> <p>4. Integrated ecological landscape planning is implemented for the NVBR</p> <p>1. Areas of abiotic, biotic and cultural structural and functional significance and constraint for development in NVBR are identified in a broadly participatory manner using a set of agreed upon criteria</p> <p>2. Areas of overall integrated structural and functional significance and constraint are determined</p> <p>3. Protective status is provided to the identified sites of abiotic, biotic and cultural significance</p> <p>4. NVBR is re-zoned on the basis of ecosystem management and biodiversity conservation requirements in the context of sustainable economic development considerations in a cultural landscape</p> <p>5. NVBR Management Plan establishes guidelines for use of all lands and waters on basis of zoning</p> <p>6. Institutional matching is performed for the establishment of most appropriate management arrangements for NVBR lands and waters</p> <p>7. Guidelines provide basis for implementation through NVBR and district and municipal plans in a consistent and coordinated manner</p> <p>8. Results of implementation are monitored and evaluated, results are assessed among stakeholders, and management is adapted as required</p>	<p>ISPA; PIN-Matra;</p>	<p>NVBR are receiving economic incentives to modify agricultural practices to be biodiversity friendly (through either taxes, compensation schemes, or other); 35% by year 5.</p> <ul style="list-style-type: none"> By year 3 legislative and regulatory framework is in place to enable private landowners to participate in conservation easements and set-asides. By end of project majority of proposed reforms to policy and legislative frameworks have been adopted or are en route to adoption <p><i>For output 4</i></p> <p><i>Main indicator</i></p> <ul style="list-style-type: none"> By year 3, agreements among land and resource use ministries and agencies as well as regional, district and municipal authorities for implementation of integrated landscape planning have been reached; <p><i>Complementary indicators</i></p> <ul style="list-style-type: none"> By year 3, guidelines are established for management of the BR core areas, buffer zones and transition areas By year 4, the preparation of regional, district and municipal plans and permitting of land use apply the information dataset and zoning developed by this project; By year 4, at least 25% of targeted private lands follow biodiversity conservation actions as required in the NVBR management plan; 	<ul style="list-style-type: none"> Change in zoning, regulation of uses New zoning of BR is confirmed in the NVBR Management Plan Management guidelines Management agreements Reports on guideline implementation and changes, and distribution records 	<ul style="list-style-type: none"> Need for and benefits of ecological landscape planning are understood and supported at all levels (national, district, municipal) Zoning is accepted by all stakeholders Management Plan is endorsed by all stakeholders and is set in legislation District and municipal planning becomes vertically integrated with NVBR Management Plan
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<p>5. Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism; 5.1 Micro-grants facility for local communities is established 5.2 Sustainable alternative livelihood options in forestry, involvement in provision of tourism and recreation support services, and biodiversity-friendly agricultural activities are demonstrated through model projects at selected sites; 5.3. Establishment of the River Watch and Forest Watch programme</p> <p>6 Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders 1. A Communications Strategy (including general and sector specific content and delivery mechanisms) is prepared and implemented 2. Training, including visits to other Biosphere Reserves, is provided for NVBR Administration and members of the NVBR Advisory Board</p> <p>7. Habitat restoration at selected sites to maintain and enhance globally significant biodiversity 1. Aquatic pollution is reduced through the preparation and implementation of a River Basin Management Plan for the Salaca River under the WFD 2. The condition of Lake Burtnieku is improved through the removal of weeds and reduction of nutrient run off and siltation 3. Obstruction to migrating salmon in Salaca River at Staicele is removed 4. Salmon and lamprey spawning habitat is restored and improved at selected sites 5. Exotic species control measures are</p>	<p>SAPARD; UNDP</p> <p>Municipalities; LSFS; WWF; NVWMO; Baltic Environmental Forum</p> <p>ISPA;</p>	<p><i>For output 5</i></p> <p><i>Main indicator</i></p> <ul style="list-style-type: none"> ▪ By year 5, average income in project affected communities is raised by 20% and 15% additional jobs are created over the baseline <p><i>Complementary indicator</i></p> <ul style="list-style-type: none"> • By year 4, 80% of alternative income-generating activities supported by the project are rated as successful (in terms of income generation and biodiversity protection) by stakeholders (grant recipients, biodiversity experts and local authorities); <p><i>For output 6</i></p> <p><i>Main indicator</i></p> <ul style="list-style-type: none"> • By year 5, an increase of 50% over baseline on support by the general public and authorities on NVBR activities for biodiversity conservation; <p><i>Complementary indicator</i></p> <ul style="list-style-type: none"> • By year 5, an increase of 50% over baseline on awareness by the general public and authorities about the NVBR role in management and conflict resolution <p><i>For output 7</i></p> <p><i>Main indicators</i></p> <ul style="list-style-type: none"> • By year 5, Salmon is again spawning in upstream reaches of Salaca River; • By year 5, the distribution of exotic species has been slowed down or halted; • By year 5, selected meadow under management are evaluated as providing suitable habitat for targeted biodiversity <p><i>Complementary indicators</i></p> <ul style="list-style-type: none"> • By year 3, the preparation and implementation of River Basin Management Plan and improvement of 	<ul style="list-style-type: none"> • Income surveys • Employment statistics • Opinion surveys • Expert evaluation • Opinion surveys • Knowledge surveys • Water quality surveys • Reed coverage survey; • Fish surveys; observation • Field surveys • Expert evaluation 	<p>Initiative to take advantage of new opportunities is present</p> <ul style="list-style-type: none"> • Local capacity exists to efficiently use project financial and technical support. • The public is receptive to the media and information campaign
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<p>implemented on a pilot basis and monitored for effectiveness</p> <p>6. Biodiversity values of meadows are restored and maintained through demonstration projects in meadow management using a combination of mowing and grazing, with links to associated local economic benefits</p> <p>8. Systematic identification of lessons learned and best practices and dissemination through ministerial and NGO channels throughout Latvia</p> <p>8.1. Based on baseline data, indicators and the project's monitoring plan, identification of specific learning objectives for the project to be analysed and adjusted on a twice-yearly basis;</p> <p>8.2. Lessons and best practices to be identified on a yearly basis as a part of the Tripartite Review process, and discussed, codified and compiled;</p> <p>8.3. Codified lessons and best practices to be reviewed by the Project Steering Committee for use as material for potential training, policy analysis and programme development;</p> <p>8.4. Dissemination plan developed and implemented to ensure widest audience for best practices and lessons learned;</p>		<p>water quality in Salaca River has been completed;</p> <p><i>For output 8</i></p> <p><i>Main indicator</i></p> <ul style="list-style-type: none"> • By year 5, an independent panel with representatives of NGOs, local authorities and the MoE evaluate the codification of lessons and dissemination as successful. 	<ul style="list-style-type: none"> • Transfer surveys • Panel evaluation 	<p>Local commitment to replicate best lessons learned continues to be high after project termination date</p>
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ANNEX B: ENDORSEMENT LETTER



	Datums: 03.06.2003
	Nr.: 5069
	Subs: Action Ind.
	SR

LATVIJAS REPUBLIKAS VIDES MINISTRIJA
MINISTRY OF THE ENVIRONMENT
OF THE REPUBLIC OF LATVIA

Peldu iela 25, Rīga, LV-1494, Latvija, tālrunis 371 7026470, 371 7026500, fakss 371 7820442, e-pasts: pasts@vidm.gov.lv
Peldu iela 25, Rīga, LV-1494, Latvia, phone 371 7026470, 371 7026500, fax 371 7820442, e-mail: pasts@vidm.gov.lv

Rīga, 04.06.2003 Nr. 2-09/1450

Rīga, 28 May 2003

Ms. Gabriele Koehler
Resident Coordinator of the UN,
Resident Representative of the UNDP
Pils iela 21, LV-1157 Rīga
Latvia

Re: Endorsement letter for the project proposal "Biodiversity Protection in North Vidzeme Biosphere Reserve"

Dear Ms. Koehler,

We would like to inform you that the Government of the Republic of Latvia expressed support and hereby endorses the project proposal entitled "**Biodiversity Protection in North Vidzeme Biosphere Reserve**" to be presented through the United Nations Development Programme (UNDP) to the Global Environmental Facility for funding.

The Project is supportive of many of the priority actions identified in the National Programme of Biodiversity. Specifically, the project will assist in habitat protection and restoration programmes for the Salaca River and related wetlands as well as prevention of the continued loss of biodiversity in coastal dunes, forest biotopes and semi-natural grasslands. The project will add a layer of adaptive management of biodiversity over local development and land use plans, and generate the necessary tools that will enable the local decision makers in the North Vidzeme Biosphere Reserve to ensure the conservation of habitats of global significance.

We look forward to our fruitful cooperation and significant results from the project.

Yours sincerely,

Mr. Einārs Cilinskis
Deputy State Secretary

Ms. Ingrida Apene
GEF Operational Focal Point for Latvia

ANNEX C1: STAP REVIEW

Project title:

Biodiversity Protection in North Vidzeme Biosphere Reserve (NVBR)

STAP Roster Technical Review

Project Reviewer:

Stale Navrud, Associate Professor in Environmental and Resource Economics, Department of Economic and Social Sciences, Agricultural University of Norway.

1. Scientific and technical soundness of the project

The conceptual framework of the project follows current conservation biology, landscape ecological knowledge and principles, and participatory stakeholder and community involvement management combined with a monitoring, evaluation and enforcement regime to ensure conservation and sustainable use of biological diversity in the North Vidzeme Biosphere Reserve (NVBR)

The approach proposed has a high probability of achieving the goal and objectives of the project, and the indicators proposed in the logical framework (Annex A) will help guide the process. There are, however, risks; which are closely linked to the ability of the project to develop proper incentive mechanisms for the stakeholders to integrate diversity conservation objectives in a new multifunctional approach to agricultural, forestry and other productive practises, and make it beneficial for the stakeholders to incur the opportunity costs this involves. The proposal is strong on the description of institutional and capacity building measures, but should discuss possible direct regulatory measures. Economic incentives and compensation mechanisms to promote biodiversity conservation and sustainable use should be described in more detail, and indicators for such specific measures should be defined in Annex A.

The proposal recognizes the lack of information on biodiversity values and ecological functions importance as one of the root causes for increasing deforestation of privately owned lands. Highlighting the values and benefits of biodiversity is very important in terms of documenting the rationale for regulatory measures, and methods for quantification and economic valuation of social benefits of biodiversity and ecosystem functions should be described more in detail. Original valuation studies (e.g. contingent valuation surveys, which would also capture the non-use/passive use values involved here), constructed using state-of-the-art methodology and with the aim of providing values that could be used for benefits transfers (which will also increase the replicability of this project; see point 5) should be conducted. The existing stock of economic valuation studies for biodiversity and ecosystems in this part of Europe is very scarce. Estimating the benefits of this project using benefit transfer (i.e. transferring values from valuation studies of similar type resources in other parts of the world) would therefore be highly uncertain, and should be discouraged. Conducting original valuation studies is also the best way to contribute to capacity building in environmental valuation and economics among young researchers by involving universities and NGOs. Documenting the significant use values of this area is also of high importance. The estimates of social benefits of the project should be used in a cost-benefit analysis to document the cost-effectiveness of the project.

The described demonstration and restoration projects will be very important as a “hands on” dissemination of sustainable alternative livelihood options and biodiversity preservation knowledge to create understanding and acceptance of NVBR among the local population. Even if the proposal list several such projects, more such projects for aspects not covered by such measures, should be considered.

2. Identification of global environmental benefits

The global benefits of the project are well presented and clear (see Annex H). Of particular importance is the significant European as well as global value of NVBR’s many, nearly untouched wetland areas (which is a particularly scarce resource in Central Europe).

