

## ***Final Evaluation***

### ***Project Conservation of Globally Significant Biodiversity along the Chilean Coast***

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## **Final Report**

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## ***Executive Summary***

The United Nations Development Program (UNDP) as implementing agency of the Global Environment Facility (GEF), implemented the "Conservation of Globally Significant Biodiversity Along the Chilean Coast" project, also known as "Marine GEF".

The current report corresponds to the final Marine GEF evaluation, has focused mostly on understanding major processes undertaken in project development and implementation, understanding the contexts in which these processes were carried out, and analyzing the sustainability of achievements so far.

The ultimate goal was to highlight situations that had an impact on project results and which were sufficiently broad, so lessons learned may be applicable to a wider range of future projects.

The emphasis placed also answers to the relatively short period between mid-term evaluation, at which stage almost 90% of GEF project resources had been executed, and this current exercise.

The author of this report wishes to thank all institutions and individuals who participated in the evaluation process, who contributed with their time and always had a positive predisposition, within a frank and direct dialogue, which will surely improve on the significant achievements made and help act upon the different situations that came up during the Marine GEF design and preparation stage. I would like to express a special thanks to all professionals who worked on the Marine GEF, the Staff of the Ministry of the Environment and of the UNDP, who at all times took all the necessary steps so this current assessment may run its course seamlessly.

Chile is a maritime nation: 70% of its territory borders the sea and its long coastline has a unique biodiversity, highly endemic in nature, which is threatened by the economic development seen by the country, exerting strong pressures on biological resources.

The maritime territory has been administered by several different public institutions having different jurisdictions, making it very difficult for whoever wanted to engage in marine conservation initiatives.

Although Chile has signed a series of international conventions on the conservation and preservation of biological biodiversity in marine ecosystems, only the Fisheries and Aquaculture Act, in force since 1991, is responsible in part for regulating some aspects of conservation, making provision in its legal articles for marine reserves and marine parks. When the Marine GEF project was at the design stage, there were only 6 marine reserves and no marine parks. In quantitative terms, it is estimated that only 0.5%<sup>1</sup> of the

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<sup>1</sup> "Conservación y Mecanismos de Conservación en Chile". LAS CRUCES COASTAL STATION FOR MARINE RESEARCH, DEPARTMENT OF ECOLOGY, FACULTY OF LIFE SCIENCES, PONTIFICIA UNIVERSIDAD CATÓLICA DE CHILE (undated presentation).

country's marine resources are actually protected, while there really ought to be up to 34 marine areas established in order to effectively protect marine biodiversity in Chile. The effective protection of marine and coastal biodiversity requires a regulatory framework that reflects the interdependence of biological communities in coastal sea and land areas, therefore the existing regulatory and institutional framework had many limitations to providing effective conservation of marine and coastal resources to these protected areas.

The long term goal of the Marine GEF project was to protect Chilean coastal marine biodiversity of global significance through the establishment of a network of Multiple Use Marine Protected Areas (MUMPAs), aiming to integrate conservation needs with the need for national and local development.

The purpose or specific objective was to further protect the unique marine biodiversity that Chile has through the removal of barriers that hinder the establishment of MUMPAs.

The project had a 5 year duration and during this period it had to attain three results: i) to establish 3 MUMPAs having restricted uses and legally established core areas, clearly demarcated, operational and with their own funding and governance structures; ii) to obtain benefits in biological biodiversity conservation for local actors and for private investors in the 3 pilot areas and iii) to increase local and national understanding on the role of MUMPAs in achieving the twin objectives of preserving marine and coastal biodiversity, on the one hand, and economic development for the area, on the other, thus increasing its sustainability and potential for replication in other regions.

To achieve its purpose and obtain expected results, the project should deliver seven (7) products: i) The legal establishment, demarcation and initial operation of the three MUMPAs ii) administrative and governance structures, with the capacities required for implementing them; iii) adaptive management systems and plans for the MUMPAs; iv) three (3) pilot projects to manage different types of tourism for the benefit of conservation, local people and private sector partners; v) subsistence pilot projects in two of the MUMPAs, including the sustainable management of native species for the benefit of biodiversity and the income that local communities may derive thereof; vi) information and outreach programs in each MUMPA and vii) a program geared towards replication of the experience and which may provide a framework for the creation of a national network of MUMPAs.

The total project budget was US\$ 11.695 million, of which GEF provided US\$ 3.972 million, while regional governments awarded US\$ 4.47 million, NGOs contributions amounted to US\$ 658,000 and other government institutions awarded US\$ 1.59 million.

**Regarding Goal achievement**, it can be said that the project made the nation look at its sea and biodiversity resources in a different light, hitherto dominated by a vision geared towards the production and maintenance of fishery resources.

The formal constitution of the three MUMPAs awarded the country a higher level of protection on biodiversity, in terms of marine hectares, amounting to 74,983 ha, while the associated coastal land afforded protection amounted to 42,357 ha.

With respect to strengthening institutions and actors, projects were able to form technical committees at national level, coordinated by the Ministry of the Environment and where relevant institutions had a role to play. This Committee has played a key role in developing criteria and preliminary procedures in the declaration of future MUMPAs.

The new environmental law welcomes the approach that marine GEF employs and includes protected areas in art. 70, while it is also defined in the draft of the Bureau of Biodiversity and Protected Areas act (in art. 20), placing them within a protected areas category (art. 12 h) and defines types of activities allowed within them (art. 45, 46). In addition, protected areas are included in art. 10 of Law 19.300 (art. 78). This new condition is an important milestone in the removal of institutional barriers for the creation of a network of marine protected areas in the country.

MUMPAs were positioned as a tool for local and regional development, firstly making them visible and then empowering regional government and other parties involved (particularly in the case of special interest tourism.) In Los Lagos, the Mapu Lahual Lafken territory falls within the regional priority development strategy for 2010-2020, while appropriate strategies are still under development for the other two regions.

The Marine GEF has also implemented a significant amount of technical studies to define the baseline, and prepared a total of 8 guidelines, including guidelines for creating protected areas, best practices in tourism, policy guidelines for investment in tourism ventures in the Magallanes region, plus a significant amount of dissemination material.

Despite these significant advances, the project has not been able to set up any administrative units for these three MUMPAs, which would be needed to demonstrate an integrated management system between public and private sectors and local communities in conservation matters, showcasing also local and regional development initiatives leading to improvements in living conditions for these communities, while also helping to partly cover any administrative costs these areas may incur upon.

The Foundations or Corporations that the project wanted to use as marine area administrators are still under formation, each being at a different stage: in Magallanes, the Governor's office is reviewing its participation in the corporation and will issue a resolution by late 2010, while in Lafken Mapu Lahual (LML), the foundation is seen as viable, thus a Board of Directors was put together, consisting of local communities, yet requiring strong financial and professional support if this initiative were to succeed in the long run. Finally, in the case of Atacama, the foundation is a desired end-state, but Regional Government would like to provide better estimates of what the administrative costs of these MUMPAs are likely to be.

**Regarding the sustainability of results achieved**, there is a high probability that these marine areas remain in time. The inclusion of MUMPA in the new Chilean environmental law and the creation of the Biodiversity bill may provide sustainability in administering and in the creation of a network of MUMPAs in the country, yet discussions on the Bureau of Biodiversity and Protected Areas bill is pending in Congress, so several years may be needed to finally come to a decision on the issue.

In the interim period, the Ministry of the Environment confirmed the continuity in their post of those professionals responsible for these areas, so they may accelerate the establishment of management entities and in promoting the activities in each MUMPA.

The project, in conjunction with the Ministry of Environment, managed to include an amendment in the national budget for 2011, so that regional governments may be able to subsidize administrative operating costs for these marine areas.

Despite having achieved the objective of improving the level of marine biodiversity protection and being in the process of removing important institutional barriers hindering the formation of a network of marine protected areas in the country, **the project suffered from several deficiencies during its development and implementation**. The main ones being; failing to include relevant local actors in project preparation, little clarity in project costs reallocation and a 90% use of GEF project resources as at December 2008, yet there still being 19 months to go till completion date, also budgeting for the project (at the design stage) with a disproportionately high dollar value, meaning that the project suffered from a 25% depreciation before it even got off the ground. It also suffered from a far too modest monitoring system and finally from having a definition of indicators and assumptions that failed to be of any practical use. It should also be noted that the excessive time seen between project approval and project initialization had a negative impact on performance due to the lower price of the dollar and the efforts that had to be made to rearticulate the project once again so as to get relevant actors on board.

**Main recommendations** made are the following: i) improving relevant actor participation during project preparation, ii) using institutions to achieve co-financing and participation commitments from regional governments and institutions, iii) generate within project design a management and coordination unit with its own budget and distinct activities; iv) projects should be fully incorporated into the institutionality of the executing agency, with its own salary and own procurement procedures, so that the UNDP may make disbursements according to the status of planned activities, allowing UNDP to focus more on monitoring and evaluation activities.

**To reinforce impacts achieved** by the project and strengthen the network of MUMPAs, the following strategic guidelines are put forward: i) that the Ministry keep those professionals that are actually working in the local areas, so they continue fostering the creation of administrative units in coordination with and with the participation of local actors and regional governments, up until the creation of the administrative units associated with the MUMPAs, or making the Bureau of Protected Areas the unit in charge

of administering these MUMPAs ii) in the case that Regional Governments do not participate in foundations, then it is put forward that the Regional Secretary for the Ministry of the Environment comprise it together with municipalities, communities and other relevant actors; iii) in the case of LML, the proposal is that the Ministry of the Environment negotiate an agreement with the parties on the contested site, so as to declare a stretch of land as being "free from dispute" and where investments may be made; iv) to integrate the Ministry for National Heritage and the Forest Service into these technical committees to discuss project management and the integration of the complementary land portion of the MUMPAs v) to validate and update General Administration Plans and the objectives of the MUMPAs with relevant local actors; vi) to provide professional and technical support, including vocational training to the LML board, and support user organizations in the Atacama marine area, in order to integrate effectively the management of MUMPAs into local communities vii) to promote the concretion of infrastructure already approved by the Magellan and Atacama Regional Councils viii) to refine National Environment Commission guidelines for replication with all relevant players.

The qualification given to the project is satisfactory (S) with respect to its primary objective, but only moderately satisfactory (MS) in its design and implementation stage, while moderately unsatisfactory (MU) in some of its formulation stages according to the table below:

| <i>Stage/Concept</i>             | <i>Formulation</i> | <i>Implementation</i> |
|----------------------------------|--------------------|-----------------------|
| <b>Conceptualization/Design</b>  | MS                 |                       |
| <b>Player Participation</b>      | MI                 | MS                    |
| <b>Implementation approach</b>   |                    | MS                    |
| <b>Monitoring and Evaluation</b> | MI                 | MS                    |
| <b>Results achievement</b>       |                    | S                     |



## 1. **Evaluation scope and goals**

1. Since August 2005, the National Environment Commission - currently the Ministry of the Environment – has implemented the project called “Conservation of Globally Significant Biodiversity along the Chilean Coast” (from here onwards known as the Project or the Marine GEF). This project is co-financed by the Global Environmental Fund (GEF), the Chilean government and two NGO’s, TNC and WWF.
2. During the first quarter of 2009, the mid-term evaluation of the project focused mainly on the following aspects: i) project design; ii) outcomes to date; iii) validity of indicators; iv) efficiency of the execution (including financial management and compensation); v) adjustments required for improved implementation and vi) lessons learned and recommendations
3. The current document presents the Final Evaluation<sup>2</sup>, a requirement that all projects funded by the GEF must fulfill and its focus depends on project type and size, its focal area, and country context. In all cases the views expressed by the various relevant actors must be analyzed and evaluated and field visits need to be made in order to evaluate the project achievements.
4. The exercise must assess the extent to which co-financing resources at a countrywide level are used.
5. The final evaluation must contemplate main GEF criteria, namely:
  - ✓ **Relevance**: check whether activities are in accordance with local and national development policy priorities, including changes seen over time;
  - ✓ **Effectiveness**: the extent to which the goal has been achieved, or the likelihood of achieving it;
  - ✓ **Efficiency**: the extent to which outcomes have been achieved at the lowest possible resource cost;
  - ✓ **Outcome**: there both positive and negative (planned and unplanned), changes to or effects from intervention. Regarding GEF issues, outcome includes products, short and medium term outcomes and long-term impacts, including environmental benefits, replication and other local effects;
  - ✓ **Sustainability**: the probable capacity of the intervention to deliver benefits for an extended period of time after completion. Projects need to be

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<sup>2</sup> See Annex I: Terms of Reference.

sustainable from an environmental as well as from a financial and social perspective.

6. The evaluation areas mentioned above must be rated using the following scale:
  - ✓ (HS) Highly Satisfactory
  - ✓ (S) Satisfactory
  - ✓ (MS) Moderately Satisfactory
  - ✓ (MU); Moderately Unsatisfactory
  - ✓ (U) Unsatisfactory
  - ✓ (HU). Highly unsatisfactory
7. In preparation for evaluation, the local UNDP office and the Ministry of Environment sourced a special team for the purpose. This team, together with the evaluator, defined the main scope along which work should focus on, identifying relevant actors involved in various project stages and, finally, arranged interviews and field visits required for evaluation.
8. Table No. 1 provides an issue summary and the emphasis applied during final evaluation of the Marine GEF project, considering consultancy ToR, along with the meetings held with members of the evaluation team.

Table 1: Main aspects included in the evaluation

| Item/ Stage                      | Aspect to be evaluated  | Depth of the analysis  |
|----------------------------------|---|--|
| Outcomes                         | <b><u>Contribution of the project to national long-term development:</u></b> To preserve in Chile globally significant biodiversity – marine and coastal - by catalyzing the formation of a network of marine and coastal protected areas for MUMPAs. | <b><u>High (*)</u></b> : i) baseline differences; ii) current status of MUMPA's under new environmental institutional structure and regulation, including projections; iii) strengthening of institutions for creating, sustaining, controlling and managing MUMPA's; iv) legitimacy and social support; v) supervision and follow up; vi) concept, its comprehension and application; vii) short, medium and long term management and financing; viii) risks and potentialities.<br><b><u>High</u></b> : relevance, effectiveness and efficiency in relation to achieving long-term objectives and project purpose. |
|                                  | <b><u>Ability of the project to achieve its aim:</u></b> To eliminate the barriers preventing the establishment of multiple purpose MPAs in three demonstration areas.  |  |
|                                  | Sustainability, sustainability risks (socio-political, financial, institutional, governance, environmental)<br>Capacity of the project to achieve its three partial outcomes  |  |
| Product and activities           | Ability of the project to achieve its seven outcomes and main activities  | <b><u>Medium (**)</u></b> : importance and relevance, status of commitments, elaboration of additional output or guidelines. Review of the recommendations given in the mid-term evaluation.   |
| Design                           | Strategy for dealing with the problem   | High   |
|                                  | Issue conceptualization   | High   |
|                                  | Logical framework   | Medium   |
|                                  | National stewardship  | High   |
|                                  | Participation of actors   | High   |
| Implementation                   | Approach  | High   |
|                                  | Use of logical framework  | Medium   |
|                                  | Adaptive management   | Medium   |
|                                  | Use of IT   | Medium   |
|                                  | Relationships among participating institutions  | High   |
|                                  | Technical skills associated to the project.   | High   |
| Monitoring and evaluation        | Is there an M&E system in place   | High   |
|                                  | Have M&E tools been used (baseline, indicators, data analysis, studies) to evaluate expected results?   | High   |
| Participation of relevant actors | Dissemination mechanisms, local users and NGO's, partnerships, participation of government bodies.  | High   |
| Execution type                   | Efficiency of UNDP, team coordination, recruiting of experts, legislation effects in project execution  | High   |
| Financial planning               | Costs per objectives, outcomes and activities, efficiency in management, status of compensation   | High   |

**(\*) High:** Indicates that although the analysis was conducted during the course of the mid-term evaluation, the final evaluation will again take into consideration a thorough analysis based on the results obtained and the new reality of the country.