3. How does the project fit within the context of the goals of the GEF?

The project outcomes are in harmony with several expected outcomes for projects within the GEF OP2 Program, and addresses several important constraints of importance to OP2 projects. Thus, the project seems to fit very well with the goals for GEF.

4. Regional Context

The geographical area of the proposal lies within Latvia, but the many wetland areas of NVBR are shared with neighbouring Estonian districts. The Salaca River Area is among the four most important salmon rivers in Europe, and contributes to about 6 % of the natural wild salmon population in the Baltic Sea. . The importance of the area as a habitat for migrating birds also adds to the regional value of the project.

5. Replicability

From the replicability point of view, the implications of the project as a model have very significant importance in enabling other countries undergoing economic transition to integrate biodiversity conservation with sustainable development in a cultural landscape. Replication will also occur within this project between different areas of the reserve, and this can serve as a validation of the possibilities for replicability and transfer of knowledge from NVBR to other parts of Latvia. In this respect, best practises and experiences from the needed multisectoral coordination and stakeholder involvement will be of special interest and importance.

6. Sustainability of the project

The project will be a very important contribution to economical, ecological and social sustainable management of NVBR, as it will provide a significant contribution to re-orienting the current use of private lands/cultural landscape in NVBR to enhance biodiversity conservation through carefully planned stakeholder involvement.

ANNEX C2: RESPONSE TO STAP REVIEW

Project title : *Biodiversity Protection in North Vidzeme Biosphere Reserve (NVBR)*

Project Reviewer: Stale Navrud, Associate Professor in Environmental and Resource Economics, Department of Economic and Social Sciences, Agricultural University of Norway.

-
1. **Comment:** The proposal is strong on the description of institutional and capacity building measures, but should discuss possible direct regulatory measures

Response: The project will implement zoning of the NVBR, produce a management plan, increase efficiency/quality of enforcement, identify gaps in legal/regulatory frameworks (including EU directives and regulations) and identify and propose potential policy, legal and regulatory reforms. Output 3 has been revised to reflect a stronger emphasis on regulatory measures.

2. **Comment:** Economic incentives and compensation mechanisms to promote biodiversity conservation and sustainable use should be described in more detail, and indicators for such specific measures should be defined in Annex A.

Response: Output 3 of the Brief has been revised to indicate more clearly examples of the potential economic incentives and other measures to be analysed and applied as part of this project.

3. **Comment:** Original valuation studies (e.g. contingent valuation surveys, which would also capture the non-use/passive use values involved here), constructed using state-of-the-art methodology and with the aim of providing values that could be used for benefits transfers (which will also increase the replicability of this project; see point 5) should be conducted. The existing stock of economic valuation studies for biodiversity and ecosystems in this part of Europe is very scarce. Estimating the benefits of this project using benefit transfer (i.e. transferring values from valuation studies of similar type resources in other parts of the world) would therefore be highly uncertain, and should be discouraged. Conducting original valuation studies is also the best way to contribute to capacity building in environmental valuation and economics among young researchers by involving universities and NGOs. Documenting the significant use values of this area is also of high importance.

Response: Valuation studies are now explicitly listed as part of activities under Output 1 regarding information for decision-making. Information resulting from the valuation studies will be useful as an input to the activities for generation of Outputs 2 and 3.

ANNEX D: MAPS OF PROJECT SITE

Figure 1: Location of North Vidzeme Biosphere Reserve - Latvia



Figure 3: Core Area Augstroze



Figure 4: Core Area Northern Bogs



Figure 5 and 6: Coastal zone and Randa meadows (see bottom of picture)



Figure 6: The Salaca River



Figure 7: Core Area Vidusburtnieks



ANNEX E: INCREMENTAL COST ANALYSIS

Development Objective

The broad development objective is to optimise biodiversity conservation practice in Latvia's protected areas and associated landscapes. The immediate objective is to ensure the conservation of the biodiversity of the North Vidzeme Biosphere Reserve by implementing a set of initiatives required for integrating biodiversity conservation into the planning, management and sustainable use of the Reserve.

Baseline Scenario

The Government of Latvia is strongly committed to protecting and maintaining the country's rich biodiversity as evidenced by its undertaking of numerous important initiatives in the field of biodiversity conservation over the past decade. The National Environmental Policy Plan for Latvia, the National Programme on Biological Diversity and the Latvian Strategy for Sustainable Development all indicate the government's commitment to take adequate measures to protect the nation's biodiversity and ecosystems. Below there is a description of baseline activities by thematic areas.

Information gathering. There are several institutions that gather and collate information about the territory of the NVBR. These are the State Land Service, Vidzeme Regional Office (real estate cadastre, real estate (land, buildings and constructions) registers), Latvian Fisheries Research Institute (information of fish resources, their monitoring), State Joint Stock Company "Latvia's State Forests" and Latvian State Forestry Service (information of forests, nature values, owners), North Vidzeme Regional Agricultural Authority (information on activities in the spheres of agriculture and rural development), State Inspection for Heritage Protection (information on culture monuments and culture historic objects), State Geological Survey of Latvia (useful minerals, their extraction), Latvian Environment Agency (environmental data and information compilation, processing and dissemination), local municipalities (inhabitants, types of land use) and, finally, the Latvian Road Administration (record keeping, registration, management and protection of the state road network). The NVBR itself maintains a few databases and collates the results of research.

Landscape planning. Since 1996 the municipalities of Latvia are entitled to receive financing from the national budget for territorial development planning. During these years 95% of the municipalities of the territory in question have received subsidies for planning, six municipalities received subsidies for planning in 2002 and 15 municipalities have requested subsidies for 2003-2005. Still only nine municipalities (all in Valmiera District) have territorial plans. Eleven municipalities have their first drafts of their territorial plans, thirty-three municipalities have elaborated programmes of socio economic development, eight municipalities have building regulations and two others just the first draft of these. The existing plans do not sufficiently reflect nature preservation and landscape sections; the plans are to be significantly improved. Additionally, during the last few years a number of national and international programmes have come into existence ("Development of Tampere-Helsinki-Tallin- Riga Spatial Area", "Rural road development program in Latvia for the period of 2002-2004"), which contribute to land use planning within the NVBR territory.

Strengthening of environmental institutions. The government has demonstrated a strong commitment towards financing the operational costs of the NVBR. The national budget annually assigns US\$ 100,000 for the administrative and operational costs of the NVBR. This provides for Administration salaries, the maintenance of infrastructure, operations and limited research and

monitoring. In 2001, the GoL spent additional US\$ 800,000 on new installations (building and equipment) for the NVBR. Also the NVBR administration independently invests in its employees by using both the possibilities offered by the State Administration School and by participating in seminars and training organised by the national and municipal institutions at district and regional levels.

There exist several initiatives aimed at building institutional capacity for environmental and biodiversity conservation. In order to strengthen capacity of nature protection institutions the GoL has been implementing three important initiatives. The first one is the Implementation of Latvian Biodiversity Action Plan, which is financed by Danish Ministry's of Environment and Energy agency (DANCEE). The second is the Species and Habitats Project, which is financed by the Danish Environmental Protection Agency (DEPA). The third is the UNDP/GEF Project "Priority Capacity Building for Biodiversity and Establishment of Clearing House Mechanism Structures".

Public Awareness. In order to ensure environmental education and awareness of nature protection the GoL is involved in a number of projects. These are: a) Development of a Latvian Environmental Interpretation Service (VITILA), a joint project between the Latvian and Danish Ministries of Environment and Directed by Holsteinborg Consult, Denmark. Its main goal was to develop a strategy of environmental education and interpretation; b) Species and Habitats Project (Inventories of Species and Habitats, Development of Management Plans and Capacity Building in Relation to Approximation of EU Birds and Habitats Directives), financed by the Danish Environmental Protection Agency (DEPA).

There are also small-scale initiatives at the local level. Local municipalities, regional councils and non-governmental organizations are active in this sector. In many schools activities for schoolchildren are organized with the support of NVBR, NGO and municipalities. These include small-scale projects, camps, seminars, leaflets and production of printed material. The major sources of financing are Nature Protection Fund, REC, local municipalities and state institutions.

Alternative livelihoods. The Latvian SAPARD programme is the main source of baseline funding for the development of alternative income sources along two main objectives; first, the implementation of the *acquis communautaire* concerning the common agricultural policy and related policies; and second, the development of a competitive and sustainable agricultural sector, strong, sustainable rural communities and diverse and sustainable rural environment.

The SAPARD program has 5 main priorities: 1) investments in agricultural holdings; 2) improvement of agricultural and fisheries product processing and marketing; 3) development and diversification of economic activities providing alternative income; 4) improvement of general infrastructure; and, 5) environmentally friendly agricultural methods. The vast majority of beneficiaries of the SAPARD Programme are farmers, agricultural enterprises, rural entrepreneurs and processing enterprises of agricultural and fisheries products. The Ministry of Agriculture delegates the implementation of the Programme to the Rural Support Service, which acts as SAPARD Agency, covering both the functions of the implementing and disbursement body. From this project, the baseline funding relevant to this project has been defined as the estimated funding for the priority entitled "Development and diversification of economic activities providing alternative income". Basically, the objective of this priority is the creation of employment and more diverse employment structure in rural territory, which includes funding for rural tourism.

In addition, the State Road Fund is investing in improving selected roads within the NVBR. The bulk of work will be carried out along the Salaca River and will facilitate the demand for and provision of tourism services between the coast and Lake Burtnieki.

Habitat Restoration. The most important contributor towards ensuring a baseline compatible with the conservation of habitats is ISPA, which is managed by the EU Commission. ISPA was established by the Regulation No. 1267/99 of 21 June 1999 and covers the environment and transport sectors for the period 2000-2006. The main focus for ISPA in the environmental sector is to assist Latvia comply with the requirements of Community environmental law and with the objectives of the Accession Partnership. At present, ISPA funding is being directed towards meeting the objectives of the Water Framework Directive. During the last four years the common investment in the water management sector (quality purification and collection of waste waters) in the territory of the NVBR exceeds US\$ 2,900,000. During the project timeframe, ISPA will invest US\$ 7,780,000 in sewage connectors and water treatment plants for towns within the Salaca Basin. This investment is considered as co-financing because water treatment in these localities is not considered essential for project objectives though it does contribute to it.

Total expenditures in baseline activities that are relevant to objectives of the project amount to **US\$ 19,434,000.**

The GEF Alternative

The GEF alternative builds upon the existing baseline by providing incremental technical and financial resources to ensure biodiversity conservation and the adoption of integrated ecosystem management approaches in the NVBR.

The GEF alternative delivers eight main outputs: (i) Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making; (ii) Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve; (iii) Identification of potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behaviour; (iv) A pilot-demonstration of integrated ecological landscape planning for the NVBR to identify best practices and lessons, for future replication throughout the Reserve; (v) Demonstration of alternative biodiversity-supporting economic development activities for local communities in forestry, agriculture and tourism; (vi) Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders; (vii) Habitat restoration at selected sites to maintain and enhance globally significant biodiversity; (viii) Systematic identification and dissemination of lessons learned and best practices through ministerial and NGO channels throughout Latvia.

The total sum of all contributions to the GEF alternative is estimated at **US\$ 32,834,000.**

Incremental Cost of the GEF Alternative: The difference between the GEF alternative and the baseline amounts to **US\$ 13,400,000** which represents the total incremental cost of securing sustainable global environmental benefits. Of this amount, the contribution from non-GEF sources in the form of co-financing amounts to **US\$ 10,739,500**. The GEF funded portion of the increment amounts to **US\$ 2,660,500**.

Incremental Cost Matrix

Output	Cost Category	US\$	Domestic Benefit	Global Benefit
1. Improved information on the NVBR and its biodiversity, as well as the information's management and use in decision-making	Baseline (GoL, municipalities and NVBR)	500,000	The baseline allocation provides funding for information gathering and analysis. However, this is insufficient for planning purposes in the NVBR	
	Alternative	1,371,671	The NVBR has access to necessary information for land use and planning in the territory of the reserve.	The additional information allows the NVBR to apply integrated and adaptive management to ensure conservation of globally significant biodiversity.
	Increment <i>Of which:</i> Life-Nature Municipalities SLS	871,671 100,000 45,000 430,000		
	Non-GEF GEF	575,000 296,671		
2. Strengthened institutional capacity and multi-sectoral and participatory mechanisms for governance and management of the Reserve	Baseline (NVBR, UNDP, DEPA, DANCEE)	500,000	The baseline provides funding for general institutional strengthening of local capacities in the area of environmental policy making.	
	Alternative	934,411	The alternative extends support for institutional strengthening to target those needs specific of the NVBR.	A strengthened NVBR is able to carry out the application of landscape planning and activities directed at conservation of biodiversity important for the global community.
	Increment <i>Of which:</i> GEF	434,411 434,411		
3. Identified potential reforms to existing policies, legislation and incentive/regulatory frameworks for resource use, with the aim of stimulating or supporting biodiversity-friendly behavior	Baseline	0,00	N/a	
	Alternative	61,453	The alternative ensures that there are no legal and regulatory gaps that promote unsustainable use of resources in the NVBR.	The alternative ensures that the legal and regulatory framework does not conflict with biodiversity conservation..
	Increment Non-GEF GEF	61,453 0,00 61,453		
4. Integrated ecological landscape planning for the NVBR	Baseline (Municipalities and international donors)	700,000	The baseline has provided resources mainly to municipalities to developed their local land use plans. However, there is insufficient harmonization to ensure integrated landscape planning at the NVBR level.	

	Alternative	1,968,506	The alternative ensures the application of integrated landscape planning in the NVBR and facilitates its management.	Integrated landscape planning ensures that habitats of global significance are given their required protection status and managed accordingly.
	Increment <i>Of which:</i> ISPA PIN-Matra BEF Non-GEF GEF	1,268,506 517,500 200,000 106,000 823,500 445,006		
5. Opportunities for the development of sustainable alternative livelihoods and stimulation of community based biodiversity conservation are facilitated	Baseline (SAPARD, municipalities; State Road Fund)	6,754,000	The baseline provides funding for the diversification of income opportunities and prepares the Latvian rural sector for the transition process to EU accession.	
	Alternative	8,332,578	The alternative extends the activities of the baseline to target farmers located nearby biologically sensitive areas.	The rural families targeted are those whose activities impact areas considered as important habitats for globally significant species.
	Increment <i>Of which:</i> SAPARD UNDP Non-GEF GEF	1,578,578 900,000 170,000 1,070,000 508,578		
6. Increased awareness of and support for biodiversity conservation and sustainable development among all stakeholders	Baseline (Danish government, EU, municipalities)	300,000	Baseline allocations finance small-scale initiatives on waste management, general environmental education and some species/habitats related campaigns.	
	Alternative	1,140,648	The alternative extends the activities of the baseline to include a comprehensive strategy aimed at raising awareness on environmental conservation in the NVBR.	The public education and awareness campaign is mainly aimed at supporting the work of the NVBR in conservation of globally significant biodiversity.
	Increment <i>Of which:</i> Municipalities LSFS WWF NVWMO BEF Non-GEF GEF	840,648 45,000 200,000 100,000 40,000 106,000 491,000 349,648		
7. Habitat restoration at selected sites to maintain and enhance globally	Baseline (ISPA)	10,680,000	The baseline provides funding for the implementation of the Water Framework Directive with special attention to water quality issues.	

significant biodiversity	Alternative	18,915,601	The alternative extends the work of the baseline to include water treatment facilities for municipalities in the Salaca River and a river-basin water management plan.	Proper water quality level ensures that project's investment in habitat conservation along the Salaca River will be successful.
	Increment	8,235,601		
	<i>Of which:</i> ISPA	7,780,000		
	Non-GEF	7,780,000		
	GEF	455,601		
8. Systematic identification and dissemination of lessons learned and best practices through ministerial and NGO channels throughout Latvia	Baseline	0,00	N/a	
	Alternative	109,132	The alternative replicates strategies for sustainable resource to other areas of the NVBR and Latvia.	The alternative allows the replication of strategies for conservation of globally significant biodiversity to Latvia and other similar environments.
	Increment	109,132		
Non-GEF	0,00			
	GEF	109,132		
Total	Baseline	19,434,000		
	Alternative	32,834,000		
	Increment	13,400,000		
<i>Of which:</i> Non-GEF	10,739,500			
	GEF	2,660,550		

ANNEX F: STAKEHOLDER PARTICIPATION

Involvement of stakeholders in project preparation

The PDF-B that led to the preparation of this project document was designed to ensure the full participation of all relevant stakeholders. At the government level, the work undertaken during the PDF-B involved representatives from the Nature Protection Department of the Ministry of Environment, Forest Department, Fisheries Board and Rural Development Department under the Ministry of Agriculture, Regional Development Department of the Ministry of Finance, State Forest Service, State Joint Stock Company “Latvia’s Forests” and the Nature Protection Board. The representatives of the governmental institutions provided inputs to the development of this project document during individual consultations with project staff, meetings of the Project Steering Committee, as well as numerous workshops organized at various PDF-B stages.

At the academic and research level, the Institute of Biology, the Institute of Fisheries Research, Vidzeme University and the Biology Department of the University of Latvia collaborated closely in the development of this project. The process of project design also received advice and input from NGOs, namely the World Wide Fund for Nature (WWF), the Latvian Fund for Nature, and the Matisi Development Fund.

At the local and regional levels, the PDF-B received input from the Councils of Limbazi, Valka and Valmiera Regions, municipalities from the NVBR area, the Vidzeme Development Agency, the Regional Environmental Protection Board, regional units of the State Forest Service, as well as private land owners and forest owners. Two sociological surveys were conducted to assess current collaboration between the NVBR Administration and private landowners, and to identify proposals for activities leading to improved management of water bodies and the coastal area of NVBR.

As almost one half of the NVBR area is covered by forests, the project worked closely with the private forest owners to develop proposals for the introduction of environmentally friendly forest management practices. Inputs from the private forest owners were received during the workshops and through the establishment of one demonstration site for sustainable forest management.

In addition to the workshops and meetings organized under the PDF-B, project staff participated in seminars organized by various stakeholders. These meetings were used to present and discuss the approaches and activities proposed for the project, as well as to co-ordinate the project with other on-going and planned initiatives.

In summary, the process of project development took the form of successive iterations with all relevant stakeholders placing emphasis on particular groups according to their current and possible role in the protection of biodiversity and the Reserve’s management. Consultations were regularly conducted throughout the PDF-B and included workshops, interviews, questionnaires, surveys and open forums with a wide and varied cross section of local and national stakeholders.

Summary of PDF-B Workshops

Date	Title	Participants
December 2002	Development of a Biodiversity Vision for NVBR	Researchers and representatives from municipalities, NGOs
December 2002	Sustainable Management of Private Forests – threat analysis, proposed	State Forest Service, Ministry of Environment, NGOs, private forest

	actions	owners
December 2002	Management of Salaca River: threats and development opportunities	Researchers, planning experts at the municipal and regional levels
December 2002	Possibilities of LH reintroduction in NVBR	Private land owners, municipalities, Tourism Information Centre
December 2002	How to co-habit with a bear	Land owners, border guards, municipalities
January 2003	Sustainable development of the Salaca River Valley	Council of Limbazi District, municipalities
January 2003	Sustainable Management of Private Forests – discussion of the draft concept paper	State Forest Service, private forest owners consultants, WWF
February 2003	Biodiversity Protection in the Coastal Area – threats from the uncontrolled flow of tourists	Municipalities, State Joint Stock Company “Latvia’s Forests”
February 2003	Sustainable Management of Private Forests – discussion about the proposed activities	Private forest owners
February 2003	NVBR role in the integration of nature conservation and regional development interests	Researchers, municipalities, Nature Protection Board
February 2003	Tourism in NVBR – assessment of the current situation, proposals for future activities	Tourism Information Centre, municipalities, nature protection inspectors
March 2003	NVBR: from vision to practice	Governmental institutions, municipalities
March 2003	Legal instruments to control entrance into the coastal area	Municipalities
March 2003	Nature as an asset for regional development	Municipalities
April 2003	Sustainable Management of Private Forests – presentation of the demonstration site	Private forest owners, State Forest Service
April 2003	Possibilities of biodiversity protection at the community level	Municipalities
May 2003	Biodiversity protection and integrated ecosystem management in the NVBR – discussion of the draft project brief	Governmental institutions, municipalities, other interested groups

Involvement of stakeholders in project implementation

The project includes several mechanisms to ensure ongoing stakeholder participation in project activities. The Project Steering Committee’s constituency will ensure broad representation of interests throughout project implementation. At the site level, specific groups will actively participate in the further definition of project activities as well as in their implementation. Depending on the project site, different stakeholder groups will take the lead in further defining and implementing project activities.

The review and subsequent reconstitution of the Biosphere Reserve Advisory Council to make it more inclusive and representative of all interests will also assist in involving stakeholders in project implementation.

The Communications Strategy that is being developed for the project will also facilitate stakeholder involvement by keeping all stakeholders informed about project progress, as well as informing them of opportunities for their direct and indirect involvement in various aspects of the project's implementation.

In addition, certain project activities were specifically designed to directly involve local stakeholders in project implementation. These include a micro-grants facility for undertaking biodiversity supporting community-based initiatives, the involvement of local populations in programmes such as "Forest Watch" and "River Watch", and demonstrations of alternative sustainable and biodiversity supporting livelihoods.

From the beginning of the PDF-B stage, the project's activities were designed on the basis of inputs from a wide range of stakeholders. Implementation of the project will continue this process of consultation as activities are implemented. Depending on the project output, different stakeholder groups will take the lead in further refining and implementing project activities. The project implementation unit and its associated experts will have the role of facilitating this process of participation and therefore contributing to increased local ownership of the project.