**(\*\*) Medium:** Indicates that the analysis was conducted during the course of mid-term evaluation, so that the final evaluation will consider a review of achievements to date.

## **2. Methodology**

9. The project evaluation team agreed to use the following procedures and methodological tools:
10. The starting point will be the review of findings and recommendations contained in the mid-term project evaluation report. This initial stage will provide the basis from which to assess the implementation status from first semester 2009 to date, as well as the level that relevant actors have adopted and implemented recommendations.
11. This section also reviewed compliance/performance status of any additional commitments as defined by the GEF (UNDP) implementing agency and the executing agency (Ministry of Environment) and the effect of these agreements on short and medium term project outcomes.
12. The final evaluation covered all aspects listed in Table 1, making it a comprehensive review of all levels defined as high, while items defined as medium were reviewed and updated in relation to what had been done up until 2009, unless some factors or situations may have arisen during the evaluation process requiring one or more items to undergo a thorough review once again.
13. The emphasis placed is a factor of the commitment between the desired depth of study, the available means and the time given for evaluation.
14. Priority was placed on analyzing and defining achievements on how much the project had contributed to long-term development goals and how much it had covered project purpose. Although products, activities and secondary objectives of the project are also part of the analysis, the emphasis was placed on its importance and relevance.
15. Sustainability aspects of project outcomes in the short, medium and long term were part of the priority analysis, which included aspects of how MUMPAs will be inserted in the new regulatory and environmental institutions of the country and on the feasibility of implementing MUMPAs in the future (replicability), including governance and financing criteria or categories (public, private, mixed, civic organizations, incentives, etc.).
16. Finally, high priority was given to analyzing results obtained in the institutional consolidation that relevant actors underwent in relation to the clear and precise incorporation of the concept of MUMPAs that the project attempted to introduce, in addition to tool development, which allowed for the creation, control, administration and financing, enabling institutions to have a

comprehensive view of the conservation and development objectives associated to MUMPA implementation.

17. With respect to instruments used, both past and present actors of relevance were interviewed, who were provided with a guideline of the points to be discussed during field visits, in order to give them the opportunity to prepare each subject with the adequate time and depth. The use of surveys and questionnaires was discarded because past experience has shown that this type of instrument has a low response rate.
18. A thorough review of the existing project documentation was also carried out, plus other independent information sources were also researched by the consultant.
19. The working plan deployed is shown in the following Gantt chart:

**MARINE GEF FINAL EVALUATION WORKING PLAN**

| Task   | Start      | End        | Duration | 18/10 | 25/10 | 1/11 | 8/11 | 15/11 | 22/11 | 29/11 | 6/12 | 13/12 |
|--|------------|------------|----------|-------|-------|------|------|-------|-------|-------|------|-------|
| Inception Meeting                                      | 18/10/2010 | 18/10/2010 |          | ◆     |       |      |      |       |       |       |      |       |
| Nationwide Interviews                                  | 25/10/2010 | 29/10/2010 | 5        |       | ■     |      |      |       |       |       |      |       |
| Atacama Fieldtrip                                      | 1/11/2010  | 1/11/2010  |          |       | ◆     |      |      |       |       |       |      |       |
| Atacama Interviews and Fieldtrip                       | 2/11/2010  | 5/11/2010  | 4        |       |       | ■    |      |       |       |       |      |       |
| Atacama-Santiago Trip                                  | 5/11/2010  | 5/11/2010  |          |       |       | ◆    |      |       |       |       |      |       |
| Puerto Montt-Santiago Trip                             | 8/11/2010  | 8/11/2010  |          |       |       |      | ◆    |       |       |       |      |       |
| Los Lagos Interviews and Fieldtrip                     | 8/11/2010  | 12/11/2010 | 5        |       |       |      | ■    |       |       |       |      |       |
| Puerto Montt-Punta Arenas Trip                         | 14/11/2010 | 14/11/2010 |          |       |       |      |      | ◆     |       |       |      |       |
| Meetings in Punta Arenas                               | 15/11/2010 | 18/11/2010 | 4        |       |       |      |      | ■     |       |       |      |       |
| Punta Arenas -Santiago Trip                            | 18/11/2010 | 18/11/2010 |          |       |       |      |      | ◆     |       |       |      |       |
| Possible meeting with Leonel Sierralta                 | 19/11/2010 | 19/11/2010 |          |       |       |      |      |       | ◆     |       |      |       |
| Conclusions meeting at UNDP Santiago (mission closure) | 23/11/2010 | 23/11/2010 |          |       |       |      |      |       | ◆     |       |      |       |
| Draft Report Delivery                                  | 29/11/2010 | 29/11/2010 |          |       |       |      |      |       |       | ◆     |      |       |
| Comments from counterpart                              | 29/11/2010 | 9/12/2010  | 9        |       |       |      |      |       |       | ■     |      |       |
| Final Report Delivery                                  | 16/12/2010 | 16/12/2010 |          |       |       |      |      |       |       |       |      | ◆     |

20. The consultant presented his work plan to the counterparty and also coordinated interviews with project relevant actors. The agenda for field visits and the proposed issues to be addressed both in Santiago and the other Regions is shown in Annex II.
21. Approximately 60 people from 5 country regions (Metropolitan Region, III, V, X and XII) were interviewed, covering a wide spectrum of relevant actors (government, local, private, etc).
22. The following sections show the outcomes for each evaluation category

### 3. Context, Conceptualization and Project Design

#### **The Context**

23. Chile is a maritime nation: 70% of its territory is in contact with the sea<sup>3</sup> and its extensive coast has a unique biodiversity –highly endemic in nature – that is facing serious threats as a consequence of the economic development experienced by the country, which has placed strong pressures on its biological resources.
24. The main threats for marine biological diversity are fishing (Chile is one of the four main fishing powers in the world) and pollution from partially treated domestic and industrial wastewater that discharges into coastal waters. There is also effluent from agriculture and mining industry and land erosion from deforestation.
25. Despite Chile having signed a series of international agreements on conservation and preservation of biological diversity, in marine environments only the Fisheries and Aquaculture Act – in force since 1991 – partially regulated some aspects relating with conservation, defining in its articles Marine Reserves<sup>4</sup> and Marine Parks<sup>5</sup>. There were only 6 marine reserves and no marine parks when the Marine GEF project was at its design stage.
26. The previously mentioned Act is based on the sustainable use of industrial and small-scale fishing, so many of its instruments are aimed at the rational and sustainable use of a particular resource, yet the tools for the conservation of a varied biodiversity in a given ecosystem are not specified. This is the case in benthic resource management areas mentioned in the art. 55 of the Fisheries Act. These management areas have been very successful and have been implemented since 1995, there being approximately 400 to date.

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<sup>3</sup> “*Conservación y Mecanismos de Conservación en Chile*”. LAS CRUCES COASTAL STATION FOR MARINE RESEARCH, DEPARTMENT OF ECOLOGY, FACULTY OF LIFE SCIENCES, PONTIFICIA UNIVERSIDAD CATÓLICA DE CHILE (undated presentation).

<sup>4</sup> Reserves are areas for the preservation of hydro biological resources, aiming to protect reproduction areas, fishing grounds and repopulating areas.

<sup>5</sup> The parks are destined for the preservation of units of ecological interest to science and to maintain these areas with their diversity of hydro biological species, as well as those associated with their habitats. Up until 2004, there were no marine parks in Chile.

27. Prior to the Fisheries Act, under Law 5,760/34 and Supreme Decree 887/84 from the Ministry of National Defense, Chile established two genetic reserves in Chiloé to protect mussels and oysters stocks<sup>6</sup>.
28. The General Fisheries Act has not been sufficient in avoiding the overexploitation of marine resources. There is an increasing preoccupation among different key participants on the state of near-extinction and vulnerability of some species – primarily pelagic – due to indiscriminate fishing as a consequence of lax controls and high capture quotas, among other factors<sup>7,8</sup>.
29. While article 10, letter p, of the Environmental Law stipulated that every project located in marine reserves and parks must be submitted to the Environmental Impact Evaluation System. Besides, it establishes that the State will manage these areas in order to ensure biological diversity, be in charge of nature conservation and preserve environmental heritage (art. 34).
30. In the context of Marine GEF project preparation, interviewed players and the literary review indicated that the country had an incomplete legal structure and that the existing forms of marine protection had very restricted uses (marine reserves), while marine parks were reserved only for conservation and scientific research. Despite their success, benthic resource management areas represents one conservation case, limited to one resource located in a specific geographical area
31. In quantitative terms, it is estimated that only 0.5% of marine resources in the country are protected, and that 34 marine areas should be established to effectively protect marine biological diversity in Chile<sup>9</sup>.
32. The diagnosis indicated that the effective protection of marine and coastal biodiversity needed a framework reflecting the interdependence of biological communities in coastal areas, at the land and sea border, thus the existing institutional and regulatory framework for the conservation of marine and coastal resources through protected areas had strong limitations<sup>10</sup>.

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<sup>6</sup> Final Report for Consultancy called “*Caracterización y Análisis de las Capacidades Institucionales para un Sistema Nacional de Áreas Protegidas en Chile*”, CONAMA PROJECT / GEF-UNDP CREACIÓN DE UN SISTEMA NACIONAL INTEGRAL DE ÁREAS PROTEGIDAS PARA CHILE FASE PREPARATORIA (PDF-B), Santiago, April 2007

<sup>7</sup> See, for instance, December 2010 article “*Sustentabilidad del recurso pesquero y un nuevo marco legal e institucional para el sector plantearon senadores*”,

[http://www.senado.cl/prontus\\_galeria\\_noticias/site/artic/20101201/pags/20101201185818.htm](http://www.senado.cl/prontus_galeria_noticias/site/artic/20101201/pags/20101201185818.htm)

<sup>8</sup> <http://observatoriopesquero.wordpress.com/2010/10/30/chile-gobierno-anuncia-drastica-reduccion-de-cuotas-de-pesca-de-jurel-merluza-y-congrio/>

<sup>9</sup> IDEM 2: Las Cruces marine research station (undated presentation).

<sup>10</sup> Drawn from the text of the Marine GEF Project (page 59), but a similar situation can also be seen in the article “*Propuesta de áreas de protección marinas y costeras en la Provincia de Cauquenes, VII Región del Maule*”, ÓSCAR

33. On the other hand, the 'administration' of maritime territory had a highly sectorial nature, with competences crossing different public institutions, which presented a high level of complexity to those who wanted to undertake marine conservation activities.
34. The main public actors taking part in the protection of marine areas are: i) DIRECTEMAR; ii) SUBPESCA; SERNAPESCA; iii) The Ministry of Environment (formerly CONAMA); iv) the Ministry of National Defense, through the Office of the Under Secretary of the Navy and CONAF<sup>11</sup>. Another important participant in marine areas is the Ministry of National Heritage, which manages public lands adjacent to coastal areas.
35. There are also those participants in coastal zones who make permanent use of the coastal border, such as fishermen and their organizations, indigenous communities and private initiatives, especially those related with tourism.

### **Conceptualization and Design Strategy**

36. The notion of introducing a new type of marine protection in Chile where the variables of protecting threatened biodiversity can be combined with compatible economic activities allowing neighboring communities to improve their living conditions, provided a response to the objective need that Chile has in increasing the protection afforded to its biodiversity and also to fulfill its international commitment to protect 10% of the surface of its most relevant ecosystems, including marine ones<sup>12</sup>.
37. The inclusion of the private sector as a participant and contributor towards this new way of managing marine protected areas fits very well with this new concept.
38. The long-term objective of the Marine GEF project was to protect Chilean marine-coastal biodiversity having worldwide importance through the establishment of a network of multiple use Marine Protected Areas integrating the need for conservation with that of national development.
39. The specific purpose or objective was to increase the protection of the unique marine biological diversity Chile has through the removal of barriers that hinder the establishment of MUMPAs.

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IGNACIO CASTILLO PAUL, Teacher of History and Geography, *Centro de Cultura Naval y Marítima, Playa Ancha, Valparaíso, Chile; Revista de Geografía Norte Grande*, 28: 25-34 (2001).

<sup>11</sup> About 30% of the National Protected Area System (SNASPE) managed by this institution owns coastal borders and protects 8 of the 10 geographical zones of the government system of protected areas. CONAF has habitual audits of coastal borders of its national parks aiming to protect biodiversity.

<sup>12</sup> The Mid-Term assessment Report has detailed information on international commitments and legal and institutional mechanisms for marine protection in Chile.



40. The way to achieve these objectives would be through the implementation of 3 pilot marine areas that may demonstrate the viability of a public-private management mechanism executing conservation activities and generating income in support of these areas.

### ***The Project***

41. Project preparation took three years, from August 2000 to November 2003. The project itself was to last 5 years and was to achieve three results:
- i) Operate 3 MUMPAs having core areas with restricted uses, legally established, clearly demarcated and fully operational with governance and financing structures;
  - ii) Gaining benefits from the conservation of biological diversity for local actors and private investors in the 3 pilot areas and;
  - iii) Increase national and local understanding on the role of MUMPAs in achieving the twin objectives of marine and coastal biodiversity conservation, on the one hand, and economic development of these areas on the other, thus increasing their sustainability and the potential for replication in other regions.
42. To achieve its purpose and obtain expected results, the project had to provide seven (7) deliverables:
- i) The legal establishment, demarcation and start-up of the three MUMPAs;
  - ii) Administrative and governance structures with associated capacities;
  - iii) Adaptive management systems and management plans for MUMPAs;
  - iv) Three (3) pilot projects to manage different types of tourism for the benefit of conservation, local inhabitants and private sector partners;
  - v) Subsistence pilot projects in two of the MUMPAs, including sustainable management for native species for benefiting biodiversity and local community income.
  - vi) Information and extension programs in every MUMPA and;
  - vii) A program that may facilitate replication of experiences and which may provide a framework for the creation of a national MUMPA network.
43. Institutional arrangements for project implementation included the conformation of a Steering Committee formed by representatives from 11 relevant government institutions on the issue, establishing general guidelines for project execution. National Environmental Commission was the government agency responsible for project implementation and for results, while the UNDP is the GEF agency

intervening in the financial operations of the project and in supervising the development of the various activities.

44. The Regional Governments, NGOs, TNC and WWF, SUBPESCA, DIRECTEMAR, private investors and National Environmental Commission were partners investing resources into the program, mainly with in-kind contributions, in infrastructure and professional services, valued at US\$7,823,121 to be spent within a 5 year period.
45. Project implementation would consider setting-up a national administrative unit located in central National Environmental Commission, responsible for project supervision and general management, while the implementation at regional level would be under the charge of a regional coordinator in every MUMPA (Atacama, Los Lagos and Magallanes), whose offices would be located in the respective regional National Environmental Commission.
46. In order to support implementation, each area has to form a Regional MPA Commission, which would lead project development at regional level and supervise every MUMPA in its region, to assure that management plans fulfill conservation aims and are consistent with regional priorities. These Regional Commissions were chaired by the Governor of the respective region and included regional representatives from government institutions related to the matter, among them, the National Fisheries Service, the National Tourism Bureau, the Maritime Authority and the Technical Bureau of the ICZM program.
47. The project took into account monitoring milestones, the main ones being: i) the execution of an initial project workshop; ii) impact indicator measurements (see Appendix III); iii) annual visits from the UNDP/GEF; iv) annual tripartite project review meetings; v) report compiling (PAR, HIW, periodic technical reports, final reports) and; vi) mid-term and final assessments.