ANNEX G: CO-FINANCING TYPE AND PURPOSE

Source	Amount	Type	Purpose
ISPA	517,500	Cash	Development of integrated master plan for the Salaca River (implementation of Water Framework Directive 2000/60/EC)
ISPA	7,780,000	Cash	Improvement/reconstruction of the sewerage network, extension of the sewerage network, construction of the wastewater treatment plant in order to produce an effluent quality complying with the requirements (removal of BOD, COD, SS and Ntot and Ptot where needed). Urban areas targeted are Valka, Salacgriva, Limbazi, Aloja, Mazsalaca, and Rujiena. <i>Only the investment for Salcgriva, Aloja and Mazsalca has been considered as co-financing.</i>
PIN - Matra	200,000	Cash	<ul style="list-style-type: none"> • Establishment of transborder cooperation on the protection and management of wetlands and forests in transborder area of Latvia and Estonia • Protected area border marking and information provision system (all sites) • Preparation of management plans for reserves (all sites);
LIFE Nature	100,000	Cash	<ul style="list-style-type: none"> • Mapping and protection of endangered and priority biotopes in a 300m strip along the entire Baltic coast of NVBR
Association of Municipalities "Salaca Valley"	90,000	Cash/In-kind	<ul style="list-style-type: none"> • Salaca River management, landscaping of tourist resting places • Public involvement in environmental awareness campaigns
SAPARD, private	900,000	Cash	SAPARD subprogram "Diversification of rural economy to facilitate development of alternative income sources"
World Wildlife Fund Latvia	100,000	Cash/In-kind	Environmental Education, public awareness, and information.
Latvian State Forestry Service	200,000	Cash	Environmental education
State Land Service	430,000	Cash/In-kind	Development of cartographical material on land ownership in North Vidzeme Biosphere Reserve Area
Non-profit organization "North Vidzeme Waste Management Organization"	40,000	Cash	Environmental training courses, seminars
Baltic Environmental Forum	212,000	Cash	<ul style="list-style-type: none"> • Development of management plans for Natura 2000 sites • Environmental education and information
UNDP	170,000	Cash	Development of biodiversity friendly income sources in the NVBR
Total	10,739,500		

ANNEX H: SUMMARY DESCRIPTION OF IMPORTANT HABITATS AND GLOBALLY SIGNIFICANT BIODIVERSITY IN THE NVBR

Area of interest	Description	Global significance, biodiversity
Salaca River	The territory covers the river itself, its main tributaries (Kirele, Natrene, Ige, Jogla, Norenupe, Ramata, Dzirnupe, Glazupe, Melnupe) and Lake Burtnieki with its tributaries. The length of the Salaca River is 95km. The size of Lake Burtnieki is 4,007 ha.	<p>The valley of the river creates diverse habitats. In the Dobris Assessment (1995), the Salaca River is mentioned as one of Europe’s primary rivers. It is a spawning area and habitat for a number of species mentioned in the Bern Convention and the EU Directive 92/43/EEC Appendix II. For example, the Baltic Salmon, lampreys - <i>Lampetra planeri</i> and <i>Lampetra fluviatilis</i>, other fish species such as <i>Rhodeus sericeus amarus</i>, <i>Cobitis taenia</i>, <i>Cottus gobio</i>, <i>Misgurnus fossilis</i>, invertebrate species - <i>Unio crassus</i>, and mammals – beaver <i>Castor fiber</i>, otter <i>Lutra lutra</i>.</p> <p>The river and the lake is also a habitat for a number of bird species mentioned in the Bern Convention and the EU Birds Directive Appendix I: <i>Ciconia nigra</i>, <i>Ciconia ciconia</i>, <i>Pernis apivorus</i>, <i>Pandion haliaetus</i>, <i>Porzana parva</i>, <i>Crex crex</i>, <i>Sterna hirundo</i>, <i>Chlidonias nigra</i>, <i>Alcedo atthis.</i>, and habitat for different aquatic organisms: (Rhodophyta, <i>Unio crassus</i>, <i>Astacus astacus</i>, possibly also <i>Leucorhina pectoralis</i>, <i>Dytiscus latissimus</i>. The lake itself and the meadows with arable land and forests around have been nominated as an IBA. It is important for migrating waterbirds, especially <i>Cygnus cygnus</i>. The meadows and other agricultural land around the lake support important numbers of breeding <i>Crex crex</i>. The area includes the biggest and northernmost colony of <i>Ciconia ciconia</i> in Latvia (about 35 nests).</p> <p>The Salaca River contributes some 6% of the total natural salmon population in the Baltic Sea. The International Baltic Sea Fishery Commission of the Helsinki Commission has declared it as the most productive spawning river for natural salmon species in the eastern Baltic.</p>
Bog areas	The total area of bogs important for protection of biological diversity covers some 20 thousand ha, out of which 13 thousand ha are almost undisturbed raised bogs.	<p>Relict tundra plant associations can be found only in these areas – dwarf (Arctic) birches, cotton grass. A number of habitats found in the bog areas are included in the Bern Convention and the Appendix I of the Directive (altogether 6 habitats). Two of these habitats, active raised bogs and active blanket bogs, are considered priority habitats. The most important plant species include <i>Trichophorum cespitosum</i>, <i>Dactylorhiza incarnata</i>, <i>Salix myrtilloides</i>, <i>Plantathera bifolia</i>, and <i>Primula farinosa</i>. The most important bird species include <i>Aquila chrysaetos</i>, <i>Aquila pomarina</i>, <i>Botaurus stellaris</i>, <i>Bubo bubo</i>, <i>Bucephala clangula</i>, <i>Chlidonias niger</i>, <i>Ciconia nigra</i>, <i>Circus pygargus</i>, <i>Circus aeruginosus</i>, <i>Falco columbarius</i>, <i>Gavia arctica</i>, <i>Grus grus</i>, <i>Lanius excubitor</i>, <i>Larus argentatus</i>, <i>Larus canus</i>, <i>Lullula arborea</i>, <i>Numenius arquata</i>, <i>Numenius phaeopus</i>, <i>Pandion haliaetus</i>, <i>Pernis apivorus</i>, <i>Philomachus pugnax</i>, <i>Picoides tridactylus</i>, <i>Picoides leucotos</i>, <i>Picus canus</i>, <i>Pluvialis apricaria</i>, <i>Podiceps auritus</i>, <i>Sterna hirundo</i>, <i>Strix uralensis</i>, <i>Tetrao tetrix</i>, <i>Tetrao urogallus</i>, <i>Tringa glareola</i>, and <i>Tringa totanus</i>.</p> <p>The bog area bordering with Estonia is included in the list of IBA and it is of outstanding value for migrating geese with at least 10,000 <i>Anser fabalis</i> and <i>A. albifrons</i>. The globally threatened <i>Aquila clanga</i> has been observed during the breeding season. The site is also important for non-breeding/migrating <i>Grus Grus</i> (more than 200 visit the area) and for its diverse assemblage of breeding species. The bogs host several rare and endangered birds such as <i>Aquila chrysaetos</i>, <i>Ciconia nigra</i>, <i>Circus pyrgargus</i>, <i>Gavia arctica</i>, <i>Numenius phaeopus</i>, <i>Grus grus</i>, <i>Philomachus</i>, <i>Pandion haliaetus</i>, <i>Calidris alpina schinzii</i> and it is an internationally important bird station during migration season. A</p>

Area of interest	Description	Global significance, biodiversity
		<p>proposal is under preparation to nominate the area as a RAMSAR site.</p> <p>One of the bog areas (Seda marsh, IBA) has been and continues to be used for commercial peat extraction. As a result of this activity the site has suffered extensive damage. However the excavated areas have been filled with water and are being colonised by vegetation forming ponds with diverse habitat features. This area is important for migrating <i>Cygnus cygnus</i> (about 500 counted) and for breeding <i>Chlidonias niger</i>. Other species of global significance include <i>Haliaetus albicilla</i> (breeding) and <i>Crex crex</i> (breeding in the meadows).</p>
Forests	<p>Forests occupy some 367,800 ha of the territory of the NVBR. Approximately, 50.8% of them are privately owned, 43.9% state owned and 5.3% owned by municipalities.</p>	<p>Forests in the project area constitute habitat for a number of mammals mentioned in the Bern Convention and the EU Directive 92/43/EEC Appendix II. For example, lynx <i>Lynx lynx</i> (IV) bear <i>Ursus arctos</i> (IV), wolf <i>Canis lupus</i> (IV), bats <i>Myotis myotis</i> (IV). It is also a habitat for a number of bird species mentioned in the EU Birds Directive Appendix I: <i>Ciconia nigra</i>, <i>Ciconia ciconia</i>, <i>Aquila chrysaetos</i>, <i>Aquila pomarina</i>, <i>Aquila clanga</i>, <i>Tetrao urogallus</i>, <i>Bonasa bonasia</i>, <i>Tetrao tetrix</i>, <i>Glaucidium passerinum</i>, <i>Aegolius funereus</i>, <i>Caprimulgus europaeus</i>, <i>Coracias garrulus</i>, <i>Dryocopus martius</i>, <i>Dendrocopus leucotus</i>, <i>Picoides tridactylus</i>, <i>Lullula arborea</i>, <i>Ficedula parva</i>, <i>Lanius collurio</i>, <i>Lanius minor</i>.</p> <p>A number of habitats found in the forests are included in the Appendix I of the Directive, including also 4 priority habitat types.</p>
Coastal areas	<p>The coastal area covers approximately 18,000 ha of terrestrial area (a 300 m. belt along the coast) and 16,750 ha of marine area (up to a depth of 10m). Coastal areas can be characterized as sandy stony beaches with small patches of meadows and saline puddles. The coastal area contains the largest coastal meadow and reed bed complex along the Latvian Baltic Sea coast with</p>	<p><u>A diverse vegetation with more than 600 plant species is found in the area and represents 38% of the total number of Latvian flora, among them 37 rare and endangered species. A number of habitats are included in the Bern Convention and the Appendix I of the Directive, including also priority habitats: continental salt meadows (<i>Puccinellietalia distantis</i>), fixed dunes with herbaceous vegetation (gray dunes) and boreal Baltic coastal meadows.</u></p> <p>The area provides habitat for a number of species mentioned in the Bern Convention and the Directive: the Natterjack toad (<i>Bufo calamita</i>), the seal (<i>Phoca vitulina</i>), the fish species <i>Lampetra fluviatilis</i> and Baltic Salmon, and the plant species <i>Pulsatilla patens</i>. A number of bird species are included in the EU Birds Directive, Appendix I: <i>Botaurus stellaris</i>, <i>Gavia stellata</i>, <i>G. arctica</i>, <i>Branta leucopsis</i>, <i>Pernis apivorus</i>, <i>Circus aeruginosus</i>, <i>Pandion haliaetus</i>, <i>Sterna albifrons</i>, and <i>Sterna paradisaea</i>.</p> <p>The coastal area contains 1 IBA, which is one of the 10 most important bird wintering areas in the whole Baltic Sea with 44 regularly breeding bird species, among them 12 listed in the “Red Data Book of Latvia”. In 1997, more than 13,000 <i>Gavia</i> species were encountered there. The area is especially important for migratory water birds and for those bird species wintering in the Gulf of Riga: Divers (<i>Gavia</i> spp.)– 1 to 9.9 specimens per km², Long tailed ducks (<i>Clangula hyemalis</i>) – 10 to 99.9 specimen per km², Gosanders (<i>Mergus merganser</i>).</p> <p>A section of the marine coastal area is classified by the Helsinki Commission as one of 62 most biologically diverse marine areas in the Baltic Sea (BSPA - Baltic Sea Protected Area). It contains rich invertebrate fauna, dominated by blue mussel coenoses, as well as Crustacea, Oligochaeta, Nemertina and Polychaeta. Underwater meadows are rich in algae: <i>Fucus vesiculosus</i>, <i>Furcellaria fastigata</i> and <i>Polysiphonia nigrescens</i> are found up to a depth of 20 m. There</p>

Area of interest	Description	Global significance, biodiversity
	halophytic (salt preferring) plant species.	are also two spawning areas important for herring and the river estuaries form important habitats for migratory fish species.
Semi-natural grasslands	The total area of semi-natural meadows has not been estimated yet. However, preliminary estimates suggest that it is only approximately 1% of the project area and thus they are of great significance	A number of habitats found in the meadows are included in the Bern Convention and the Appendix I of the Directive , including some priority habitats: semi-natural dry grasslands and scrubland facies on calcareous substrates (<i>Festuco brometalia</i>), Northern boreal alluvial meadows and lowland hay meadows (<i>Alopecurus pratensis</i> , <i>Sanguisorba officinalis</i>), and important orchid sites.

ANNEX I PROJECT WORKPLAN

Output 1 Improved Data and Data Management	Year				
	1	2	3	4	5
Compilation of existing information on the NVBR biodiversity, social, economic and institutional characteristics					
Definition of information gaps					
Design and implementation of information upgrading programme focused on key management needs and data requirements for undertaking comprehensive ecological landscape planning					
Design and development of a meta-database					
Design of data access, sharing and use protocols					
Appraisal of existing monitoring programme					
Design of a comprehensive monitoring programme and reporting mechanisms to satisfy daily management needs and meet global Biosphere Reserve requirements					
Implementation of monitoring programme and reporting mechanisms					
Output 2 Strengthened Institutional Capacity and Mechanisms for Management of the Reserve	1	2	3	4	5
Legislative changes to NVBR's governing legislation to facilitate its management as a Biosphere Reserve					
Legislative changes for improving compliance and enforcement in NVBR					
Integration of biodiversity conservation in development plans at all levels					
NVBR Administration functional needs analysis					
Reconstitution of NVBR Advisory Board					
Legislation to facilitate Forest Watch and River Watch programmes					
Preparation of management guidelines for buffer zones and transition areas					
Output 3 Reforms to Policies, Legislation and Incentive/Regulatory Frameworks for Resource Use	1	2	3	4	5
Definition of additional key legislative and regulatory deficiencies					
Definition of inconsistencies and gaps in policies governing NVBR					
Definition of requirements to provide for integration of NVBR management with district and municipal plans					
NVBR Administration needs analysis					
Assessment of NVBR Advisory Council role and needs for strengthening it					
Promotion of defined required legislative and regulatory reforms					
Promotion of required policy changes					
Strengthening of integration between NVBR Management Plan and district and municipal plans					
Strengthening of NVBR Administration on basis of needs analysis					
Strengthening of NBVR Advisory Council on basis of above analysis					
Analysis of incentive and compensation mechanisms for private landowners to promote biodiversity conservation					
Definition of training needs for key stakeholders					
Provision of training to key stakeholders including visits to other Biosphere Reserves					
Strengthening of compliance capacity					
Output 4 Ecological Landscape Planning and Management Plan	1	2	3	4	5
Analysis of information compiled under Output 1					
Definition of criteria of significance and constraint in a participatory manner with stakeholders					
Definition of areas of abiotic, biotic and cultural structural and functional significance and constraint on basis of above criteria					
Determination of areas of overall integrated abiotic, biotic and cultural significance and constraint using a participatory process with stakeholders					
Definition of core zones, buffer zones, transition areas, and important corridors					
Presentation and agreement upon new zoning and implications among stakeholders					

Definition and agreement of most appropriate and effective management arrangements and responsibilities					
Definition of management guidelines for all lands and waters					
Linkage of new management guidelines to district and municipal plans					
Rezoning of NVBR on basis of foregoing analysis					
Preparation of NVBR Management Plan					
Endorsement of NVBR Management Plan					
Monitoring and evaluation of NVBR Management Plan					
Revisions to NVBR Management Plan on basis of monitoring results					
Output 5 Increased Community Involvement in Biodiversity Conservation and Alternative Sustainable Economic Development Opportunities	1	2	3	4	5
Definition of baseline economic conditions at selected sites					
Definition of opportunities for sustainable economic diversification					
Training in alternative economic pursuits (tourism and recreation services)					
Definition of rules and procedures for a community small grants programme					
Approval of rules and procedures					
Establishment of community small grants programme's organization					
Capitalization of small grants programme					
Implementation of small grants programme					
Monitoring and evaluation of small grants programme					
Establishment of River Watch and Forest Watch programmes with community volunteers					
Output 6 Raised Biodiversity Awareness	1	2	3	4	5
Stakeholder definition and information needs analysis					
Development of Project and NVBR Communications Strategy					
Delivery of communications to defined audiences using a combination of means					
Development of training programmes for all stakeholders on Biosphere Reserves, biodiversity conservation and sustainable development					
Delivery of above training programmes					
Delivery of specific training to community volunteers in biodiversity monitoring and surveying					
Definition of landowner contact programme requirements					
Implementation of landowner contact programme					
Output 7 Habitat Restoration	1	2	3	4	5
Preparation and implementation of River Basin Management Plan for Salaca River					
Restoration of Lake Burtnieki water quality					
Removal of dam remnants at Staicele					
Restoration of salmon and lamprey spawning habitats					
Restoration of selected meadows and maintenance for biodiversity values					
Output 8 Identification of Lessons Learned, Best Practices and Their Dissemination	1	2	3	4	5
Identification of specific learning objectives					
Identification, codification and compilation of best practices					
Review by PSC of codified lessons and best practices for training, policy analysis and programme development					
Development and dissemination of plan of best practices and lessons learned					
Model Projects	1	2	3	4	5
Sustainable forestry					
Selection of pilot sites					
Definition of demonstration activities					
Implementation of activities					
Development of information packages for replication of activities at other sites					

Meadow management					
Definition of baseline conditions at selected sites	■				
Definition of demonstration activities		■			
Implementation of activities		■	■	■	■
Development of information packages for replication of activities at other sites					■
Recreation management					
Definition of baseline conditions at selected sites	■				
Development of regulations for recreational use of selected areas		■			
Site planning		■	■		
Monitoring and evaluation of change in biodiversity impacts			■	■	■
Resource use conflict management					
Development of and agreement upon conflict resolution mechanism among stakeholders	■				
Implementation of conflict resolution mechanism		■	■	■	■
Evaluation of mechanism and modification as required					■

ANNEX J: TERMS OF REFERENCE

Terms of Reference National Project Director (NPD)

The NPD is a senior state employee designated by the National Executing Agency (Ministry of Environment) who is entrusted with the overall guidance and coordination of the project's implementation. It is an unpaid position provided by the Government as an in-kind contribution to the project. The NPD is accountable to the National Executing Agency and UNDP for the production of the required project outputs and outcomes, the effective and appropriate use of the project resources provided by GEF, and the coordination of the UNDP/GEF project with other relevant programmes and projects being implemented in Latvia.

Duration: 60 months until project completion

In particular, the NPD will:

- approve the project work plan, any budget revisions and, if necessary, any revisions to the project work plan and project itself;
- chair meetings of the Project Steering Committee;
- ensure that governing legislation, rules and procedures are fully met in the course of the project's implementation;
- review Terms of Reference and reports produced by the Project Manager and the key experts/contractors, and assist in the selection of project staff;
- approve procurements;
- certify financial reports including reports on advances and reports on disbursements;
- approve/certify project monitoring reports (APRs), audit reports and evaluation reports;
- facilitate liaison and cooperation with Government authorities at all levels in the course of the project's implementation;
- report to the National Executing Agency and UNDP/GEF on the use of project resources and the achievement of the project's outputs and outcomes.

The work of the NPD will be supported by the Project Manager and other members of the Project Implementation Unit (PIU) working under UNDP contracts for the duration of the project. The NPD can partially delegate some of his/her responsibilities to the Project Manager and the PIU. The NPD will also liaise closely with the national GEF Focal Point.

Terms of Reference Project Manager (PM)

Duration: 60 months

Duty station: NVBR Headquarters and Riga, Latvia with travel in the Project region, and possible travel to other locations as required

General Responsibilities:

Under the guidance of the National Project Director, the PM shall be responsible for the overall daily coordination of all aspects of the Project. The PM will be responsible for overseeing the Project team's work and he/she will be ultimately responsible for the effective implementation of all Project activities. He/she will liaise directly with designated officials of the national and local governments, the UNDP, existing and potential additional Project donors, the National GEF Focal Point, and others as deemed appropriate and necessary by the PD or PM him/herself. The Project budget and associated work plan will provide guidance on the day-to-day implementation of the approved Project activities and on the integration of the various complementary initiatives. He/she shall be responsible for the delivery of all substantive, managerial and financial reports from and on behalf of the Project. He/she will provide overall supervision for all Project staff. The Project Manager will provide expert input in his/her area of expertise, coordinate contracted work necessary for Project implementation, and will organize and attend all consultations and meetings.

Specific Duties

The PM will have the following specific duties:

- Ensure development, co-ordination and management of the Project.
- Manage and supervise the Project Implementation Unit's (PIU) staff, including work group leaders, and the project budget.
- Undersign all project progress reports, financial reports and requests.
- Ensure effective communication with the relevant public authorities, institutions and other stakeholders on project's activities.
- Establish and maintains links with national and international project partners.
- Organize the development of the contracts for local and international experts and consultants, and co-operating partners.
- Ensure preparation and submission to the PSC and UNDP of progress and financial reports, as set out in the project document.
- Supervise activities under the project to ensure that they are performed in accordance with the budget as set out in the project document.
- Ensure that the expenditures incurred are in compliance with the activities referred to in the project document.
- Ensure project promotion and effective public relations.
- Establish and manage mechanisms for exchange of experience, and lessons learned at the local and national levels.
- Coordinate, monitor and be responsible to the PD and PSC for implementation of the Project Work Plan.
- Ensure consistency among the various Project elements and related activities provided or funded by other donor organizations.

- Foster and establish links with other related GEF programmes and, where appropriate, with other relevant regional programmes.
- Submit Project progress reports and present any identified problems to the PD and UNDP.
- Undersign all project progress reports, financial reports and requests.
- Ensure that all of the logistical needs of Project implementation are met.
- Conduct stakeholder workshops in the Project region.

Qualifications:

- Post-graduate degree preferably in a directly related field (e.g. natural resource management; biodiversity conservation);
- At least eight years experience as a senior project manager, with proven experience in multi-sectoral project management;
- Well developed inter-personal, communication and negotiating skills;
- Good familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current and future potential donors);
- Proficient English speaking and writing capability;
- Previous work experience in the project region on issues directly related to the Project;
- Ability and willingness to travel; and,
- Demonstrable skills in using information technology (word processing, spread sheets) and familiarity with GIS applications.

Reporting requirements:

The PM will report to the NPD and the PSC.

Terms of Reference Project Support Officer

Duration: 60 months

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Description:

Under the supervision of the PM, the Project Support Officer will:

- Manage the day-to-day operations of the Project Office, particularly with respect to the provision of technical services and support.
- Assist in the development and drafting of contracts for local and international experts and consultants.
- Prepare and submit to UNDP regular financial reports in accordance with UNDP requirements and formats.
- Prepare the cash advance requests based on the forecast of forthcoming needs for the relevant period.
- Make disbursements in accordance with activities and the budget of the Project Document.
- Ensure that Project disbursements are valid and supported by adequate documentation.
- Maintain proper books of accounts and all records related to the funding of Project activities.
- Assist the Project Manager to carry out the procurement, use, control and disposal of non-expendable equipment in accordance with UNDP requirements.
- Perform all necessary secretarial services.
- Prepare internal and external correspondence for the Project Office, maintain files and assist in the preparation of documentation in advance of and following meetings.
- Co-ordinate and assist in making travel arrangements for Project personnel.
- Assist in the preparation of press releases and statements on the Project's activities.
- Undertake other duties as they may be assigned by the PM.

Skills and Experience Required:

- Several years' experience of work with international organizations/agencies, governmental offices, or research organizations.
- Proficiency in English (speaking and writing).
- Previously demonstrated experience in accounting and record keeping
- Demonstrable skills in information technology e.g. word processing, spreadsheet preparation
- Strongly developed inter-personal skills.
- Reliability, initiative, thoroughness and attention to detail.
- Ability to work under general guidance or independently, and to multi-task.
- Ability to work under pressure.
- Willingness and capability to work substantial periods of overtime sometimes at short notice.

Reporting:

The Project Support Officer will report to the Project Manager.

Terms of Reference

Project Steering Committee (PSC)

Objective:

The Project Steering Committee is to provide overall guidance and support for project implementation activities in accordance with the tasks outlined in the Project Document.