#### **4. Discussion on Project Design**

##### **Relevance**

48. This project is a very important initiative for Chile, since it was conceived at a time where marine resources were subject to overexploitation devoid from any protection, a situation still prevalent in the country. During the project preparation period, the Fisheries Act was the only legal framework under which there was any measure of protection, such was the case regarding marine reserves, management areas and marine parks. These protection mechanisms, with the exception of marine parks, were based on the protection of specific resources geared towards productive purposes (management areas) or as seedbeds or the execution of

scientific activities and exclusion areas (marine areas and marine parks). There was no concept then in Chile of having something that may both be able to protect the ecosystem and help in the development of economic activities that may be complementary to this concept of protection.

49. It is possible now to find players with a thorough understanding of the issue, who point out that Chile is a country with a very poor record of marine protection, which ought to be reversed in the coming years.<sup>13,14</sup>
50. It can therefore be said that the Marine GEF was a relevant project for discussion and for dealing with the issue of protected marine areas in Chile, hitherto subject to a highly sectorialized framework.

### ***Design Conceptualization and Strategy***

51. The challenge faced by the project was to produce greater protection of marine ecosystems in Chile, by introducing a concept that combined i) biodiversity protection in an eco-systemic manner ii) that protected locations would be able to sustain compatible economic activities that were in line with national and local development priorities and iii) that it may be demonstrated that protected areas could be administered among different actors and that this administration may cover an important portion of its costs.
52. As mentioned before, there was and still remains a highly divided functionality or sectorialization on issues relating to the coastline in Chile, with different institutions exerting competing influences in the same maritime space.
53. Therefore, the project idea was relevant and also necessary, considering country context.
54. The projects conceptualization seems appropriate, but as discussed below, the processes carried out during its design and implementation led to situations that deteriorated the concept and which accompanied the project throughout its life cycle.

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<sup>13</sup> Apart from what was expressed in Section 4 of this report, see also the 2008 presentation, during the CEP/WCS/SS Seminar, *"Eternally Forgotten: The Ocean and Conservation"*, by Juan Carlos Castilla, Dept. Of Ecology, Faculty of Life Sciences, Pontificia Universidad Católica de Chile.

<sup>14</sup> This situation can also be seen in the journalistic articles by Greenpeace (<http://radio.uchile.cl/noticias/83538/>) and by Miriam Fernández and Juan Carlos Castilla (<http://latercera.com/noticia/opinion/ideas-y-debates/2010/11/895-305462-9-conservacion-marina-en-chile.shtml>), both published in 2010.

55. Given the institutional assessment and context, the Chilean Government instructed the former National Environment Commission (CONAMA, at present the Ministry of Environment) to design and draft the Marine GEF project, for which this institution established an inter-institutional working group, and hired consultants, including a coordinator, to perform the necessary studies to prepare the final project document.
56. The project's development process enjoyed strong presidential support that sought to establish marine protected areas in the country as quickly as possible.
57. During the project's preparation, visits were made to the regions involved, where the PDF-B coordinator and directors of CONAMA met with Governors, some regional councilors and key players. In LML's case, they also met with Huilliche communities, who were informed on what the future project entailed.
58. Consultants were also hired to identify important biodiversity hotspots, potential economic activities compatible with MUMPAs, and relevant actors that needed to be involved in the project.
59. It was identified during this period that there were two types of parallel approaches: a policy that sought agreements with public actors involved (Mining Ministry, SUBPESCA, SERNAPESCA, CONAF, Ministry of Defense, Ministry of National Heritage, regional governments) and another, more technical instance that undertook studies on biodiversity baseline, compatible economic activities and outreach to local communities, etc).
60. In more political aspects, efforts achieved partial agreements on how to create protected marine areas, due to sector differences and conflicts of authority among SUBPESCA, SERNAPESCA and CONAF services, which meant that some of them could not participate in PDF-b generation and subsequent project execution, as was the case with CONAF, being important to remember that it administers the State's protected land area, where almost one third of these areas have a coastline.
61. Another important aspect to mention is that some relevant actors view protected areas as an obstacle to economic activity development, mainly with regards to mining operations, so this sensitive point also had to be addressed in the early strategy of MUMPA creation, which also left out the issue of coastal land in marine areas.
62. Efforts with regional governments focused on the Governor, thinking that they would be the cornerstone in accelerating the work done with and commitment shown by the regions. Although discussions were held with regional councils

members, the formal commitment from Governors was only achieved through co-financing letters, but none of these commitments was presented to the regional councils, who are ultimately the ones who approve or reject budgets, works and commitments made by Regional Governments. It is important to remember that regional government decisions are made in the respective regional councils, while public services are the ones who finally implement these decisions.

63. This is a key point that would drag on throughout project implementation: all lobbying and advocacy efforts made towards Regional Governments did not translate into an institutional approval by Regional Councils which included commitments and responsibility for its monitoring and implementation.
64. The continuing rotation authorities and regional councilors were subject to, actually compounded the situation, given that those officers who assumed their respective roles could see that Marine GEF activities did not have the Regional Council (CORE) endorsement or approval.
65. At this stage, a regional tender was also called to define pilot protected marine areas. Participation requirements were that these areas be: i) supported by regional governments and ii) that they had a significant biodiversity. Six proposals came in by way of this call, of which 3 were selected.
66. As can be seen, efforts were made to do away with intromissions from different public sectors and to get the regional governments further involved.
67. It is important to emphasize that the concept of introducing MUMPAs had to deal with a lack of understanding by relevant actors at all levels. As an example of this, some public services such as DIRECTEMAR have within their duties to protect marine areas from pollution, so they were of the opinion that they were making efforts to protect biodiversity. At the same time, SUBPESCA and SERNAPESCA thought (and still think) that the Fisheries Act is sufficient in itself for the protection of biodiversity and that the concept of MUMPAs does not innovate on the issue of marine protection.
68. The above example illustrates the complexities of incorporating a concept of an integrated and ecosystem protection, since sector agencies are right in their marine protection argumentation, from the sectorization perspective, where each entity has limited power, in light of a reality whereby, within the same marine space, there are several different public actors each tending to a specific aspect of their concern within the whole mentioned space.

69. On the other hand, local communities in the marine areas saw the Marine GEF as an opportunity to end their conditions of extreme poverty, thus relegating the concept of biodiversity conservation into the background.
70. As a result of these efforts, at the political level, we have the formal declaration of several MUMPAs, such as the Francisco Coloane MUMPA, in Magallanes Region (in 2003), which is also a marine park and that of Isla Grande de Atacama, Atacama Region (in 2004). Then Lafken Mapu Lahual was declared a MUMPA in 2006.
71. The project's design and approval was influenced by two GEF fund restitution processes, the first one being the GEF-2 (July 1998 - June 2002) and then GEF-3 (July 2002-June 2006). During negotiations for the GEF-3, important changes were introduced to the way that GEF and project design operated, the most important being project approvals involving the creation of protection systems, a greater private sector participation throughout the project cycle, sustainability of funded activities, including co-financing, development of performance indicators and replication of experiences and lessons learned. The results concept was also introduced into projects elaboration, rather than the nomenclature of products used up until that point.
72. Regarding activities as such, product seven appears incomplete and represents more an extension of outreach activities, failing to produce an effective implementation neither of other areas nor to the establishment of a MUMPA network. This product is created as a result of the change in approach of support activities, produced between the GEF-2 (where most of the project was designed) and the GEF-3 (within which new guidelines and project approval are introduced into the project). In this regard, the overall project design was developed within specific guidelines, which were changed at the end of the design phase, which led in practice to making changes to its structure that eventually affected the understanding of the project document, which had to be adjusted to the new GEF criteria, surely at a stage that would still require a greater maturity in their scope and implementation.
73. In the same train of thought and knowing the GEF project rules at the time, it's important to note that within the marine GEF design there is no provision for a definite item for the project coordination unit, with a budget, objectives and management activities separate from the other products and results. Coordination and management costs are spread out across all outputs and outcomes, thereby diluting the importance of having a coherent organization to achieve project development objectives.

74. To fill this gap, UNDP included a specific product for administration and monitoring (product 8), with a budget of approximately US\$ 455,000.

### **Actor Participation**

75. The participation of key local actors, such as municipalities and local communities- did not receive the same attention, partly because efforts were focused on Regional Governments, who were eventually going to co-fund the Marine GEF project.
76. During project formulation, numerous visits to Caldera and the LML<sup>15</sup> communities were reported. However, during the development of this current assessment, local actors indicated that their participation was limited to being aware of future project characteristics, although in the LML it was said that they had signed a commitment letter with the Huilliche communities in support of the project, to be done through their future participation in the administrative unit, through their work and being granted the use of 15 hectares of land.
77. In Caldera, there was a lack of fishermen involvement, which led to friction with this union - which amounted to 14 organizations representing approximately 800 people.
78. In LML and Atacama, the project's design raised serious over expectations among local communities, which understood that the Marine GEF would be a stepping-stone to get them out of the extreme poverty conditions that exist in these two marine areas. As an example, it was thought that the women of these communities would work on the MUMPAs and that they would use local people to carry out Marine GEF activities, such situation, at least in Caldera, was not envisioned.
79. During this stage, the municipalities weren't used, even when in practice they are essential for being in touch with local communities and for knowing their problems.
80. Efforts to participate in the 3 MUMPAs focused mainly on regional Governors and some regional councilors (CORE), due to the belief- also right- that co-financing came from the regional governments (GORE).
81. We performed an activity to get regions involved, through a contest for their marine protected areas to apply, which could participate in the Marine GEF. The conditions for participation were that the proposed areas should be supported by

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<sup>15</sup> Annex H3 of the project documentation called "*Descripción del Proceso participación e incorporación de las partes interesadas en el diseño del proyecto AMCP-MU*", reports that in Caldera there were 12 meetings held between 2002 and 2003, while in the LML 15 visits were made to the communities.

their respective Regional Government and also there should be an important marine biodiversity.

82. Under these conditions, 3 of the 6 proposals submitted were selected.
83. However, these efforts have not materialized into concrete commitments from the Regional Governments, as in any of the 3 MUMPAs, neither the Marine GEF as a project nor the counterparts were approved by the respective regional councils, key situation that afterwards brought many complications during project implementation, because the post-process Regional Councils and mayors claimed to ignore the project and said they didn't saw that Regional Councils had approved the co-financing commitments arising from letters of intent from the previous mayors.
84. Decisions on funding for the implementation of works in regional governments are made jointly by the Regional Councils and municipalities.
85. The design process Marine GEF included a strong Presidential determination of the time, to move as quickly as possible in the declaration and implementation of marine areas, a situation that is very positive as it is in effect the presidential will, which in this case lasted until March 2006, at which time the government changed and, therefore, priorities and focus of the Marine GEF.
86. Within this context, several regional actors consulted, identified Marine GEF beginnings as an initiative focused on Santiago, without significant participation of the regions involved.
87. This was also compounded by the persistent rotation of regional authorities, Regional Councils, mayors and heads of services, who considered the project as distant, which had no institutional commitments that would have been endorsed by the Regional Governments.
88. On the other hand, sectoriality was also present in the project design, which caused CONAF to stay out of it, for its portrayal of being an excessively conservative organization, its purely "terrestrial" experience and the perception that it would require greater ability to efficiently manage MUMPAs. In this regard, it should be mentioned that there was competition between institutions, as one third of the national parks managed by CONAF, have coastline and, therefore, this institution is also involved in coastal marine aspects within its parks.
89. It should be mentioned again that the concept of sustainable and ecosystem management of marine areas in Chile, was a "new" issue and certainly uncertain in its benefits and outcomes. This situation also led to resistance among public actors involved, because the concept of sectorial-protection was also thought to be



sufficient to protect marine biodiversity, and so it wasn't useful in the AMCP-MU figure.

### Preparation Stage Evaluation and Follow-up

90. One of the aspects which draw attention in the project design phase is related to the validation of the information on which the Marine GEF was designed.
91. Various consultants were hired and a team was established for processing information (one coordinator with CONAMA directors seeking the required political agreements with public actors for project acceptance).
92. Some of the studies determined the actual biodiversity to be protected in the 3 areas and also conducted feasibility analysis on self-financing based on future income from tourism (cruise ships in Magallanes, a sun and beach resort in Atacama and ethnic tourism in Los Lagos). In all cases it was concluded that at least 98% of operating costs of the areas could be covered by entry fees from tourists<sup>16</sup>.
93. It was also concluded that there were no outstanding issues with the land in Lafken Mapu Lahual, so risks to the project associated with this area were practically negligible<sup>17</sup>.
94. These various activities and studies provided the main assumptions for the Marine GEF: i) lack of land conflicts in LML, iii) the viability of the sun and beach project in Caldera and iii) the assumption that tourism activities would cover administrative expenses of the 3 MUMPAs.
95. According to testimonies collected, in the case of Magallanes warning was given regarding the scarce possibility of obtaining payment from cruise ships, while in LML it had long been known that there were land issues within the Lafkenche communities, while in Caldera there was an act of "sabotage" in the establishment of the sun and beach project<sup>18</sup>.
96. It was also known that Lafkenche communities in the LML were mainly collectors and forest users rather than coastline dwellers and therefore some activities

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<sup>16</sup> See Annex I: "Tourism and Economic Sustainability of MUMPAs (*El Turismo y la Sustentabilidad Económica del AMCP-MU*)", page 194, project documentation.

<sup>17</sup> See point 2, page. 43, "Response matrix to GEF board comments" annex to project documentation.

<sup>18</sup> In Caldera, there was conflict regarding land use. After news of a major tourism investment in the region became known, speculators obtained permits for mining concessions in the sector, set to claim for compensation later, on being unable to perform their "activity" due to the tourism project. The project area is not suitable for swimming, so the project was not intended as a sun and beach resort, but rather as a health tourism project for the elderly.

proposed in the project documentation were not feasible neither from an economic nor a cultural standpoint<sup>19</sup>.

97. It can therefore be seen that no filters existed or that the appropriate filters were not applied so as to verify the soundness/appropriateness of the conclusions reached at given the different studies, nor were the regions consulted extensively enough on the proposals that were being discussed.
98. According to the author's own experience, in general the working teams that design these international cooperation projects do so under significant pressure to meet deadlines, leaving for a later phase project "empowerment" by "beneficiaries" or executing agents.
99. However, in many cases, the time "earned" during the design stage, is "lost" during implementation, so it would be highly recommendable in future projects to weigh these aspects and leave more space for local and regional participation, although processing times may be extended in a few months.
100. It is also key that those institutions that encourage or are developing projects have more active internal counterparts, analyzing with greater diligence inputs submitted by consultants in support of project document development, as there are many operational aspects and decision mechanisms within the civil service that consultants may not be aware of.
101. If there is no inside knowledge, it is paramount to make alliances with institutions who may be privy to this information, in order to prepare projects with more accurate and appropriate information, while at the same ensuring the presence of partners who will support the project at later stages.

## **5. Implementation**

102. The project began in August 2005 and ended in July 2010, lasting five years. The coordination team consisted of seven professionals, two of which were located in Santiago, acting as the national project coordination, while Los Lagos and Magallanes had two professionals each and Atacama had one. The professional profile was marine biologists, biologists, fishing specialists and geographers. At the Santiago office, an accountant provided support in financial planning and expenditure. National coordination was located in National CONAMA – now the Environment Ministry- under the dependence of the Head of National Resources,

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<sup>19</sup> The issue of the subsistence pilot project based on the exploitation of giant mussels was not successful because community were not engaged in this type of activity and also because giant mussel populations in the area consisted mainly of females, with a very low commercial value.

while the regional teams were located in the respective regional CONAMA – now the Regional Ministerial Secretary for the Environment - under the tuition of the regional director.