Composition and Terms of Appointment:

The PSC will consist of members nominated from the Ministry of Environment, UNDP and other Ministries and stakeholders as indicated in the Project Document. The representative of the MoE, who will be the Project Director, will chair the PSC. The Project Manager will be the Secretary of the PSC.

The PSC will meet the first month after project commencement, every 3-4 months during the project's first year, and every six months in subsequent years at the call of the PSC Chairman to review the project and set major policy and implementation directions. The Project Team will provide essential logistical support for the PSC and its meetings (agendas, documentation, minutes, progress reports). No financial compensation will be provided to members for work on the PSC. Only reimbursement of reasonable and necessary expenses, such as long-distance travel to Project sites and the PSC meetings, may be provided. The reimbursement of such expenses should be approved prior to the actual expenditure.

The majority of meetings, and certainly the first one, will be in Salacgriva at the NVBR Headquarters. Meetings will also be convened in Riga.

Protocol:

A PSC meeting will be considered valid when more than 50 % of PSC members are present. As much as possible, the PSC will operate on the basis of consensus rather than formal voting. In case of voting being required, decision-making will require more than 50 % of participating PSC members' votes. The agreed decision will be outlined in the PSC meeting minutes. The Secretary and Chairman will sign the minutes.

Tasks and Functions:

More specifically, the PSC will:

- Assume supervisory responsibility for the Project;
- Provide general guidance to the Project Manager in coordinating and managing the Project and its activities;
- Assist in identifying and allocating Project support for activities consistent with Project objectives;
- Annually review and assess the progress of the Project and its individual components;
- Approve the work plan and project budget and, as may be required, on the basis of proposals made by the Project Team, make amendments to the initial work plan as well as reallocate the budget among the budget lines as may be required;
- Create mechanisms for the active involvement of all relevant stakeholders;

- Seek additional funding to support the outputs and activities of the Project;
- Review and endorse Project reports and detailed work plans produced by the Project Team;
and
- Establish linkages with the national, regional and local governments and synchronize the Project's outcomes with other relevant projects, the development plans for the project area, and the implementation of other programmes.

PSC members shall also serve with UNDP representatives on a selection committee for the appointment of the Project Manager.

Timeframe:

These terms takes effect upon the signing of the Project Document, and will expire upon the Project's termination.

Terms of Reference Project Communications Officer

Duration: Part-time over 57 months

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Description:

Under the supervision of the PM, the Project Communications Officer will:

- Develop information material on the project for various target audiences
- Provide updates on the project and its activities and accomplishments to all stakeholders
- Establish and maintain close contacts with the mass media to publicize the project
- Provide briefings to stakeholders and the media as directed by the Project Manager
- Travel to communities in the project region to represent the project and answer questions pertaining to it

Skills and Experience Required:

- Strongly developed communications and public relations skills
- Familiarity and established contacts with local media
- Background in preparation of communications materials using a variety of media
- Demonstrable skills in information technology e.g. word processing, spreadsheet preparation
- Strongly developed inter-personal skills.
- Reliability, initiative, thoroughness and attention to detail.
- Ability to work under general guidance or independently, and to multi-task.
- Ability to work under pressure.
- Willingness and capability to work substantial periods of overtime sometimes at short notice.
- Willingness and ability to travel

Reporting:

The Project Communications Officer will report to the Project Manager.

Terms of Reference

Geographical Information Systems and Data Management Specialist

Duration: 48 months

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Description:

Under the supervision of the PM, the Project GIS and Data Management Specialist will:

- Manage, maintain and update the project's data bases
- Maintain, update and operate the GIS system to be employed for the project
- Identify any deficiencies and technical requirements and make recommendations for rectifying them
- Provide advice on methods and approaches to maximize the effectiveness and efficiency of data gathering and data management
- Produce materials required for consultations and stakeholder meetings
- Prepare materials and maps that may be required by Project staff

Skills and Experience Required:

- Degree or diploma in geography or computer science
- Knowledge of and at least three years experience in data base design
- Thorough demonstrated familiarity with GIS applications (Arc Info)
- Ability to work to deadlines
- Ability to work under general guidance or independently, and to multi-task.
- Willingness and capability to work substantial periods of overtime sometimes at short notice
- Well developed inter-personal skills and an ability to work in a group environment

Reporting:

The Project GIS and Data Management Specialist will report to the Project Manager.

Terms of Reference

Community Small Grants Facility Manager

Duration: 30 months

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Description:

Under the supervision of the PM, the Community Small Grants Facility Manager will:

- Assist in the definition rules and procedures for the community small grants programme ensuring their consistency with governing financial legislation
- Develop themes for the small grants programme competitions
- Prepare all materials necessary for the implementation of the small grants programme
- Publicize the programme among local communities
- Conduct training seminars on grant proposal writing
- Participate in the assessment of grant applications
- Manage the small grants programme
- Maintain data base on the small grants programme
- Prepare information on the results of the programme as required

Skills and Experience Required:

- Thorough familiarity with governing financial legislation
- Proven experience in grant programme management
- Ability to work under general guidance or independently, and to multi-task.
- Well developed attention to detail
- Knowledge of the region is strongly preferred
- Willingness and capability to work substantial periods of overtime sometimes at short notice
- Well developed inter-personal skills and an ability to work in a group environment

Reporting:

The Community Small Grants Facility Manager will report to the Project Manager.

Abbreviated Terms of Reference for Work Groups

Consultative Work Groups will be employed for the duration of the project. Each Work Group will be headed by a Work Group Leader. Only Work Group Leaders will be Project staff. Other Work Group members will act on a volunteer basis.

Background/Purpose:

The implementation of project activities will be assisted by six Work Groups (WGs). The purpose of the WGs is to provide the PM with the best possible day-to-day expert advice and information on topics that are key to the implementation of the Project. The nomination of WG members will be made by the PM following consultation with stakeholders. The membership of the WGs will be approved by the PSC. WGs will be formed to:

1. Assist the PM in guiding the implementation of the activities identified in the Project Document.
2. Ensure effective integration with related existing projects and activities undertaken by the government, bilateral aid programs, researchers, NGOs and private enterprises.
3. Assist in the development of Terms of Reference to contract out specified project activities.

In all cases WGs shall:

- respond to requests for advice from the PSC and PM, and prepare proposals for the PM's consideration at their own initiative;
- involve experts familiar with the issues being addressed on an as required basis;
- work closely with other bodies, institutions, NGOs and other interests as they, or the PM, deem necessary; and,
- involve relevant NGOs and other stakeholders as a means of improving public participation and awareness in all of the focal areas they cover.

Each WG shall make best use of existing expertise and institutional capacity within the project region. Each WG may request assistance from any institution or expert that it considers appropriate on the basis of established UNDP contracting procedures.

WGs will liaise with each other and joint groups may be set up from time-to-time to effectively address cross-cutting issues.

The six WGs will be:

Work Group on Data and Data Management

This WG will be established to provide guidance for the implementation of project activities pertaining to improving the information base on the NVBR, the management of the data bases, and the development of a comprehensive monitoring and reporting programme for the Reserve. This will entail the undertaking of all activities under project Output 1.

The WG will be coordinated by a Work Group Leader who will be a project staff member, and who shall report to the Project Manager.

Work Group on Ecological Landscape Planning

This WG will be established to provide guidance for the implementation of project activities to be undertaken in conjunction with the development and implementation of ecological landscape planning for the NVBR, and for the preparation of a Management Plan for the Reserve. This will entail the undertaking of all activities under project Output 2.

The WG will be coordinated by a Work Group Leader who will be a project staff member, and who shall report to the Project Manager.

Work Group on Strengthening Institutional Capacity and Management

This WG will be established to provide guidance for the implementation of project activities geared towards the strengthening of institutional and management capacity for the NVBR. These will include legal, regulatory and administrative dimensions, as well as training for key stakeholders. This will entail the undertaking of all activities under project Output 3.

The WG will be coordinated by a Work Group Leader who will be a project staff member, and who shall report to the Project Manager.

Work Group on Biodiversity Awareness

This WG will be established to provide guidance for the implementation of project activities aimed at strengthening and promoting the public awareness of biodiversity conservation values and advocacy in support of biodiversity conservation. This will entail the undertaking of all activities under project Output 4.

The WG will be coordinated by a Work Group Leader who will be a project staff member, and who shall report to the Project Manager.

Work Group on Community Involvement and Alternative Economic Development

This WG will be established to provide guidance for the implementation of project activities pertaining to promoting community involvement in biodiversity conservation and the development of alternative livelihoods for local communities, including the small grants programme to support community level biodiversity conservation initiatives. This will entail undertaking all activities under project Output 5.

The WG will be coordinated by a Work Group Leader, who will be a project staff member, and who shall report to the Project Manager.

Work Group on Habitat Restoration

This WG will be established to provide guidance for the implementation of project activities pertaining to the restoration of terrestrial and aquatic habitats important for biodiversity. This will entail undertaking all activities under project Output 6.

The WG will be coordinated by a Work Group Leader, who will be a project staff member, and who shall report to the Project Manager.

Abbreviated Terms of Reference for Work Group Leaders

Work Group Leader Data and Data Management

Duration: 24 months (part-time over project timeline)

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Responsibilities:

The Work Group Leader shall be responsible for the overall daily coordination and timely implementation of all activities comprising Project Output 1. With the approval of the PM, he/she shall liaise with designated government officials, the NVBR Administration and staff, NGOs, research institutions, local community leaders, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Work Group work plan will provide guidance on the day-to-day implementation of required activities. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall direction to all Work Group members. He/she will also maintain close contact with the other project Work Group Leaders.

Specific Duties:

Under the supervision of the PM, the Data and Data Management Work Group Leader will undertake and be responsible for the following specific duties:

- Prepare an Annual Work Plan for the project component on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Work Group Leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the approved Work Plan for the project component;
- Ensure consistency among the various component elements and specific activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Work Group;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports for the project component under his/her direction;
- Foster and establish links with other relevant regional programmes and processes as deemed appropriate; and
- Submit quarterly reports on progress under the component and problems to the PM.

Qualifications:

- degree in Geography with a specialization in GIS applications or diploma in GIS or directly related field proven experience in fields related to the assignment.
- well developed leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;
- familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current sources of project co-financing);
- English speaking and writing capability;

- previous work experience in the region on issues related to the project;
- ability and willingness to travel; and,
- demonstrable skills in information technology (word processing, spread sheets, GIS applications).

Reporting Requirement:

The Data and Data Management Work Group Leader will report to the Project Manager on a regular basis concerning implementation of Output 1 of the project. The Work Group Leader will also provide quarterly and annual operational and financial reports, as well as other reporting as requested by the Project Manager.

Terms of Reference

Work Group Leader Ecological Landscape Planning

Duration: 24 months (during years 2 and 3 of project implementation)

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Responsibilities:

The Work Group Leader shall be responsible for the overall daily coordination and timely implementation of all activities comprising Project Output 2. With the approval of the PM, he/she shall liaise with designated government officials, the NVBR Administration and staff, NGOs, research institutions, local community leaders, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Work Group work plan will provide guidance on the day-to-day implementation of required activities. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall direction to all Work Group members. He/she will also maintain close contact with the other project Work Group Leaders.

Specific Duties:

Under the supervision of the PM, the Ecological Landscape Planning Work Group Leader will undertake and be responsible for the following specific duties:

- Prepare an Annual Work Plan for the project component on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Work Group Leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the approved Work Plan for the project component;
- Ensure consistency among the various component elements and specific activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Work Group;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports for the project component under his/her direction;
- Foster and establish links with other relevant regional programmes and processes as deemed appropriate; and
- Submit quarterly reports on progress under the component and problems to the PM.