103. With regard to products and activities to be generated, the evaluation team discussed with each regional team, in the mid-term evaluation, the tentative working plan of the project document (Annex B of the project document: Project Logical Framework) and the annual operational plans for each MUMPAs. These aspects were analysis during the final evaluation with the regional managers hired by the Ministry of Environment and by former Marine GEF team members.
104. The outcome of discussions is presented in Table 2, while the full set of data collected can be found in Annex V to this report. The analysis consisted in discussing with the teams each outcome, output and activity stipulated in the project documentation and comparing them with the AOPs the Marine GEF teams prepared under the same parameters contained in the project document logical framework matrix, this being three results and seven products with their respective activities.
105. It is noteworthy to mention that the sole purpose of Table No. 2 is to give the reader a summary of the status of products and activities of the project and not to judge in any way the success of the Marine GEF.

*Table 2: Summary of implementation status of the different project activities as at November 2010.*

| <b>Activities</b>         |               |             |               |             |               |             |
|---------------------------|---------------|-------------|---------------|-------------|---------------|-------------|
|                           | <b>Number</b> | <b>%</b>    | <b>Number</b> | <b>%</b>    | <b>Number</b> | <b>%</b>    |
| <b>Changed (ch)</b>       | 1             | 2,1%        | 4             | 7,8%        | 3             | 7,1%        |
| <b>Complete (com)</b>     | 21            | 43,8%       | 19            | 37,3%       | 23            | 54,8%       |
| <b>In process (ip)</b>    | 11            | 22,9%       | 2             | 3,9%        | 10            | 23,8%       |
| <b>Incomplete (incom)</b> | 3             | 6,3%        | 6             | 11,8%       | 3             | 7,1%        |
| <b>Unrealized (ur)</b>    | 12            | 25,0%       | 20            | 39,2%       | 3             | 7,1%        |
| <b>Total</b>              | <b>48</b>     | <b>100%</b> | <b>51</b>     | <b>100%</b> | <b>42</b>     | <b>100%</b> |

106. The project had identified approximately 141 activities and reported the execution of two other unplanned activities in Los Lagos (setting up a connectivity system in the area and a legal support for the analysis and definition of the administrative unit) and three others that were changed. The percentage of completed activities was between 37 and 55% for the different regions.

107. According to project progress, 21 activities were completed in Atacama (44%), while Francisco Coloane and LML completed 23 (55%) and 19 (37%) respectively.
108. At final evaluation, there were still activities in progress, which were being carried out by professionals hired by the Ministry of the Environment. In Atacama these activities were 11 (23%); in Francisco Coloane, 10 (24%) and in LML, 2 (3.9%).
109. Incomplete and unrealized activities are mostly related to tourism and livelihood projects, while the ones in progress are to do with actor coordination, implementation of administrative units and their infrastructure to function properly, as well as the updating of General Administrative Plans and zoning.
110. The percentage of activities that were not executed is as follows: 39% in Los Lagos, 25% in Atacama, and 7.1% in Magallanes.

## **6.1 Extent of Goal Achievement**

110. Progress in achieving the project goal "Providing greater protection for coastal biodiversity in Chile by eliminating barriers to the establishment of MUMPAs in three representative demonstration sites and the creation of institutional and individual administrative capacities, thus facilitating their replication in other regions of the country".
111. The formal constitution of the 3 MUMPAs gave the country a higher level of biodiversity protection in terms of marine hectares, 74,983 hectares, while in the protection of related coastal land, the increase seen amounted to 42,357 hectares. Regarding the figures provided by the project team, almost 90% of the marine hectares and 79% of the associated territories correspond to the Francisco Coloane MPA. Table No. 3 shows the current status of biodiversity protection goals set in the project.
112. Regarding the strengthening of institutions and actors, the project successfully formed a national technical committee, coordinated by the current Ministry of the Environment and with the participation of relevant institutions in the field. This Committee has played a key role in developing the preliminary criteria and procedures for the declaration of future MUMPAs. It has also managed to introduce the concept of MUMPAs as protected areas in the new environmental law and in the Biodiversity and Protected Area Service act (SBPA)

Table 3: Amount of hectares protected by the project and management status in accordance to the METT evaluation.

| Indicator/measurement unit   | Valor Base           | Valor Meta                              | Valor al Final del proyecto         |
|--|----------------------|---|-------------------------------------|
| Number of hectares of marine areas and coastal territories critically associated under protection in each coastal biogeographic region in Chile. | <b>IGA</b>           | <b>IGA</b>                              | <b>IGA</b>                          |
|  | Marine=0             | Marine =8.682                           | Marine= 3.646                       |
|  | Coastal=0            | Coastal=10.366                          | Coastal= 8.450                      |
|  | <b>LML</b>           | <b>LML</b>                              | <b>LML</b>                          |
|  | Marine=0             | Marine=9.931                            | Marine=4.140                        |
|  | Coastal=0            | Coastal=269                             | Coastal=321 (terrestrial+estuarine) |
| Unit: Ha.  | <b>FC</b>            | <b>FC</b>                               | <b>FC</b>                           |
|  | Marine=0             | Marine=67.197                           | Marine=67.197                       |
|  | Coastal=0            | Coastal=33.586                          | Coastal= 33.586                     |
| METT applied to each MUMPA   | IGA: 22              | Good range for all MUMPA (61-82 points) | IGA: 61 Good                        |
| Unit: points   | LML: 21              |   | LML: 53 Reasonable                  |
|  | FC: 21               |   | FC: 61 Good                         |
|  | 0-38 points:<br>poor |   | (39-60 points: reasonable)          |

## 6.2 Progress According to Expected Results

**111. For outcome 1: 3 MUMPAs with restricted use and core zones legally established, demarcated, and operational and with governance and funding structures.** The following progress can be informed for each of the MUMPAs:

### **Francisco Coloane**

112. The Magallanes region opted for the creation of a Public-Private Corporation to act as the administrative unit of the MUMPAs. The bylaws of this corporation were approved by the Regional Council during 2009. The members of this corporation are the Municipality of Punta Arenas, the CECUA Foundation, the Punta Arenas Chamber of Tourism, the Chamber of Shipping and the Regional Government. The members of the corporation have nominated their representatives, so far lacking representatives from the Regional Government. The Regional Government has twice rejected proposals from the Governor's office (2009), because of eligibility issues with the people selected.
113. The Governor's office is currently reviewing its participation in the corporation, due to concerns related to the financing of the corporation and also because they want to ascertain whether its goals are aligned with those of new government. The Governor has the task of placing this issue on the agenda in Regional Government meetings.
114. There is a General Administrative Plan proposed for the marine area, which should also be entered into the Environmental Impact System. This General

Administrative Plan contains the goals for the area, and an estimate of operating costs and investments required.

115. Regarding the minimum infrastructure required for operations, the design of the Visitor Center for the MUMPAs has been completed and is currently under Environmental Impact Assessment. The construction of this visitor center would not take place until 2011, due to its high cost, approximately CLP\$ 2,000 million (US\$ 4.17million). The pier is somewhat delayed, since it is still in design stage and construction is not expected until 2012. The cost of this work is estimated at CLP\$ 1,000 million (US\$ 2.08 million)<sup>20</sup>.
116. So as to support the formation of the MUMPA, the Marine GEF, in collaboration with the INNOVA CORFO program, agreed to conduct a study on the potential the marine area has for implementing special interest tourism activities, which had an approximate cost of US\$ 625,000.
117. As a result of this, the Magallanes region has a tourism development plan called "Design of a Tourism Management Plan and Implementation Mechanism in the Francisco Coloane Coastal Marine Protected Area". This plan for the Francisco Coloane MPA, which is in the final report review stage, includes several aspects that support the management of marine areas: i) registering the marine flora and fauna, ii) identification of sites with a tourist potential, iii) development of tourist guides and the history of places of interest; iv) best practice guidelines for whale watching, iv) determination of carrying capacity; vi) economic evaluation of the different tourism products and identification of promotion instruments and vi) developing a manual for investors.
118. This plan is seen by relevant actors as an important step for the stability and significance of the marine area, because it will guide future investments in the area.
119. On the other hand, tourism operators in the area have expressed their predisposition towards an eco-payment for the use of tourism resources in the marine area, a procedure that has already been implemented by CONAF regarding the use of their national parks.
120. Mention should be made that there is a draft management plan for the MUMPA, published on the project website, in consultation with the Regional Commission on Marine Protected Areas (CRAMCP), in addition to informal arrangements with extra-regional actors.
121. The management of MUMPAs has been monitored during the Marine GEF implementation period, through a monitoring tool called "Management Effectiveness Tracking Tool" (METT)<sup>21</sup>. The INNOVA-CORFO study additionally

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<sup>20</sup> Calculated based on the following average exchange rate 1US\$= 480 CLP\$

<sup>21</sup> The 3 MUMPAs were evaluated annually from project start, using the METT tool. Indicators in 2005 were in the "poor" range, while in 2009 they were in the "reasonable" range for all three MUMPAs.

developed indicators and follow up tools for the activities to be carried out in the area.

122. There is a proposal for micro zoning, which is being discussed in the framework of the new regional planning on the use of the coastline.

#### *Lafken Mapu Lahual (LML)*

123. The situation of LML has not changed significantly since March 2009. In terms of execution it may be mentioned that the regional foundation designed to manage MUMPAs has scarce possibilities of being successful, mainly due to funding issues, land dispute issues and the negative experience the Regional Government at Los Lagos has had in the creation of other foundations.
124. Due to the situation described above, a Board of Directors for the MUMPA was created, under the umbrella of the municipality of Rio Negro. This Board is a functional organization created under the Neighborhood Act – the municipality acting as authenticating officer, having legal autonomy to apply for national and international funds.
125. The board has its own by-laws and is composed of individuals who represent their organizations, which would be those actors directly involved in the area, such as: i) indigenous community of Condor cove, ii) Condor cove Indian Fishermen Association, iii) Huellehue Union; iv) Huellehue Community; v) Maicolpi Rio Sur Fishermen Union; vi) Mansa Bay Fishermen Union No. 2; vii) Representative of the Mapu Lahual Indigenous Community and viii) representative of the Rio Negro municipality.
126. This organization aims at managing the marine area and carry out tourism and conservation activities within a Management and Administration Plan for the MUMPA. Among its priorities is the installation of a Monitoring and Research Center, the promotion of tourism activities in the Huellehue cove and Condor cove and the installation of an Interpretation Centre.
127. This board has been in operations for one year approximately and members find it very difficult to get together due to the remoteness of the place itself and the lack of facilities and infrastructure. There is also a lack of organizational and administrative capacity within the organization, requiring strong professional support for carrying out their different tasks, both within and outside their area of influence.
128. The members of this organization are of the opinion that the board may be incorporated into the regional foundation or into another future foundation, in order to undertake joint administration of the marine area.
129. Among the administrative possibilities for the MUMPA is that of applying for a concession under Lafkenche Law (Law number 20,249) in force since 2008. This law allows native peoples to manage coastal areas located on Indian lands for their own benefit, in order to protect the customary uses of that area. This law does not

allow overlapping of incompatible uses and concessions, therefore, in order to make use of the Lafkenche law, communities would not be able to invoke it if there is already a MUMPA or other operational lease in place.

130. The dispute over land surrounding marine areas is still ongoing at the time of final report evaluation, the legal system having ruled in some cases in favor of individuals who have claimed the land. According to interviews with different actors, there is consensus that land disputes in the LML have a long history, dating back at least 50 years ago.
131. With regard to the General Management Plan (GMP), there is a draft proposal that has been discussed with public actors in the region, but still needs validation from local communities. The thinking being that the GMP should be submitted to the Environmental Impact Assessment System (EIA), which would involve more time for the already delayed marine area management.
132. With respect to the supporting infrastructure, due to the existing land conflicts, investments for the visitor center, administrative offices and information center have yet to be made.
133. Investment opportunities in this area are minimal, as it is estimated that land conflict issues will continue for some time.
134. There is a proposal of micro-zoning for the area, which is being analyzed as part of coastal area planning, done in conjunction with the municipality of Rio Negro.

## Atacama

135. There is also a general administrative plan in this region, plus a by-law proposal for a public-private foundation, which would be the managing body for the marine area. It is estimated that the general administrative plan should be validated as at December 2010.
136. At evaluation, the Regional Council had returned the draft by-laws, having added comments on there being little clarity on the operational costs of the future organization, nor on whose responsibility such costs would be.
137. The Foundation would consist of the Regional Government, fishermen's unions and the Municipality of Caldera. The Regional Council pointing out that private actors are missing in this initiative.
138. The Ministry for National Heritage gave the Regional Government part of the land surrounding the marine area to allow construction of the supporting infrastructure, which consist of two gateways (around \$ 1.200.000) that would mark the entry and exit points of the marine area. At the time of the evaluation mission, National Heritage was considering a six months extension for the land transfer to the Regional Government. According to interviews conducted, there is also interest from the Sendero de Chile Foundation to build trails and bikeways in the area, a situation seen as being positive by National Heritage, so it is very likely that



Sendero de Chile may obtain the concession for operating on a strip of land adjacent to the marine area.

139. With respect to ancillary infrastructure, gateways have been approved by the Regional Government, but works have not been funded so far. It is estimated that the gateways could be built during 2011-2012.
140. In 2007, National Heritage donated a 7-hectare plot of land to the Regional Government for the construction of a visitor center, but to date no infrastructure project has been submitted for funding with regional funds.
141. The micro-zoning of the marine area and its validation with relevant actors is still pending.
142. ***For Outcome 2: Conservation of biodiversity, local relevant actors and private sector investors will stand to benefit in the three demonstration MUMPAs (3 pilot projects in tourism and 2 pilots in livelihood in LML and Caldera),*** thus having the following developments:
  143. In the Francisco Coloane MPA, several tour operators of the region conduct whale watching tours and observation of other marine life. There is also a specific tourism plan for the marine area, carried out in cooperation with INNOVA-Chile. This plan identifies points of tourism interest, codes of best practice, tourism carrying capacities and instruments for the promotion of tourism.
  144. Tourism projects could not be implemented in LML due to the land issues and because tourism in the marine area was not profitable.
  145. In Caldera, tourism projects were also not implemented, because the sun and beach project failed to get off the ground, the same situation happening with livelihood activities for fishermen and seaweed harvesters.
146. ***For Outcome 3: Understanding has increased both at local and national level on the role that MUMPAs have in achieving the combined goals of conserving marine biodiversity and coastal development, thereby improving their sustainability and increasing the potential for replication in other regions,*** thus the following can be reported:
  147. This has been the most successful component during the development of the marine GEF. As reported during the mid-term evaluation, none of the relevant actors is unaware of the term Multiple use Marine Protected Area (MUMPA), although it must be said that this is not a term shared by all. As an example of this, some think that all activities "compatible" with a marine area can be carried out within the framework of the existing fisheries law, without considering the difficulty to include such a MUMPA within any category of the IUCN.
  148. There have been an impressive number of studies conducted in each of the areas, which has provided a solid foundation for the preparation of management plans, zoning, tourism development plans and other important activities in marine

areas. In annex VI, the list of studies and dissemination material carried out by the project can be found.

149. In Atacama the project convened a citizen participation group that integrated various stakeholders such as; fishermen, people interested in conservation, tourism operators, and so on. This group was formed by the Marine GEF, but disbanded once it was completed.
150. In 2008, in Magallanes, a citizens' group called "Association for the Conservation of Marine and Terrestrial Biodiversity" (ARKA) was created, consisting mostly of young professionals from various fields. This group focuses in general on environmental education, research and dissemination, currently it is implementing two projects with the city of Punta Arenas and has two others under approval
151. In order to facilitate replication, CONAMA has prepared a guide listing basic procedures and criteria that stakeholders should consider when applying for a MUMPA. These criteria include the importance of biodiversity in the area, threat analysis and feasibility of administration, local support and funding<sup>22</sup>.
152. The Marine GEF has developed, together with others, a total of eight guides to facilitate the understanding of MUMPAs and the activities that can be carried out within them, as well as best practices, biodiversity studies and so on. The following is a list of the available guidelines:
  - ✓ *Procedimiento para declarar AMCP-MU.* (Application procedure for MUMPAs) (CONAMA)
  - ✓ *Guía para inversionistas y negocios.* (Guide for investors and businesses) (INNOVA CORFO- MARINE GEF)
  - ✓ *Guía modelos de administración y gestión de AMCP-MU.* (Management models for MUMPAs) (MARINE GEF)
  - ✓ *Guía como elaborar un PGA.* (How to develop a General Administrative Plan) (MARINE GEF)
  - ✓ *Manual metodológico de cómo evaluar AMCP-MU* (Methodological manual on how to evaluate MUMPAs) (MARINE GEF - by Andrés Guajardo thesis student)
  - ✓ *Guía de repoblamiento de algas pardas* (Guide for restocking of brown algae) (MARINE GEF)
  - ✓ *Guía de buenas prácticas para turistas* (Best practices guide for tourists) (INNOVA CORFO- MARINE GEF).

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<sup>22</sup> "Application Procedure for Multiple Use Marine and Coastal Areas (AMCP-MU)", Department of Natural Resources, CONAMA, 2008.

### **6.3 Progress per Output/Activities**

153. **Output 1** Three MUMPAs legally established, demarcated, and with the essential infrastructure to begin operations have been carried out in 3 regions, and the corresponding MUMPAs have been declared so by decree from the relevant authority. The areas cannot be physically demarcated because regulations do not allow this. Zoning has been made in Atacama and Magallanes, while in Los Lagos a management plan has been developed, although zoning could not be carried out because of administrative issues relating to a specific NGO and the Regional Government, additionally, a benthic information study has been completed. Francisco Coloane is the only MUMPA where an Environmental Impact Statement (EIS) has been submitted for the marine area Visitor Center, which has been under process since July 2010. The pier plan is still at the design stage.
154. **Output 2**, MUMPAs management systems and governance structures have been partially set-up in the 3 regions, where the corporation by-laws have been elaborated and the minimum operational costs for each of them defined. Approval of the foundations / corporations and their management and financing mechanisms are in their discussion stage in Atacama, while at Francisco Coloane, the Regional Council has approved corporation by-laws, but has yet to be incorporated because the Regional Council has twice rejected nomination proposals for the two representatives of the Regional Government at the corporation, due to a conflict of interest. Therefore, training activities for managing the MUMPAs for key officials, as well as the respective public consultations, the legal establishment of management units and the preparation of staffing plans for MUMPAs have yet to be carried out because administrative units have not been configured. In terms of subsidy, alternative management trainings were conducted at LML for communities and also in 2009 a tour to Ecuador was made in order to see the experience of integrated coastal management, community tourism in protected areas and within indigenous communities.
155. In Los Lagos, the creation of a public-private foundation is still being discussed, with a very low feasibility of approval by the Regional Council (two projects were submitted to the Regional Council in three occasions, one for a provincial foundation and one for a regional level foundation). The project team decided late in 2009 to create a functional community organization with participation from the municipality of Rio Negro. This functional organization, called "Board of Directors and Management of the Marine and Coastal Protected Area Lafken Mapu Lahual" is made up of members of local organizations and the municipality of Rio Negro.
156. With respect to consultations on financing mechanisms for the 3 MUMPAs in Francisco Coloane, under the INNOVA tourism project. Businessmen were consulted on their willingness to charge an eco-fee per visitor, receiving a positive

response. Three workshops were held between 2009 and 2010. In Atacama, the General Administrative Plan includes this issue, but it is not clear where funding resources for the administration unit will come from, particularly regarding recurrent costs.

157. **Output 3:** The development and implementation of an adaptive management plan fully agreed upon has been partially achieved. Thus, the three areas have had studies made wherever knowledge gaps were detected, while management plan proposal are either completed (as in Magallanes and Los Lagos) or in process (Atacama). The completion of a public consultation process and the formal adoption of management plans are still pending for all three areas. Monitoring plans have been designed only in for Atacama, while the design of the tools to update the zoning limits is pending in this region and under process for Magallanes and Los Lagos. In all 3 regions management and administration plans for the MUMPAs have been developed, dully published on the project website for receiving comments on LML and Francisco Coloane, while in Atacama consultations with relevant actors will be made once the plan has been adjusted and updated. Additionally, at Francisco Coloane consultations were held with key actors within and outside the region and at LML a workshop with scientists and relevant actors in the region was carried out.
158. Monitoring plans for the 3 MUMPAs have been developed, but could not come into operation, mainly due to the lack of administrative units. However, the Maritime Territory Direction and other actors are currently engaged in supervision and control duties in the three marine areas. For the specific case of LML, a pilot monitoring plan was produced in collaboration with the communities, which was presented to the National Fishery Service and the Under-Secretary for Naval Affairs.
159. Regarding the development of tools for updating and validating zoning work, the Marine GEF team has implemented a monitoring tool called "Management Effectiveness Tracking Tool" (METT) for 3 MUMPAs. In addition, at Francisco Coloane, a procedure to calculate the tourist carrying capacity (2009-2010) was developed, which contains the development of indicators and their measurement, and assigns priority levels to indicators. It is a tool developed for tourism activities and can be adapted for use in other areas. This procedure is incorporated in the General Administrative Plan and has micro-zoning, which is included in the regional zoning process. In LML and Atacama, these updating tools - different from METT – should be developed for future administrative units for the MUMPAs.
160. **Output 4:** (Pilot Tourism projects) were developed in Magallanes, through a CORFO's INNOVA-Chile tourism study, which aimed at defining the various tourism activities having development potential in the area, and to determine carrying capacity for tourism, business plans, among others. The study lasted 18 months, ending in November 2010. There are also tourism pilot projects within the

MUMPA: five companies are engaged in sea-based tourism, where one of them has a terrestrial concession granted by Ministry for National Heritage and a marine concession granted by SUBMARINA (Whalesound). Basic land infrastructure for receiving tourists is still missing and since the land management plan has not been approved as yet, tenders cannot be called for infrastructure works to be managed by the private sector. With respect to cruise ship tourism, no activity was been developed as regional authorities have decided to ban cruise ships from stopping in the area, thus no fees can be charged to cruise ships. However, regional tourism operators are willing to pay an eco-fee for supporting the MUMPA.

161. In Los Lagos, the pilot ecotourism management project carried out by indigenous communities, executed by WWF as part of the GEF-Marine compensation scheme, has implemented local tourism development activities. There is also a document with a proposal for integrated tourism for the Mapu-Lahual territory. Although the WWF had built infrastructure at the Huellethue and Condor coves, belonging to the Mapu Lahual Indigenous Network (having camping facilities, including barbecue, toilets, etc.) prior to project start, there is as yet no defined location for receiving tourists. The area has seen extensions built in some homes of local residents to accommodate tourists, yet they do not meet conditions for comfortable accommodation (such as drinking water, toilets, adequate disposal and treatment of wastewater, tourism waste products, and so on). Also pending are training for communities on ecotourism and a definition of the amount that Huilliche communities will provide for funding the MUMPA in the long term, a situation that seems unlikely to materialize.
162. In Atacama, it has been confirmed that the *Macrocystis* alga is not present in the area, so all activities related with this species were moved to Lessonia. The implementation of this outcome has been partial as the private investor compensation funds were not released, and the sun and beach tourist complex in Bahia Cisnes failed to materialize. Despite the above, a Tourism Plan was made for the area and designs made for submarine trails, as well as a diving center, access gateways and bicycle lanes for the MUMPA. The infrastructure works associated with these designs are pending.
163. **Output 5: (Pilot Project on Livelihoods).** These were not included for the Magallanes region, because there are no permanent inhabitants in the MUMPA.
164. In the region of Los Lagos, no activity regarding giant mussel repopulation was made, because biodiversity studies conducted showed that community resources are in poor conditions plus much of the area resources are located within management areas leased out to fishermen, hence activities should be aimed more at environmental restoration work. The management plan includes the activity of restoring giant mussel populations and creating an "organic product" aimed at visiting foreign tourists, thus deciding to enhance existing management

areas within the marine area, but the local communities had lost the associated concession or operational lease. Communities are not giant mussel cultivators, being more closely defined as shore-line collectors. Additionally, most of the existing giant mussel population in the area is female, having a meat color and texture which is not well-received in the market; so giant mussel farming is not a viable economic activity for these communities. Therefore, the regional project team decided to replace this activity with one related with the improvement in existing communication systems for these communities, having donated 8 radio bases with their corresponding antennas and solar panels, and distributing 15 hand-held radios, amounting to a total investment of around CLP \$12 million.

165. With regard to the implementation of non-extractive use programs for reducing pressures on the larch tree in the Los Lagos MUMPA, the WWF, prior to project start, had funded a study on diversification of economic activities for Huilliche communities, including handicraft, furniture, basketry, fishing, etc. This study was supplemented by contributions from the Orígenes Program (IADB), which provides communities with diving information and the WWF provided diving equipment. The project also trained 20 people from the communities in open water scuba diving. In terms of training for communities for managing small businesses, there is a WWF report, but activities are not economically viable.
166. Outcome 5 in the region of Atacama was the responsibility of a private investor, who did not contribute with the corresponding compensation because the construction of the tourism project in Bahía Cisnes was aborted, thus most of the activities were not carried out. An algae management and restocking program was prepared nonetheless, and local communities were trained in monitoring and managing brown algae with funding from the project. Regarding these activities, the officer from the Regional Ministerial Secretary for the Environment is planning an alliance with CRIDESAT, from the University of Atacama (UDA) to develop brown algae management and livelihood projects. This initiative is in a preliminary stage, yet will become a line of work for the Regional Ministerial Secretary for the Environment 2011.
167. **Output 6:** (Awareness and Outreach Program) was conducted in three areas. A large amount of film footage, digital and print material has been prepared and distributed, along with broadcasts in television and radio programs. Also, governmental, private and local communities have been sensitized on the issue of protecting biodiversity in the MUMPA's. This is the component that has achieved the better results, confirming that all actors are aware of the concept and scope of MUMPA's in the three pilot areas. Atacama is the only pilot area where awareness activities have experienced followed up through surveys carried out annually to those tourists who visit the marine area, thus Atacama has a vision on the changing behavior of area visitors. Due to the success of these activities, the officer of the Atacama Regional Ministerial Secretary for the Environment is



considering resuming them in 2011 in conjunction with other departments of the institution. It is worthy of note that in Los Lagos, the activities of the project team made evident to the various public and private organizations the situation of isolation and abandonment that Huilliche communities face, which has meant there are now a number of projects aiming to improve the quality of life of these populations and that are funded by the Rural Infrastructure Program for Territorial Development (PIRDT). In Los Lagos, project activities made salient native Indian and land issues in the agenda of regional government and public services.

168. Visitor centers specified in outcome 6 have been designed for in the 3 MUMPA's. In Magallanes they find themselves at the EIA stage and the pier is at the being stage. In Atacama the visitor center is lodged inside the Regional Government Infrastructure Plan, but without funding. In Los Lagos, no visitor center was designed as it cannot be built due to land conflict issues in the area, but alternatives have been sought within municipal land.
169. In the three regions design and construction activities are in progress for walking trails within the MUMPAs. In Magallanes the design was part of the INNOVA CORFO study on ecotourism, while in Los Lagos 8 km of trails were improved and two observation points were built on the Mapu Lahual Indigenous Parks Networks (adjacent to the LML MPA). In the Atacama, the trails are designed into the Infrastructure Master Plan and Tourism Plan. Both in Atacama and in Magallanes investments in infrastructure of trails have yet to be done.
170. With respect to the approach had with schools, environmental certification of schools activities were undertaken in the three areas (a CONAMA program) and in Atacama outdoors classes were implemented in the area using project funds. At the LML site, an environmental education and awareness campaign was implemented in rural schools of the 3 districts, which consisted of: i) preparation of materials; ii) activities with children, iii) training of 10 instructors in awareness raising methods. In total, CLP \$6 million of GEF funds were invested in Lafken Mapu Lahual.
171. **Output 7:** (Training and Information Program to promote the replication of MUMPAs) is a component that is the sole responsibility and undertaken by the national coordination project team and the inputs for activity implementation are provided by the region project teams. The preparation of a tourism study program for regional governments and the tourism sector is still pending. The direct outcome of this component is the existence of applications for establish 6 new MUMPAs.
172. During project implementation, field visits have been organized for the 3 MUMPAs, aimed at obtaining the support of key actors (mainly members of the respective Regional Governments and Regional Council) for establishing MUMPAs.
173. The project established a Technical Committee on MUMPAs, where all relevant public services participate. This committee is at national level and defines the

criteria for the creation of new MUMPAs, as well as conducting training in the regions. A national workshop on governance, administration and financial management of MUMPAs has already been conducted. Together with the aforementioned, another national event on economic valuation of MUMPAs was implemented.

174. In order to facilitate replication, there is a guide prepared by CONAMA where all basic procedures and criteria that interested parties should consider when applying for a MUMPAs are presented. Salient among these being the importance of biodiversity in the area, threat analysis, feasibility of administration, local support and funding.
175. The Marine GEF has prepared, together with other actors, a total of 8 guides to facilitate understanding of MUMPAs and the activities that can be carried out within them, as well as best practices, biodiversity studies and so on. The following is a list of guides prepared:
  - ✓ *Procedimiento para declarar AMCP-MU.* (Application procedure for Multiple MPA) (CONAMA)
  - ✓ *Guía para inversionistas y negocios.* (Guide for investors and businesses) (INNOVA CORFO- MARINE GEF)
  - ✓ *Guía modelos de administración y gestión de AMCP-MU.* (Management models for MUMPAs) (MARINE GEF)
  - ✓ *Guía como elaborar un PGA.* (How to develop a General Administrative Plan) (MARINE GEF)
  - ✓ *Manual metodológico de cómo evaluar AMCP-MU* (Methodological manual on how to evaluate MUMPAs) (MARINE GEF - by Andrés Guajardo thesis student)
  - ✓ *Guía de repoblamiento de algas pardas* (Guide for restocking of brown algae) (MARINE GEF)
  - ✓ *Guía de buenas prácticas para turistas* (Best practices guide for tourists) (INNOVA CORFO- MARINE GEF).
176. Much material and outreach activities have been produced and national and international workshops implemented, among which there is an international workshop, another national workshops on ICZM (both in Atacama) and others on marine areas in Magallanes and Los Lagos.
177. Regarding the design of specific products related to biodiversity for national marketing campaigns on tourism, two videos have been produced, one exclusively



for the MUMPAs in Magallanes and a general one dedicated to the three marine areas.

178. To lay the groundwork for a national network of MUMPAs, a project website (<http://www.gefmarino.cl>) was created where promotional material on MUMPAs can be found. Also within this category are the national and international workshops conducted by the project.
179. Planning exercises on marine protection were performed with input from TNC, along with a review of existing national incentives and the development of mechanisms to facilitate replication in other regions.