Qualifications:

- degree in landscape or land use planning or a directly related field (e.g. wildlife and fisheries management, regional development planning, natural resource management, etc.);
- proven experience in fields related to the assignment.
- well developed leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;
- familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current sources of project co-financing);

- English speaking and writing capability;
- previous work experience in the region on issues related to the project;
- ability and willingness to travel; and,
- demonstrable skills in information technology (word processing, spread sheets, GIS applications).

Reporting Requirement:

The Ecological Landscape Planning Work Group Leader will report to the Project Manager on a regular basis concerning implementation of Output 2 of the project. The Work Group Leader will also provide quarterly and annual operational and financial reports, as well as other reporting as requested by the Project Manager.

Terms of Reference

Work Group Leader Institutional and Management Capacity

Duration: 24 months (part-time over project timeline)

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Responsibilities:

The Work Group Leader shall be responsible for the overall daily coordination and timely implementation of all activities comprising Project Output 3. With the approval of the PM, he/she shall liaise with designated government officials, the NVBR Administration and staff, the NVBR Advisory Board, NGOs, research institutions, local community leaders, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Work Group work plan will provide guidance on the day-to-day implementation of required activities. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall direction to all Work Group members. He/she will also maintain close contact with the other project Work Group Leaders.

Specific Duties:

Under the supervision of the PM, the Institutional and Management Capacity Work Group Leader will undertake and be responsible for the following specific duties:

- Prepare an Annual Work Plan for the project component on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Work Group Leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the approved Work Plan for the project component;
- Ensure consistency among the various component elements and specific activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Work Group;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports for the project component under his/her direction;
- Foster and establish links with other relevant regional programmes and processes as deemed appropriate; and
- Submit quarterly reports on progress under the component and problems to the PM.

Qualifications:

- degree in law, public policy or public administration, or a directly related field
- proven experience in fields related to the assignment.
- well developed leadership, inter-personal, communication and negotiating skills, as well as a proven ability to work effectively in groups;

- familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current sources of project co-financing);
- English speaking and writing capability;
- previous work experience in the region on issues related to the project;
- ability and willingness to travel; and,
- demonstrable skills in information technology (word processing, spread sheets, GIS applications)

Reporting Requirement:

The Institutional and Management Capacity Work Group Leader will report to the Project Manager on a regular basis concerning implementation of Output 3 of the project. The Work Group Leader will also provide quarterly and annual operational and financial reports, as well as other reporting as requested by the Project Manager.

Terms of Reference

Work Group Leader Biodiversity Awareness

Duration: 54 months

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Responsibilities:

The Work Group Leader shall be responsible for the overall daily coordination and timely implementation of all activities comprising Project Output 4. With the approval of the PM, he/she shall liaise with designated government officials, the NVBR Administration and staff, NGOs, research institutions, local community leaders, schools, the mass media and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Work Group work plan will provide guidance on the day-to-day implementation of required activities. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall direction to all Work Group members. He/she will also maintain close contact with the other project Work Group Leaders.

Specific Duties:

Under the supervision of the PM, the Biodiversity Awareness Work Group Leader will undertake and be responsible for the following specific duties:

- Prepare an Annual Work Plan for the project component on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Work Group Leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the approved Work Plan for the project component;
- Ensure consistency among the various component elements and specific activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Work Group;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports for the project component under his/her direction;
- Foster and establish links with other relevant regional programmes and processes as deemed appropriate; and
- Submit quarterly reports on progress under the component and problems to the PM.

Qualifications:

- degree in education, communications, or extensive background in a directly related field
- proven experience in fields related to the assignment including the preparation and delivery of communications strategies
- knowledge of the region and contacts with the mass media
- well developed leadership, inter-personal, and communication skills, as well as a proven ability to work effectively in groups;

- familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current sources of project co-financing)

Reporting Requirement:

The Biodiversity Awareness Work Group Leader will report to the Project Manager on a regular basis concerning implementation of Output 4 of the project. The Work Group Leader will also provide quarterly and annual operational and financial reports, as well as other reporting as requested by the Project Manager.

Terms of Reference

Work Group Leader Community Involvement and Alternative Economic Development

Duration: 54 months

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Responsibilities:

The Work Group Leader shall be responsible for the overall daily coordination and timely implementation of all activities comprising Project Output 5. With the approval of the PM, he/she shall liaise with designated government officials, the NVBR Administration and staff, NGOs, research institutions, local community leaders, schools, and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Work Group work plan will provide guidance on the day-to-day implementation of required activities. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall direction to all Work Group members. He/she will also maintain close contact with the other project Work Group Leaders.

Specific Duties:

Under the supervision of the PM, the Community Involvement and Alternative Economic Development Work Group Leader will undertake and be responsible for the following specific duties:

- Prepare an Annual Work Plan for the project component on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Work Group Leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the approved Work Plan for the project component;
- Ensure consistency among the various component elements and specific activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Work Group;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports for the project component under his/her direction;
- Foster and establish links with other relevant regional programmes and processes as deemed appropriate; and
- Submit quarterly reports on progress under the component and problems to the PM.

Qualifications:

- degree in rural development, economics, finance or extensive background in a directly related field;
- proven experience in fields related to the assignment ;
- extensive knowledge of local socio-economic conditions and aspirations of local communities and population;

- direct experience in the development of economic opportunities at the community level
- extensive knowledge of financial legislation and banking in Latvia;
- well developed leadership, inter-personal, and communication skills, as well as a proven ability to work effectively in groups;
- familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current sources of project co-financing)

Reporting Requirement:

The Community Involvement and Alternative Economic Development Work Group Leader will report to the Project Manager on a regular basis concerning implementation of Output 5 of the project. The Work Group Leader will also provide quarterly and annual operational and financial reports, as well as other reporting as requested by the Project Manager.

Terms of Reference

Work Group Leader Habitat Restoration

Duration: 24 months (part-time over project timeline)

Location: NVBR Headquarters, with travel to Riga and in the Project region as required

General Responsibilities:

The Work Group Leader shall be responsible for the overall daily coordination and timely implementation of all activities listed under Project Output 6. With the approval of the PM, he/she shall liaise with designated government officials, the NVBR Administration and staff, NGOs, research institutions, local community leaders, schools, the private sector and others as deemed appropriate and necessary by the PM or him/herself. The project budget and associated Work Group work plan will provide guidance on the day-to-day implementation of required activities. He/she shall be responsible for delivery of all substantive, managerial and financial reports from and on behalf of the project component under his/her direction. He/she will provide overall direction to all Work Group members. He/she will also maintain close contact with the other project Work Group Leaders.

Specific Duties:

Under the supervision of the PM, the Habitat Restoration Work Group Leader will undertake and be responsible for the following specific duties:

- Prepare an Annual Work Plan for the project component on the basis of the Project Document, under the general supervision of and in close consultation and coordination with the PM and other Work Group Leaders;
- Coordinate, monitor and be responsible to the PM for the implementation of the approved Work Plan for the project component;
- Ensure consistency among the various component elements and specific activities;
- Prepare and oversee the development of Terms of Reference for consultants and contractors to be employed under the Work Group;
- Be responsible for the timely completion of contracted out consulting assignments, as well as control over the quality of the contractors' work;
- Timely preparation of the required substantive and operational reports for the project component under his/her direction;
- Foster and establish links with other relevant regional programmes and processes as deemed appropriate; and
- Submit quarterly reports on progress under the component and problems to the PM.

Qualifications:

- degree in biology, ecology, fisheries management or agriculture or extensive background in a directly related field;
- proven experience in fields related to the assignment, specifically in river habitat and meadow restoration ;
- knowledge of the region;
- well developed leadership, inter-personal, and communication skills, as well as a proven ability to work effectively in groups;

- familiarity with the goals and procedures of international organizations is preferred, in particular those of the GEF and its partners (UNDP, UNEP, the World Bank, major NGOs, and current sources of project co-financing)

Reporting Requirement:

The Habitat Restoration Work Group Leader will report to the Project Manager on a regular basis concerning implementation of Output 6 of the project. The Work Group Leader will also provide quarterly and annual operational and financial reports, as well as other reporting as requested by the Project Manager.

Additional Abbreviated Terms of Reference

Sub-contracts and Consultants

Contracts will be issued during the Project to undertake numerous task specific consultancies. The following presents a listing of foreseen consulting requirements. Detailed Terms of Reference for each of the following consultancies will be prepared by the Project Manager and Work Group Leaders and will be approved by the Project Director and the Project Steering Committee. The awarding of the consultancies will be done on a competitive basis using established procedures. In instances where international consultants will be required, notification of the tenders will be done using established procedures that make them known to the international consulting community.

National Consultants:

National Consultants, for both short and longer-term assignments, will be recruited from qualified candidates at the national and regional levels. National consultants will play an important role in project implementation so that the project remains country-driven and local and national capacities are enhanced.

It is expected that the following consultancies will be performed utilizing national consultants:

- Compilation of existing information on the NVBR biodiversity, social, economic, and institutional characteristics, definition of information gaps and design of information upgrading programme
- Data base and meta-data base design
- Monitoring programme implementation
- Ecological landscape planning data compilation, analysis
- Preparation of NVBR Management Plan
- Legislative and policy analysis and recommendations
- NVBR Administration needs analysis and recommendations for strengthening it
- Assessment of NVBR Advisory Council and recommendations
- Private landowner compensation mechanisms to promote biodiversity conservation
- Development and delivery of Project Communications Strategy
- Development and delivery of training programmes in biodiversity conservation to stakeholders
- Landowner contact programme development and implementation
- Community based conservation initiatives' organization and management (Forest and River Watch programmes)
- Habitat restoration (Staicele Dam, Lake Burtnieki water quality, meadows, spawning habitat of salmon and lamprey)
- Sustainable forestry demonstration projects
- Meadow management demonstration projects
- Recreation management demonstration projects
- Resource use conflict management mechanism development and implementation

More detailed Terms of References for each consultancy will be prepared by the PM and Work Group Leaders in the earliest stages of project implementation.

International Consultants:

International consultants, for both short and longer term assignments, will be recruited from qualified candidates to assist in the delivery and implementation of activities for which domestic expertise is lacking or unavailable. Short-term international consultants will provide technical input to specific activities of the project, act as resource persons, and give methodological guidance in organizing meetings and workshops. At the request of the Executing Agency, international consulting expertise will also be used to assist in project supervision, as well as monitoring and evaluation. International consultants will be utilized in instances in which national expertise is not readily available. It is likely that international consultants will be required for the following:

- Design of a comprehensive Biosphere Reserve monitoring programme
- Guidance in design of ecological landscape planning programme
- Design of legislative and policy analysis
- Development of training programmes on Biosphere Reserves
- Training in landowner contact programme development and operation
- Design of community small grants programme
- Training in design of alternative economic development programmes
- Training in conflict resolution processes
- Training in sustainable forestry

The more detailed Terms of References for each consultancy will be prepared by the PM and Work Group Leaders in the earliest stages of project implementation.