#### **6.4 Reports and Monitoring**

180. In order to implement the project, the Project Management Unit (PMU) was formed, responsible for the supervision and general direction of project implementation. The PMU (or national coordination of the project) has sent 5 progress reports to the UNDP, these being the "Program Implementation Review" (PIR) and "Annual Project Review" (APR) reports, corresponding to the periods comprised between July 1st to June 30th of each year of project execution (2005-2006, 2006-2007, 2007-2008, 2008-2009 and 2009-2010).
181. Also, Annual Operational Plans (AOP) were prepared for each MUMPA, which were sent for approval to national coordination in Santiago.
182. The responsibility for the definition of activities, policies and monitoring of the project fell on the Project Steering Committee (PSC), where the National Project Coordinator acts as secretary. This committee has met on five occasions: i) in August 2005 in Santiago, ii) in January 2006 in Viña del Mar iii) in March 2007 in Punta Arenas; iv) March 2008 in Caldera; iv) in March 2009 in Santiago and v) in July 2010 in Santiago.
183. In these meetings the AOPs were reviewed and sanctioned, the various situations that have arisen in the project were analyzed and agreements made on how to address each project issue. At the end of these meeting, minutes of the agreements were taken, also containing a summary of discussions.
184. According to the minutes and meetings held during the midterm evaluation, the evaluation made with steering committee members and the national and regional coordination of the project, it can be concluded that the main issues identified early in the project were: i) uncertainty in private contributions in Atacama (2005-2006), ii) the definition of administrative mechanism with participation from Regional Governments, in compliance with modifications to the State administration law (2005), iii) the land conflict regularization process in Los Lagos (2006-2007) and iv) the contributions of the Regional Governments (2006).

## **6.5 Financial Execution**

### **Recursos GEF**

185. Project funds were under the charge of the UNDP office, acting as intermediary; giving technical and administrative support, coordinating with high-level, governmental decision makers, when necessary.
186. Project budget amounted to US\$11.695 million, of which US\$ 3.872 million were contributed by GEF, the rest were contributions from Regional Governments (US\$4.47 million), government agencies (US\$1.59 million dollars) and by NGOs such as The Nature Conservancy (US\$500,000 dollars) and Worldwide Wildlife Fund (US\$158,000).
187. GEF resource budgets shown in the project document do not contain administrative nor coordination expenditures, but rather a series of products from which the overall project expenditure is estimated. This situation arises when introducing the budget into the UNDP management system, where part of the cost of each product was allocated for national and regional coordination. It was thus necessary to create, in the UNDP's ATLAS system and in the budget specified in the project document, a product 8, called Management and monitoring, in order to obtain the coordination expenditures for the project.
188. Annual budgets were made by each region and were requested to the national coordination team, who allocated the final resources. Management tools used were the AOPs prepared for each region. From the analysis of the regional budgets, there is no standard format for these budget requests, while AOP were standard.
189. The reviewed Annual Operational Plans (AOP) were prepared based on results, products and activities contained within the logical framework of the project. Such AOPs are basically Excel spreadsheets planning for activities based on products 1 to 7. Only a few regional budgets included product number 8, for management and monitoring. Only for 2008 is there a general AOP for the project with a total planned expenditure amounting to US\$730.000 for that year, while for 2009 there is a consolidated AOP, but without a budget. For both consolidated AOP there is a product number 8 included, but this product is not included within the regional AOPs.
190. GEF funds shown in the document are distributed according to the following priority scale (according to budget): i) First Priority, accounting for 46% of GEF resources for Result 1 (establishing legal multiple-use MPAs with their boundaries, facilities, management systems and adaptive management systems). ii) 21% for Result 2, on the benefits of conservation. iii) 20% for Result 3, on awareness and experience replication, and iv) around 12% for administration and monitoring (product 8).
191. Tables 4, 5 and 6 show the evolution of actual GEF resource expenditure of the project per year and per product, according to information obtained from national project coordination.

192. The information delivered includes the expenditure per each project product, which also includes travel ticket expenses and travel allowances related to each product. This makes it difficult to determine whether such expenses are related to team coordination for the project or attributable to specific consultants on short-term contracts.
193. The total GEF resources spent as at November, 2010, amounted to US\$3.9 million, equivalent to 100.5%, slightly above that allocated in the GEF budget, due to the cash contribution from CONAMA (National Environmental Commission) earmarked for a couple of studies. Figures clearly show that the biggest project efforts were carried out during 2006 and 2007 (US\$2.61 million, 67%). Accumulated expenses, as at November 2010, focused on Result 1 activities (setting up multiple-use MPAs and management systems), amounting to US\$ 1.64 million (42%). For Result 2 (subsistence and tourism pilot project) US\$452.000 were spent (11.6%), while for Result 3 (awareness and experience replication) US\$562.000 were spent (14.5%). Coordination costs amounted to US\$967.000, as at November 2010 (representing 25%).
194. According to Table 7, the project document established within its planning a high rate of GEF resource expenditure for the first two years (US\$1.75 million, representing 45%). This is because one of the project assumptions was that from the third year, regional coordinators would become part of the corporations/foundations that would be acting as the administrative units. The reality was that this did not happen, as at project conclusion there is still no administrative unit financed by the project and fulfilling that role. In LML there is an Administrative Council, which has no resources for operating. This situation had a major impact on project budget, given that regional team salaries had to be financed using GEF resources up until July 2010.
195. As can be seen from Table 7, annual evolution of actual project expenditure is not significantly different from the amounts originally put forward in the project document. However, project document figures refer to the actual number of years of project execution, while figures reported by the Marine GEF are based on calendar year expenditure. The project started its execution in August 2005, so expenses reported for that year cover a 5-month period. For a more accurate comparison, it would be necessary to report figures for periods ranging from July 1st to June 30th of the next year, in line with PIR progress reports, reporting results for that same period.
196. Regarding the evolution of actual expenditures made according to those products or activities budgeted for in the project document, further comments are not possible, given that reported data cover calendar years. In addition, product categories (products 1 to 7, others) are not equivalent to the categories proposed in the project document (products 1 to 8). Nonetheless, following from Table 5, it can be concluded that important amounts for all project products were allocated to

nation-wide activities — which, including national project coordination, accounted for around 43% of overall GEF resources for the project.

*Table 4: Expenditure of Marine GEF during execution, considering cash contributions in 2010 by the Environment Ministry<sup>23</sup>.*

| Year         | GEF Resources Expenditure (US\$) | Percentage of GEF contribution | According to project document (US\$) | %   |
|--------------|----------------------------------|--------------------------------|--------------------------------------|-----|
| 2005         | 205,963.8                        | 5.3%                           | 620,054                              | 16% |
| 2006         | 1,154,039.6                      | 35.1%                          | 1,130,477                            | 45% |
| 2007         | 1,455,186.9                      | 72.7%                          | 954,507                              | 70% |
| 2008         | 681,460.9                        | 90.3%                          | 698,144                              | 88% |
| 2009         | 296,620.75                       | 98.0%                          | 384,500                              | 98% |
| 2010         | 92,261.5                         | 100.3%                         | 84,750                               | 100 |
| <b>TOTAL</b> | <b>3.885.533,4</b>               |                                |                                      |     |

<sup>23</sup> Accounting figures disclosed by the Marine GEF: GEF Contributions= US\$3,872,432 plus cash contributions from the Environment Ministry in 2010 (US\$53,601).

Table 5: Accumulated project expenditure as at November 2010, per region and per nation-wide activities, according to information obtained from the national coordination.

| Result | Product          | Region    |       |         |       |         |       |         |       |           |        |
|--------|------------------|-----------|-------|---------|-------|---------|-------|---------|-------|-----------|--------|
|        |                  | National  |       | Atacama |       | LML     |       | FC      |       | Sub-Total |        |
|        | Coordination (*) | 295,119   | 7.6%  | 236,056 | 6.1%  | 227,628 | 5.9%  | 207,719 | 5.4%  | 966,523   | 25.0%  |
| 1      | Product1         | 244,759   | 6.3%  | 78,005  | 2.0%  | 147,523 | 3.8%  | 278,974 | 7.2%  | 749,261   | 19.3%  |
|        | Product2         | 195,394   | 5.0%  | 117,074 | 3.0%  | 113,194 | 2.9%  | 59,056  | 1.5%  | 484,717   | 12.5%  |
|        | Product3         | 145,509   | 3.8%  | 63,580  | 1.6%  | 96,406  | 2.5%  | 97,365  | 2.5%  | 402,860   | 10.4%  |
| 2      | Product4         | 116,588   | 3.0%  | 13,670  | 0.4%  | 98,660  | 2.5%  | 52,160  | 1.3%  | 281,078   | 7.3%   |
|        | Product5         | 78,219    | 2.0%  | 36,050  | 0.9%  | 50,847  | 1.3%  | 5,510   | 0.1%  | 170,626   | 4.4%   |
| 3      | Product6         | 164,628   | 4.3%  | 8,921   | 0.2%  | 48,722  | 1.3%  | 54,075  | 1.4%  | 276,346   | 7.1%   |
|        | Product7         | 194,002   | 5.0%  | 34,439  | 0.9%  | 41,733  | 1.1%  | 15,453  | 0.4%  | 285,627   | 7.4%   |
|        | Other products   | 233,332   | 6.0%  | 25,503  | 0.7%  | 2,603   | 0.1%  | 15,247  | 0.4%  | 276,685   | 7.1%   |
|        | Total            | 1,667,549 | 43.1% | 613,297 | 15.8% | 827,316 | 21.4% | 785,559 | 20.3% | 3,893,723 | 100.5% |

(\*): Coordination expenditures reported by the Marine GEF are found within Product 1. Following from the percentage this item has and from actual information available, the consultant decided to consider it as a project coordination expenditure.

Table 6: Evolution of the project expenses (in US\$)

| Product        | 2005    | 2006      | 2007      | 2008    | 2009    | 2010    | Sub-Total | Percentage of GEF resources |
|----------------|---------|-----------|-----------|---------|---------|---------|-----------|-----------------------------|
| Coordination   | 93,402  | 229,655   | 245,873   | 254,631 | 90,720  | 52,242  | 966,523   | 25.0%                       |
| Product1       | 54,209  | 194,471   | 315,457   | 34,028  | 131,770 | 19,326  | 749,261   | 19.3%                       |
| Product2       | 20,790  | 159,138   | 237,337   | 67,451  | 0       | 0       | 484,717   | 12.5%                       |
| Product3       | 0       | 212,230   | 97,501    | 93,130  | 0       | 0       | 402,860   | 10.4%                       |
| Product4       | 0       | 81,014    | 185,546   | 14,519  | 0       | 0       | 281,078   | 7.3%                        |
| Product5       | 6,207   | 42,877    | 69,308    | 52,233  | 0       | 0       | 170,626   | 4.4%                        |
| Product6       | 17,008  | 81,198    | 132,068   | 46,072  | 0       | 0       | 276,346   | 7.1%                        |
| Product7       | 12,239  | 117,741   | 137,978   | 17,669  | 0       | 0       | 285,627   | 7.4%                        |
| Other products | 2,108   | 35,715    | 34,119    | 101,729 | 74,131  | 28,882  | 276,685   | 7.1%                        |
| Total          | 205,964 | 1,154,040 | 1,455,187 | 681,461 | 296,621 | 100,450 | 3,893,722 | 100.5%                      |

Table 7: Estimated expenditures according to project document versus real expenditures as reported by the Marine GEF (amounts in US\$).

| Product                               | Item   | year1          | year2            | year3            | year4          | year5          | year6          | Overall GEF Budget (US\$) | %    |
|---------------------------------------|--|----------------|------------------|------------------|----------------|----------------|----------------|---------------------------|------|
| 1                                     | Three legally established multiple-use MPAs, with their boundaries and basic facilities for starting operations.   | 191,119        | 283,451          | 146,848          | 16,599         | 0              | 0              | 638,017                   | 16%  |
| 2                                     | Management and Governance systems in each multiple-use MPA.  | 114,051        | 187,552          | 150,673          | 172,523        | 113,041        | 28,200         | 766,040                   | 20%  |
| 3                                     | Adaptive management systems developed, adapted and implemented for each multiple-use MPA.  | 17,016         | 128,616          | 127,617          | 115,000        | 0              | 0              | 388,249                   | 10%  |
| 4                                     | Three pilot projects implemented for developing and assessing how different kinds of tourism may generate multiple benefits for world-wide biodiversity conservation.  | 97,928         | 147,300          | 146,500          | 35,928         | 2,830          | 0              | 430,486                   | 11%  |
| 5                                     | Pilot projects on subsistence means set out on each multiple-use MPA in order to decrease pressure and increase native biodiversity conservation; and to diversify sources of income for local inhabitants by improving quality of life. | 60,513         | 84,075           | 90,050           | 83,325         | 72,075         | 13,200         | 403,238                   | 10%  |
| 6                                     | Awareness and extension programs on Biodiversity Conservation implemented in each multiple-use MPA and surrounding area.   | 16,000         | 102,929          | 77,265           | 75,715         | 0              | 0              | 271,909                   | 7%   |
| 7                                     | A program for replicating multiple-use MPA establishment in other regions of the country has been implemented.   | 63,810         | 108,221          | 112,221          | 110,721        | 108,221        | 16,200         | 519,394                   | 13%  |
| 8                                     | Adaptive management of the project achieved through active monitoring and assessment.  | 59,617         | 88,333           | 103,333          | 88,333         | 88,333         | 27,150         | 455,099                   | 12%  |
| <b>Overall budget (US\$) (prodoc)</b> |  | <b>620,054</b> | <b>1,130,477</b> | <b>954,507</b>   | <b>698,144</b> | <b>384,500</b> | <b>84,750</b>  | <b>3,872,432</b>          | 100% |
| <b>Year</b>                           |  | <b>2005</b>    | <b>2006</b>      | <b>2007</b>      | <b>2008</b>    | <b>2009</b>    | <b>2010</b>    |                           |      |
| <b>Total expenditure (US\$) (*)</b>   |  | <b>205,964</b> | <b>1,154,040</b> | <b>1,455,187</b> | <b>681,461</b> | <b>296,621</b> | <b>100,450</b> | <b>3,893,722</b>          |      |
| <b>Accumulative percentage</b>        |  | 5.3%           | 35.1%            | 72.7%            | 90.3%          | 98.0%          | 100.5          | 100.5%                    |      |
| <b>Expense/budget ratio</b>           |  | <b>33%</b>     | <b>102%</b>      | <b>152%</b>      | <b>98%</b>     | <b>77%</b>     | <b>109%</b>    | <b>103%</b>               |      |

(\*):Figures reported by Marine GEF.

197. The evaluating consultant carried out an exercise in order to more accurately determine project coordination costs, working on an Excel spreadsheet provided by the local UNDP office containing approximately 3,500 project transactions. The only salaries taken into account for this exercise were those of the management assistant plus regional and national coordinators. Salaries for technical support staff for regional coordinators were not considered as coordination, neither were any travel allowances — since they were distributed across all products, making it difficult to determine whether they were attributable to coordination expenses or to a specific product. Following this calculation through, project coordination expenditure amounted to approximately US\$716,000; representing 19% of the total GEF resources spent as at 2010 (see Table 8). This expenditure estimation for GEF project resources seems suitable considering the drop of the dollar value, the extension provided in funding regional coordination and the resources required by the project for compensation (amounting to US\$3.19 million).

Table 8: Coordination expenditures, estimated from total project transactions.

| Item                     | US\$    | Percentage of GEF resources |
|--------------------------|---------|-----------------------------|
| <b>National</b>          | 267,848 | 6.9%                        |
| <b>Atacama</b>           | 116,248 | 3.0%                        |
| <b>LML</b>               | 166,693 | 4.3%                        |
| <b>Francisco Coloane</b> | 167,063 | 4.3%                        |
| <b>Total</b>             | 717,852 | 18.5%                       |

198. The implementation of the Marine GEF was dogged by a continuous drop in the exchange rate value of the American dollar. This meant that once the project begun its execution phase in August 2005, the project had already lost 25% of its average value as estimated in 2003 (See Table 9).
199. Since then, the drop in the exchange rate has been continuous, meaning that the project lost around 29% of its value in 2008. When this report was written, the US exchange rate was at about CLP470 per US dollar.
200. Salaries and travel allowances for the Marine GEF team are distributed across all project components, since there is no management/coordination component, making it difficult to estimate actual costs for this item.

Table 9: Average Parity of Exchange Rate of the American Dollar during project execution<sup>24</sup> and the minimum, maximum and average parity of exchange for the 2005-2010 period.

| Year | US Dollar Average Value (CLP\$) | Percentage of devaluation | Minimum | 432.0 |
|------|---------------------------------|---------------------------|---------|-------|
|      |                                 |                           | Maximum | 660.0 |
|      |                                 |                           | Average | 522.6 |
| 2003 | 691                             | 0.00%                     |         |       |
| 2005 | 537                             | -22.39%                   |         |       |
| 2006 | 528                             | -23.68%                   |         |       |
| 2007 | 522                             | -24.49%                   |         |       |
| 2008 | 492                             | -28.86%                   |         |       |
| 2009 | 560                             | -18.98%                   |         |       |
| 2010 | 517                             | -25.21%                   |         |       |

## Co-funding

201. The compensation fund defined in the project document amounted to US\$7.82 million. These funds were distributed as follows: US\$4.47 million were provided by the Regional Governments, US\$505,000 were provided by the National Environmental Commission (CONAMA), US\$1.03 million were provided by the Maritime Territory Direction (DIRECTEMAR), US\$500,000 were contributed by TNC, US\$158,000 were contributed by WWF, US\$39,000 were contributed by the Indigenous Development Commission (CONADI) (identified in the project document as an IDB contribution), US\$1.1 million were contributed by private institutions (from the Atacama sun and beach tourism project) and US\$20,000 were provided by the National Fishery Service (SERNAPESCA).
202. At the final project evaluation stage, compensation expenditure amounted to US\$3.19 million, which is 41% of the total funds committed to in the project document. Table 10 shows a summary of the co-funding situation of the project as at November 2010.
203. The Atacama Regional Government has not spent any of the US\$1.2 million they had committed themselves to, mainly due to the Governor not making a full definition regarding the administrative unit for multiple-use MPA. The Los Lagos Regional Government has also not provided its US\$2.4 million, partly due to a failure in defining administrative mechanisms and land conflict issues in the maritime area preventing any investments being made, other actions

<sup>24</sup> Prepared from UNDP expenditure data. The 2003 values are extracted from the Chilean Central Bank.



considered to be of higher priority were instead implemented. In Magallanes, the Regional Government has spent US\$1.14 million, exceeding the original amount committed to, which was US\$800,000. The Magallanes Regional Government contribution has focused mainly in carrying out surveys and project designs in support of the maritime area.

204. The National Environmental Commission spent around US\$276.000 of the total US\$505.000 pledged. Their main contribution has been equipment, offices, supporting staff and financing some specific projects. During 2009, this institution made a cash contribution to UNDP amounting to US\$53.601, to pay for the study called *Levantamiento y Diagnóstico Bentónico en el AMCP-MU Lafken Mapu Lahual* (Benthic Survey and Diagnosis in the Lafken Mapu Lahual multiple-use MPA) plus the study called *“Línea de Base de los Recursos Culturales y Antecedentes del AMCP-MU Francisco Coloane”*. (Cultural Resources Baseline and Background of the Francisco Coloane multiple-Use MPA).
205. DIRECTEMAR fulfilled its pledge of US\$ 1.03 million, mainly in patrolling maritime areas, supporting the creation of nautical charts and of various signs.
206. According to accounts from the national project coordination, the Indigenous Development Commission (CONADI) has spent US\$154.000, exceeding their US\$39.000 pledge. Their main contribution has been their involvement in solving land conflicts and the support given to the Huilliche communities through the Origins Program of the IDB
207. The National Fishery Service contributed with US\$1.400.
208. Regarding the TNC NGO, the Marine GEF team has yet to officially include their contribution in the books. However TNC information states that their contributions amount to US\$428,000 (US\$328,000 as at December 2008, plus US\$60,000 allocated for 2009). TNC has also said that during 2007 they attempted unsuccessfully to transfer an extra US\$150,000 to the project, there being no formal mechanism defined for transferring funds within the UNDP. TNC's main contributions are expressed in sea bottom surveys, maritime maps, support for project replication throughout their Chiloé-Guaitecas ecoregion project and planning for the conservation of protected areas.
209. WWF has spent 167 thousand dollars, exceeding their commitment of 158 thousand dollars, which is part of their sustainable ethnic tourism in Lafken Mapu Lahual project in Los Lagos region.
210. The project coordination team also registered new contributions which different public and private organizations have made in order to support project activities. Such contributions are aside from those commitments made by partner institutions and have mainly consisted on path building, training,

dissemination, supervision, etc. These other contributions amount to US\$ 9 million. This new contribution category should also include the land that National Heritage Ministry has granted to the multiple-use MPAs in Magallanes and Atacama, which may increase the contribution in several million dollars. In Lafken Mapu Lahual, the Regional Government has invested nearly US\$ 3.2 million in pathways for accessing the maritime area from the northern and southern borders.

211. Although regional governments have not made available those compensation funds indicated in the project document (except for Magallanes), they have made arrangements to obtain resources in support of maritime areas, making it highly probable that infrastructure be installed during the 2011-2012 period, once the project has finished (see the sustainability section).

*Table XXX: Co-funding situation pledged to in the Project Document during the Final Evaluation Stage.*

| Co-funding institution            | Data                     | AMCP-MU   |           |           | Total     |
|-----------------------------------|--------------------------|-----------|-----------|-----------|-----------|
|                                   |                          | Atacama   | FC        | LML       |           |
| Indigenous Development Commission | Pledged                  |           |           | 39,437    | 39,437    |
|                                   | Real Expenditure         |           |           | 153,539   | 153,539   |
|                                   | Sum of new contributions |           |           | 33,445    | 33,445    |
| CONAMA (Ministry of Environment)  | Pledged                  | 165,241   | 175,242   | 165,241   | 505,724   |
|                                   | Real Expenditure         | 35,175    | 103,750   | 136,797   | 275,722   |
|                                   | New contributions        |           |           |           | 53,601    |
| Maritime Territory Direction      | Pledged                  | 130,000   | 784,000   | 113,956   | 1,027,956 |
|                                   | Real Expenditure         | 130,000   | 784,000   | 113,956   | 1,027,956 |
|                                   | New contributions        |           | 1,443     |           | 1,443     |
| Regional Government               | Pledged                  | 1,250,000 | 801,000   | 2,419,820 | 4,470,820 |
|                                   | Real Expenditure         |           | 1,138,835 |           | 1,138,835 |
|                                   | New contributions        |           |           | 1,819,718 | 1,819,718 |
| Other private                     | Pledged                  |           |           |           |           |
|                                   | Real Expenditure         |           |           |           |           |
|                                   | New contributions        |           | 12,295    | 30,769    | 43,064    |
| Other public                      | Pledged                  |           |           |           |           |
|                                   | Real Expenditure         |           |           |           |           |
|                                   | New contributions        | 676,039   | 6,379,475 |           | 7,055,514 |
| Private                           | Pledged                  | 1,100,704 |           |           | 1,100,704 |
|                                   | Real Expenditure         |           |           |           |           |
|                                   | New contributions        |           |           |           |           |
| National Fishery Service          | Pledged                  |           | 20,481    |           | 20,481    |
|                                   | Real Expenditure         |           | 1,402     |           | 1,402     |
|                                   | New contributions        | 542       |           |           | 542       |
| TNC                               | Pledged                  | 38,000    | 257,000   | 205,000   | 500,000   |
|                                   | Real Expenditure         |           |           |           | 428,000   |
|                                   | New contributions        |           |           |           |           |
| WWF                               | Pledged                  |           |           | 158,000   | 158,000   |
|                                   | Real Expenditure         |           |           | 167,334   | 167,334   |
|                                   | New contributions        |           |           |           |           |
| Total Pledged                     |                          | 2,683,945 | 2,037,723 | 3,101,454 | 7,823,122 |
| Total Real Expenditure            |                          | 165,175   | 2,027,987 | 571,626   | 3,192,788 |
| Total New contributions           |                          | 676,581   | 6,393,213 | 1,883,932 | 9,007,327 |

## 7. Discussion on Implementation

212. Project implementation has gone through several stages. Firstly, there was a change of government between formulation and startup, occurring in March 2006, after nearly 8 months of activities. There was then a mid-term evaluation stage between March and May 2009, in where a series of implementation issues arose.
213. Between the mid-term evaluation and the final evaluation stage, the implementation context changed once again, due this time to the arrival of a new government hailing from a different political sector, a different political sector from those governments that had ruled the country for the past 20 years. There was also a dramatic decrease in resources available to the regions, due to the consequences of the earthquake of February 27th, 2010.
214. During 2010, the National Environment Commission (CONAMA) and its regional representatives, the COREMAs, were abolished, giving rise to the new Environment Ministry (dealing in policy and regulations), the Environment Superintendency (a watchdog body) and the Environmental Assessment Service (the Environmental Impact Assessment System manager). The

Environment Ministry has regional representatives who are known as Regional Ministerial Secretary for the Environment (SEREMI).

215. The regional teams begin to disband during the first quarter of 2010. In the Los Lagos region, the technical consultant left in January, citing personal reasons, while the coordinating institution ceased operating in July of that year. In the Francisco Coloane area, the coordinator transferred to Santiago in January, in order to support the national coordination of the Marine GEF during its closing stage, while the technical assistant of the Magallanes multiple-use MPA continued working, responsible for the Marine GEF of that region, now funded by the National Environment Commission. Finally, in Atacama, the sole professional in charge of the marine area for that region was transferred to the National Environment Commission of Antofagasta — where he is currently in charge of biodiversity. An external consultant was hired for a brief two month period to make the final regional arrangements. A vacuum was produced after this, filled in August 2010, when the current Ministry of Environment hired a free-lance professional to be in charge of the marine area.
216. The national coordination of the project — based in the Ministry of Environment, in Santiago — ceased operations in July 2010, leaving only one full-time employee in charge of the MPA issue.
217. As at November 2010, the new government, still in its initial stage, had yet to appoint Regional Ministerial Secretaries for the Environment (SEREMIs), thus political support for the Marine GEF was practically non-existent in the regions for the latter half of 2010.
218. The present evaluation was therefore implemented practically without Marine GEF implementation teams, nor with the authorities that originally promoted the project in each region. Despite the above, the consultant has enjoyed full support from project staff, making themselves available for interview and who additionally contributed in the preparation of the agenda, in coordination and in visiting the regions.

### **Implementation Approach**

219. The project started its execution in August 2005 — nineteen months after GEF approval, in November 2003. This delay in project startup had a major impact. Important awareness-building efforts had to be deployed once again at the new regional and national authorities, as well as with local partners. This awareness component had a major impact on the budget, in addition to the effects caused by the fall in the exchange rate of the American Dollar, an issue fully discussed in the financial section.

220. A new team for national and regional coordination was hired through a competitive tender, where a national coordinator, an accountant for financial and administrative tasks, and six regional professionals (a coordinator and technical support per each multiple-use MPA) were signed-up.
221. The professional profiles of the teams include marine biologists, biologists, fishing specialists and geographers. The National coordination is lodged within the National Environment Commission, dependant on the Head of Department of Natural Resources, while regional teams are based in their respective Regional Environment Commissions, under the charge of the respective regional director.
222. The first comments to be made on this aspect is that the selection process picked mostly marine science specialists, with a noticeable lack of complementation seen within the teams. Although there are no standardized methods for establishing working teams, the ideal scenario would have been a multi-disciplinary approach, experienced in project management and planning. This proved to be the case at National Coordination and in the Magallanes Regional Coordination, where there were specialists on board who had prior management experience.
223. This period saw efforts aimed at project institutionalization, with policies defined by the Regional MPA Commissions (the so called CRAMPs), the Project Steering Committee (CDP) and in coordination with regional governments and institutions, so as to enable Marine GEF implementation.
224. Immediately after set up, regional teams began coordination and had to face their first hurdles, with the change in administration, Regional Councils and Regional Governments had also changed, and commitments made by former Governors were no longer valid, thus the project, its objectives and activities had to be discussed all over again, so that the new Regional Councils could endorse activities, giving their go ahead to the co-funding committed to in the project documentation.
225. There were also some indications given of the first land issues that the LML would have to face, and the incapacity to gain private co-funding for Atacama<sup>25</sup>.
226. Another situation that the teams had to deal with were the over expectations local communities in LML and Caldera had, since they were under the impression that the Marine GEF project would provide them with opportunities to overcome their conditions of extreme poverty. This situation was not clarified sufficiently by the regional nor by the national project team.

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<sup>25</sup> The project steering committee minutes from 2005 to January 2006 have already shed light on the uncertain implementation that Atacama and LML face.

227. In fact, new local organization needs arose during project development, derived from marine area protection, their supervision, business opportunity generation so as to pay for its administration, and in coordinating needs that up until implementation had not been produced in an effective manner.
228. Under this complex scenario it was necessary to include the town councils involved in the coastal areas belonging to multiple-use MPAs, which for LML and Atacama, amounted to 5 for each council.
229. The strategic approach of the Marine GEF teams in addressing its insertion within National Environment Commission institutionalism consisted in presenting a project more in tune with UNDP practices than those of the National Environment Commission institutions, had both benefits and drawbacks.
230. On the one hand, the UNDP image was thought to be a more efficient umbrella to go under, rather than using an environmental institution seen to be weak, with little authority. Thus it was judged that decisions made under the scope of a GEF/UNDP project would carry more weight with those who had to act under such decisions.
231. This situation, in addition to the fact that salaries and acquisitions were paid by the UNDP, produced an apparent dissociation of the project from the institution that hosted it, placing the monitoring function, particularly at the regional level, in the hands of the national coordination team, which was closely linked to the national environmental institution.
232. The government change in March 2006 also led to a shift in the emphasis placed on Marine GEF conduction, relegating it, according to some, to a less important institutional position, at national level, as a consequence of losing various authorities closely identified with the project along with the change in government.
233. In this context, the idea begins to take hold of the Marine GEF being a project which although having national importance, it has scarce connections to the regions and strongly linked with central government decisions. Thus Regional Environment Commissions, up until the end of the implementation period, see this project as championed by the centrally located National Environment Commission, and consequently its monitoring at regional level is very weak — except for Magallanes, where a strategy of greater institutional integration is seen at the mid-point of project execution.
234. Regarding local partner approach, the over expectations generated, associated to the scarce communications seen by the LML and Atacama teams, led to a series of conflicts and misunderstandings. The large amount of studies where the community did not take part nor were they able to gain access to the information derived from these activities, led to feelings of frustration among these vulnerable social groups. Although communities in

LML worked on some of these studies, being paid for their services, the relationship had with these groups was a complex one. There were occasions when some programmed activities had to be cancelled due to a lack of quorum from community members. Also, they had their own internal conflicts regarding who actually represented them in the project.

235. The lack of co-funding from Regional Governments, with the exception of the Magallanes Regional Government, meant progress had to be made in other project areas. Large-scale efforts were made regarding dissemination and lobbying on the importance and nature of multiple-use MPAs, at national and regional levels. Technical studies were also made, such as determining the base line, biodiversity management, tourism plans, etc. Studies were awarded to institutions such as universities and regional research foundations.
236. In the Los Lagos region, the project managed to obtain contributions from the Rural Infrastructure for Territory Development program (PIRDT) in the area involving multiple-use MPAs, such as the inclusion of the Rio Negro district in its framework intervention plan, and seed capital PIRDT investment projects. .