ANNEX K: RESPONSES TO GEF SEC COMMENTS

GEFSec Comment	UNDP Response
<p>Although there is conformity of proposed activities with OP#2 objectives, the project may need to be discussed as an OP#2 concept and, if agreed as an OP#2, it may need to be re-pipelined. UNDP should discuss this issue with at the bilateral.</p>	<p>The reasoning behind the change in OP designation is straightforward: during and after PDF-B implementation it was concluded that the overwhelming majority of global benefits fell within the biodiversity focal area and determined to be sufficient to warrant GEF funding and therefore was eligible for OP 2. We are unaware of any formal requirements for OP changes.</p>
<p>There is some overlap with projects under the IW focal area, possibly a remnant of the earlier OP#12 proposal. Please clarify it, in particular in relation to activities in the Salaca River under the GEF Baltic Sea Regional Project. Please refer also to comments from the World Bank on this aspect too.</p>	<p>The project defined incremental activities in the Salaca River in full knowledge of the scope of national programs and the Baltic Sea project. Specifically:</p> <p>Since the approval of the PDF-B, the project had been negotiating with the GoL the extent of national contributions towards ensuring water quality in the Salaca River. The project defined the GEF incremental actions (habitat restoration for Salmon and Lamprey) only after the nature and extent of the national contributions were confirmed. Simultaneously, the project made sure that these actions would not contradict priorities set by the Baltic Sea project, mainly the implementation of the existing Joint Comprehensive Environmental Action Programme.</p> <p>The GoL is undertaking these water treatment investments partly because of its commitments to meeting EU standards on water quality and partly because basin-wide eutrophication is widely accepted as a major transboundary issue in the Baltic - the proposed intervention will contribute to addressing this issue. In this context, the co-financing from the GoL cannot and should not be considered as “overlapping” with the Baltic Sea Programme but rather as the genuine contribution of Latvia towards meeting national development objectives and honoring its commitments towards the Baltic programme.</p> <p>In regards to the comments from the World Bank, there will be regular contact meetings and coordination of activities with the Baltic Sea program. The project director will be responsible for ensuring that coordination takes place. The BSRP Local Project Manager will be invited to participate in the Project Steering Committee and regular contacts will be maintained between the managers of both projects.</p>
<p>In terms of strategic priorities the project would address priority # 1 on biodiversity conservation and indirectly #2 on mainstreaming and sustainable use. The single reserve is treated as a</p>	<p>The NVBR is large (447,000 hectares) and covers a variety of habitats, and since it is not a protected area as such in its entirety, and since it encompasses a matrix of land uses (as a BR should), by definition it is</p>

<p>system as it is argued it is composed of three core areas and 36 other designated sites, covering approximately 6 percent of Latvia's territory. However, as the area is apparently substantively fragmented, it raises issues about the long-term ecological sustainability in terms of its proposed global benefits. Please explain.</p>	<p>"fragmented" in terms of habitats and land use. The North Vidzeme area has always been a mosaic of habitats, of more or less intense uses, ranging from cultivated fields to near-pristine areas. The NV Biosphere Reserve reflects this mosaic in that it encompasses a number of core areas, areas of less regulated use, and areas of multiple or more conventional economic use. (There is similarity between this project site and the Banados del Este site in Uruguay in terms of degree of "fragmentation" as indicated by the habitat mosaic)</p> <p>Of the different habitats covered by this project, only forests are considered to be threatened by nascent fragmentation, primarily because of the current economic juncture driving short-term exploitation over longer-term sustained harvesting. The project aims precisely at improving or increasing forest patch size in the landscape and connectivity between patches.</p> <p>Wetlands are much less threatened by fragmentation given the nature of the economic driver – agriculture is not expanding in the NVBR nor is expected to in the foreseeable future.</p> <p>The purpose of the project (and of Biosphere Reserves in general) is to strengthen protection of key sites and processes in the BR while providing for sustainable economic and social benefits in the most appropriate matrix of land uses in a cultural landscape. The aim is to improve ecological sustainability and secure global benefits on a long-term basis. BR planning and management addresses the mosaic of different habitats and land uses as a complex system. The project will work with the component parts of the system across the BR to sustain existing species and habitats and to restore specific key habitats.</p>
<p>Underlying causes of biodiversity loss: The focus of the project is addressing threats: (a) How the underlying causes driving those threats will be addressed; (b) Listed underlying causes on pages 19-20 are a mix of mostly threats with a few underlying causes. Please separate and complete the list of underlying causes.</p>	<p>Threats and root causes material developed during the PDF B phase is presented in the form of a table (p.20)</p>
<p>Global benefits: Proposed global benefits are already addressed through GEF financing via other projects in the country and/or region. What does this project really adds new in terms of global benefits that others are not addressing?</p> <p>The above point is even more significant given the fragmented nature of the reserve itself and the sizable human population living within and outside the protected area. Given the fragmented nature, Could it sustain its proposed global</p>	<p>While there is broad, superficial similarity between the NVBR and other areas in the region, the NVBR's global benefits are well-documented or substantiated by Birdlife International, UNESCO MAB, IUCN, and various European directives. Information on the global value of the BD of NVBR is presented in Annex H and summarized on page 12.</p> <p>An approach using multiple sites or interventions to conserve similar habitats and species assemblages is an appropriate strategy to minimize overall long-term risk.</p>

<p>benefits over the long-term?</p>	<p>This approach is strengthened with the use of different conservation approaches to compare effectiveness and lessons learned across sites.</p> <p>This project will add innovative experiences with landscape planning in a Biosphere Reserve covering a substantial proportion of national territory, the use of incentive mechanisms for the conservation of private tracts of forests and the application of conflict resolution and mediation as a major tool for biodiversity conservation.</p> <p>Project design has been heavily focused on ensuring sustainability of long-term global benefits in the NVBR by integrating biodiversity conservation principles and practices into local economic activities. The goal of the project is to strengthen protection of key sites and ecological processes in the BR while providing for sustainable economic and social benefits in the most appropriate matrix of land uses in a cultural landscape.</p>
<p>Incrementality of proposed activities. Some of the proposed activities need stronger justification. Some elements of the project are fully funded by the GEF, for example for outputs # 2, 3, and 8. Why there is no co-funding for activities under these outputs? Output 7 is co-financed with GEF funds, but many of the activities of this are or should be baseline activities financed by the co-financing. The analysis is made more difficult as the budget detailed is only that of the GEF (refer to pages 38-39 of the project brief) and not the proposed co-financing. This issue was also raised during the project concept review under OP#12. Please clarify.</p>	<p>Total GEF financing of Outputs 2, 3 and 8 is less than US\$ 500 k. They are fully funded by GEF as incremental costs, and there is no co-financing currently identified to co-finance these outputs.</p> <p>A budget that indicates both GEF and co-financing is included on pages 40-43 and Annex G (co-financing sources and purposes)</p>
<p>The project will include substantive funding for information management systems for the reserve. The information management system should be linked to the CHM under the CBD.6. The proposed institutional setup needs to be carefully designed given the need for substantive cooperation and coordination.</p>	<p>The project will establish direct linkages to the CHM so that information generated by this project is made more widely and systematically available.</p> <p>The institutional framework has been carefully negotiated with government and other stakeholders to maximize coordination and substantive cooperation.</p> <p>Project Steering Committee participants will include the Ministry of Agriculture, the Ministry of Economy (Tourism Development Division), the Ministry of Regional Development and Local Government, and representatives of local landowners, entrepreneurs, and others.</p> <p>Individual outputs will be implemented through a broad range of partnerships including a variety of organizations from the public and private sectors.</p>
<p>Substantive number of stakeholder groups</p>	<p>Strategies for linking biodiversity objectives with</p>

<p>identified as taking part in the project. The Secretariat notes that, although the reserve covers approximately 6 percent of the national territory, its size can represent a serious problem as the reserve itself is substantively inhabited, very fragmented in nature and with potential limitations to achieve its proposed global objective and sustaining its benefits. The project team should endeavor to define clear strategies linking biodiversity objectives achievements with proposed social and economic activities and benefits.</p>	<p>social and economic activities and benefits are found throughout the proposal (e.g., Component 5: forest certification pilots, tourism planning and development, fishing regulation and conflict resolution; as well, environmental awareness, Forest and River Watch, concessions, etc.) The project strategy focuses on addressing the threats to BD from economic activities by making economic activities more biodiversity friendly. The basis for project monitoring is threat reduction.</p> <p>Equally important an essential part of the project will be to strengthen the participatory nature of BR management.</p>
<p>There is an initial monitoring and evaluation plan suggested. Although the proposal highlights the definition of impact indicators, in fact, all those in the logframe, including those highlighted as main indicators, are process indicators at the output level. The proposal should include impact indicators as part of its strategy. Please provide examples of impact (e.g., for measuring outcome and impacts of the project) indicators that the project is planning to include.</p>	<p>The monitoring strategy is based on a threat reduction approach. As such, the Log Frame does present impact indicators.</p> <p>Coverage indicators have been added to indicate the area or acreage to be under improved management by project end.</p>
<p>Proposed total costs of the alternative is \$32.834m. The expected incremental costs are estimated at \$13.4 m. All project planning and costs are estimated using the latter, without reference to the overall alternative costs. GEF contribution is programmed at \$2.9 m (including PDF B costs), and co-financing for the incremental costs is estimated at \$10.739m. Total incremental project costs are: \$13.650m. Based on the above, there seems to be no changes from what it was proposed during the PDF B review. Why has the alternative baseline costs not been used to [calculate?] proposed total project costs as these costs have been used in the incremental costs analysis? The Budget itself only quantifies the GEF contribution but no the remaining \$10+m of cofinancing. Please clarify as the GEF Council will be approving the GEF grant in the context of the entire project.</p>	<p>Annex E presents the Incremental Cost summary for the project. Table of project budget on pages 40-43 indicates GEF and co-financing funding of outputs and sub-outputs.</p>
<p>The GEF supports the establishment of a small grants facility and it will fund projects supported by the facility with 25% of costs for each project. Does Latvia has a SGP in place? The Secretariat has questioned UNDP the need to establish small grant facilities in various projects proposed for the Eastern and Central Europe Region. Please clarify.</p>	<p>Latvia does not currently have a GEF Small Grants Programme in place and is unlikely to obtain one in the near future. The purpose of the micro-grant facility proposed as part of this project is to enable access to catalytic amounts of capital by stakeholders who are attempting to build alternatives to unsustainable production practices as well as the markets for their products. The micro-grants will permit support of local stakeholders in a way that furthers the programmatic</p>

	<p>aims of the project, including enhancing participation and ownership of NVBR planning and management.</p> <p>A limited number of grants (up to five) will be made to local stakeholders, when matching funds have been provided, to kick start innovative SMEs which will act as models for SME development in the NVBR.</p>
<p>A brief description of GEF projects in the country is included. No other projects are highlighted. Please provide a couple of paragraphs of other projects from Latvia, or projects funded by other bilateral, multilateral and NGO groups working in the reserve.</p>	<p>Provided on page 47. Also, other initiatives are provided in project budget table on pages 40-43 and in Annex E – incremental cost analysis.</p>
<p>In view of the Secretariat, the reviewer could have addressed some issues better. In particular, (a) the issue of global benefits, comparing proposed benefits provided by this project with those already cover by other GEF projects in country and or region such as the Baltic, Caspian and Black Sea projects which in fact address many of the proposed ecosystems, species and populations suggested to be covered by this project; (b) the issue of economic valuation missed the important point of market accessibility. Even under the best economic valuation analysis, natural resources need substantive access to markets in order to provide economic benefits to the human local populations; and (c) the Secretariat wonders if the STAP reviewer knew that the project shifted from OP#12 to OP#2. Response provided by UNDP addressed key issues.</p>	<p>Global benefits – see above. There is virtually no duplication of species with projects in the Caspian and Black Sea projects. Overlap with the Baltic Sea is more apparent than real, as the Vidzeme project focuses on habitat restoration and control of pollutants in specific upstream areas of the Salaca River basin. Overlap with the Baltic Sea project will be avoided through systematic contact and consultations between the two projects’ management.</p> <p>The issue of market access is a significant one and is addressed differently for the different sectors: Two primary economic activities affecting BD in NVBR are tourism and forestry: North Vidzeme is an established and quickly growing tourist destination; forest threats are expected to be countered in large part by increased market access from certification; etc.</p>