### **Adaptive Management**

237. The project considered an initial workshop, whose objectives included reviewing project assumptions, activities and indicators, in order to best adapt them to activities on the ground in the implementation process. Unfortunately, for several reasons, this activity was not carried out, missing out on an opportunity to discuss issues affecting the project.
238. Project management tools consisted in developing annual operational plans (AOP), the PIR/APR, and annual budgets. Revised AOPs (2005, 2006 2007, 2008 and 2009) were based on a logical framework matrix with their respective products and activities. The Regions send their AOPs to the National Coordinator where budgets are consolidated.
239. Annual Operating Plans have no explicative notes on activity implementation, nor are there any product or indicator changes explained. Only in the AOPs of 2005 is the practice of working plan explanations visible. Among the reviewed AOPs, only one (2008) is consolidated by the regional coordinator, while in the 2007 one, the national AOP shows separate AOPs sent over by the regions.
240. Some AOPs contain Product 8, while others do not. Programming was also associated to products and activities contained in the project logical framework, even if these may have suffered modifications. Among the documents delivered to the evaluator, there are no annual consolidated reports that may explain project changes and development.

241. Annual reports were contained by the PIR that the Marine GEF reported to the UNPD, which were based on Excel spreadsheets that can be exported, in some cases, to Word documents.
242. It can be concluded from reading the PIR that different situations were correctly detected, such as the cancelation of the Atacama sun and beach project (2006) or that revenues from tourism would not be sufficient for covering operational costs of the marine areas (2009). In 2007, new project indicators were indentified, since some of the contents in the project documentation proved to be inappropriate or too difficult to measure. Also in 2007, concerns were aired on the lack of results or products, yet also acknowledging an important amount of awareness-building activities implemented.
243. The 2008 PIR mentions the lack of co-funding and the risk of not being able to establish administrative units; the scarce administrative capacity of such entities; and the low sustainability seen in multiple-use MPAs.
244. Qualifications given by the UNDP's Regional Technical Advisor (RTA) regarding project implementation went from Satisfactory in 2006 and 2007; dipping to Moderately Unsatisfactory in 2008, and rising to Moderately Satisfactory in 2009 and 2010.
245. The PIR also listed a series of actions to be taken in order to overcome different issues, but they did not clearly inform on project strategy shifts, nor on any product changes. Indicator changes are not clearly highlighted by the PIR either.
246. The PIR/APR tried to explain the causes leading to co-funding shortcomings and the stagnation seen in defining administrative units. Unfortunately, they were unable to report on key land ownership issues seen in LML nor in the lack of confidence seen in Regional Governments when having to form new foundations/corporations needed for further involvement.
247. Available information does not make it possible to discern a clear communicational strategy program for the project — for instance, a program that would have encompassed goals, activities, target population, and accurate schedule and budget. A similar condition is seen with subsistence projects: there is no document seen that may lead to a justification and a valuation of activities, nor of its programming. Neither is there a clear justification for alternative projects when those described in the project documentation proved to be unfeasible.
248. The Project steering committee only partially fulfilled its role as lead, since the different actors involved — although having identified main project problems — did not take timely corrective actions. A study of their meeting minutes does not show up any agreements specifying the nature of the meeting, the entity, person in charge and deadlines for task fulfillment. This situation



- improved during the last year of project execution, where discussions centered on project closing stages and its sustainability.
249. The different working teams were aware of these situations, but on analyzing the documents generated by the project, there is no visible adjustment to the logical framework. New and more accurate indicator adoption is also not documented — neither is there a reallocation of resources from project budget to new tasks nor of any indication of deleted items because they proved to be unfeasible. In practice, adjustments were made, but they were not clearly stated in project documentation, nor in the PIR, or in the AOPs, seen as a weakness and lacking general coordination when evaluating project performance and achievements.
  250. Available documentation does not determine whether there was any planning that may reallocate project budget resources, having been calculated using an unreasonably high exchange rate for the US dollar<sup>26</sup>, while during the implementation its average value was closer to CLP \$530. These reallocations would have allowed regional coordination teams to work appropriately until the end of the project and the elimination of nonessential activities, once it was determined that administrative units could not be set up within the established deadlines.
  251. These aspects were detected during the mid-term evaluation stage, whose main conclusions were: i) identification of assumptions which turned out to be inaccurate in three areas (revenues from tourism that were capable of financing up to 70% of operational costs of the multiple-use MPA, unreasonably high exchange-rate estimations, and realizing there were species identified that were not actually present in the areas); ii) inaccurate assessment of project risks (land conflicts in LML, feasibility of a private sun and beach tourism project in Atacama, the probability of charging special fees to cruisers in Magallanes); iv) failure of the project and its indicators in fully reflecting implementation reality (indicators, logical framework, budget reformulation); iv) lack of communication with local actors, mainly in Atacama and in LML.
  252. The EMT made 13 recommendations for successful project closure. The main recommendations being: i) budget reallocation for the 2009-2010 period; ii) continuing with awareness-building activities; iii) developing a follow-up mechanism for project steering committee implementation; iv) improving project communications, especially with local actors; v) exploring the functioning of other MUMPA administrative models, going beyond the private-public foundations/corporations promoted by the Marine GEF; vi)

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<sup>26</sup> Although the project documentation does not show the conversion rate, due to the amounts involved, the apparent value of the US dollar was calculated at CLP\$ 710.

strengthening the project's Technical Committee; and vii) improving accountability mechanisms.

253. The project's steering committee and the UNDP reacted positively to these recommendations, obtaining resource reallocations for the project, the National Environment Commission transferring U\$ 53,601; the Marine GEF team updated the logical framework matrix and indicators; steering committee meetings were followed-up through a virtual committee and bilateral meetings with members. Table 11 shows the current situation in the incorporation of recommendations made during the mid-term evaluation stage.
254. As can be seen, important adjustments to project implementation have been made during the last 18 months, which have allowed maintaining fund-seeking activities and configuration of administrative units for multiple-use MPAs, as well as incorporating these multiple-use MPAs into the new Chilean environmental regulations.

*Table 11: Current situation of recommendations at the mid-term evaluation stage.*

UNDP and the National Environment Commission agreed on reallocating funds so that Marine GEF team could work in the regions up until November 2009. The current Environment Ministry hired one professional per multiple-use MPA to continue working in the Marine GEF in the regions, appointing one full-time professional in Santiago to head the initiative.

The Marine GEF team continued developing this kind of activities until project end.

Agreements with institutions having interests in the issue were reached, in order to avoid granting incompatible operational leases within multiple-use MPAs.

Monitoring agreements reached at by the Project steering committee, through the use of a virtual committee. Bilateral meetings have been held with committee members.

Professionals hired for IGA and LML are reestablishing contacts with the local communities and institutions. In Francisco Coloane, the Marine GEF professional is in charge of this area.

An external consultant was hired to prepare a study of international experiences. Parallel to this a study on

funding for Protected Areas is to be carried out, within the National Protected Area System (SNAP) framework.

The mechanism for registering plans into the Environmental Impact Assessment System is under analysis.

Without information

The project team has made the proper adjustments

Without information. The committee has apparently not met yet.

Accepted for its application in future projects.

Accepted.

Replication activities are on stand by.

### **Implementation of MUMPA Administration Units**

255. When this current assessment was made, none of the administrative units were constituted, bar the LML Board of Directors, a functional organization with legal autonomy created under the neighborhood centers law and under the jurisdiction of the Río Negro Municipality.

256. The project developed general administration plans for the three marine areas, whose costs are shown in table 12. These costs include staff, outreach activities and research, as well as operating and equipment expenses. The rough annual values would be US\$301,000 for LML, US\$551,000 for FC and US\$201,000 for Atacama. These costs do not include infrastructure, which would be financed by bidding for projects in the Regional Development National Fund.

*Table No. 12: Estimated Costs for Administrative Units. (Figures in thousands of US\$/year)*

| Item /MU-MPA                       | Number of people<br>(LML/FC/IGA) | LML | FC  | IGA | Subtotal |
|------------------------------------|----------------------------------|-----|-----|-----|----------|
| Personnel                          | 7/16/6                           | 103 | 265 | 143 | 511      |
| Operation and administration       |                                  | 65  | 286 | 40  | 390      |
| Consultancies and other activities |                                  | 134 | 0   | 18  | 152      |
| <b>Total</b>                       |                                  | 301 | 551 | 201 | 1.053    |

*Source: Adapted from Marine GEF general administrative plans, 1US\$= CLP \$ 485*

257. In general, the administrative model for MUMPA came up against a subjective factor present among members of the regional council and regional government: an experience seen as not being conducive toward the formation of corporations and foundations for the regional research centres. This situation has been seen in the 3 regions, being Los Lagos the most affected one, where the experience was more negative than that seen in the rest of the regions. In essence, the regional coordination of the Marine GEF made joint efforts with the GEF-SIRAP project in presenting the regional foundation to the new regional government, yet failing to obtain any political support for initiative approval.

258. At the same time, regional governments have been put under pressure by different proposals from regional foundations, given them being able to access 5% of the investment funds that regional governments administer. A case in point is the possibility of a foundation linked to the anthropological museum of Caldera and the recently created CRIDESAT foundation for regional research. To these must be added the foundation to administer the Atacama MUMPAs and a Foundation for Regional Development.

259. One of the main reasons for the delay in the formation of these units is due to the mistaken belief that the MUMPAs were capable of absorbing their running

costs through tourist activities, thereby exempting regional governments from having to address this expense. It is important to mention that within the commitments made by Governors when they gave their support to the project, no mention was made of this fundamental aspect, thus becoming a sizeable issue during the project implementation stage.

260. Magallanes is the region with the greatest opportunities within the 3 MUMPAs, given that the corporation has been approved by the Regional Government, so all that is needed is that the Governor's office provide the name of the two Regional Government representatives in the Corporation. In Atacama there is still much work that needs to be done, mainly due to the existing uncertainties regarding funding mechanisms.
261. Scientific studies were made in the three areas, but it is only in two of them (Atacama and Francisco Coloane), where these studies are explicitly indicative of zoning criteria, having clearly established fundamentals on the unique attributes of biodiversity. In Los Lagos, these studies exist and were used in zoning, but management plans do not make explicit use of them as criteria, so these attributes are not very categorical nor unique in the region, making for a weaker case.
262. In the absence of the administrative units for MUMPAs, a full implementation will not be possible in these areas, therefore baseline studies, management and investment plans plus funding sources will be left without use or will lose their validity, making marine area management more difficult.
263. To achieve marine area consolidation, at least in two of these three areas, there needs to be a greater commitment from Regional Governments towards formation and financing, at least during initial operations. These commitments must be specific and emanate from the institutional structure of Regional Governments and should involve financing for coordination and dissemination to continue towards the creation of MUMPAs at regional level. Concerns expressed by Regional Governments on funding administrative unit running costs have been partly cleared-up due to the modifications made to the general ledger entry for regional governments, allowing them to fund management expenses for MUMPAs leased out to municipalities and public services.

### **Funding Sources**

264. The assumption that tourism activities were going to fund most of the running costs of MUMPAs was mistaken from the beginning of project implementation. In Atacama, the large-scale tourist investment project could not get off the ground and in Los Lagos ecotourism activities are not viable economically due to the inaccessibility of the place and the investments

needed to create an attractive tourist product. Although the difficult access these sites may have is attractive for certain types of tourism, it is also a limiting factor for other types of tourism. This situation reduces the possibilities of achieving financially sustainable MUMPAs in the long-term or in its capacity to spur any substantial improvements in the local economy of the towns around it. Thus it is urgent to identify alternatives allowing to focus work on achieving a clearly defined tourist package and the mechanisms to effectively market it in the short and mid-term. Finally, Magallanes is already positioned as a special interests tourist destination, while the preparation of the tourism plan prepared in conjunction with INNOVA-CORFO awarded new possibilities for undertaking economic activities in the MUMPA, where tourist operators are keen on participating and accept the notion of being charged a fee to offset some costs associated with a marine area.

265. Also, an interesting number of ideas on possible funding sources were discussed, such as collection and entry fee, payment for undertaking scientific research, voluntary provision of services, fostering businesses associations consistent with MUMPAs, donations from government and NGOs, etc. These potential sources will need to be studied and developed in full by future administrative units. Los Lagos needs further study on some preliminary business ideas in the marine area, which at some point were provided to the project national advisor on economic affairs (such as the installation of a petrol station at Bahía Mansa, a marine aquarium or the provision of marine transport and others). It is important to mention that the Magallanes INNOVA-CORFO study on tourism may become an obligatory reference point for other MUMPAs and the possible replications due to the completeness of the study, covering tourism management plan, analysis of load capacity, identification of indicators and type of compatible economic activities, etc.
266. Developing better operating costs estimations in the relevant areas and distributing roles and responsibilities for the different government agencies involved in the management plans are needed. An example being activities that CONAF will undertake in lands adjacent to the marine area, the navy in its supervisory capacity or the activities of the National Fisheries Service (SERNAPESCA) in the core areas of MUMPAs.
267. A matter that will have to be addressed is that of charging an entry fee to these areas, since free access to coastal zones in Chile is a constitutional right.

### ***Studies and consultancies***

268. An impressive number of studies in all areas have been executed, giving a solid base for making plans on management, zoning, tourist development and other important activities. The impression remains, however, that these efforts subtract both time and resources from the prime project objective, namely the creation of administrative units. In Los Lagos, the implementation of a large amount of consultant work has led to a feeling of resentment in local communities, who do not feel benefitted by these activities and which have not led to the formation of functional marine areas. In Los Lagos and Atacama, Ministry professionals are coordinating with their respective communities and public organizations, aiming to give a fresh impetus to MUMPAs. It is important to inform communities periodically on progress consultant work makes and to present final results to them, so the communities can perceive the full scope of these studies.

### ***Awareness and Replication***

269. As previously mentioned, there is a clear national and regional consensus on the effects that dissemination activities may have had in the increasing interest at local and regional level in the creation of new areas for marine conservation. Also, the project has led discussions on replication through its Technical Committee, becoming vitally important for the future development of MUMPAs in the country.
270. The project has pioneered the protection of biodiversity in marine areas and has generated lessons and useful experiences for the establishment of future MUMPAs. However, replication seems premature, considering the lack of any administrative units capable of showcasing marine area management, thus there is no relevant experience nor lessons learnt in the field for future reference by MUMPAs.
271. Additionally, available information would indicate that the evaluating consultant has not been able to verify the existence of a strategy and a program for replication, minimizing the importance of achievements obtained on this component.

### ***Investments***

272. None of the areas has to date executed investments that would make the running of the marine areas feasible. There are investment plans in Atacama, Punta Arenas and Los Lagos, which are in the design stage or waiting for approval for a tender call for construction works.
273. In Los Lagos, the situation is more complex, due to land disputes in areas adjacent to the MUMPA. In this scenario, the State cannot execute the necessary infrastructure works needed for running the MUMPA, up until such

as point that the situation regarding land possession is clarified. To date, the courts of justice have admitted that these claimants have rights over a portion of these lands where project beneficiary communities are living, some of these subject to eviction orders. Compounding this issue, CONADI has frozen its land purchase program for indigenous communities, thus it is unlikely that the State may purchase other land to transfer ownership to indigenous communities.

274. As mentioned earlier, investments are part of the compensations stipulated in the project, but regional governments have been noncommittal on the creation of administrative units, as well as making any investments effective, due to the lack of clarity on the future funding of the recurrent costs these units will incur on.

### ***Protected Areas Management Plan***

275. Management plans were prepared by regional project coordination teams for MUMPAs. These plans contain general elements for managing and protecting marine areas, yet require better focusing in order ensure clarity and compliance in time.
276. These plans include a logical framework analysis, providing an accurate picture of the level of analysis and approach needed. However, the project thinking draws away from the protected areas approach and this may explain why some elements are not included.
277. A clearer description (or perhaps a summary) with a chart illustrating the hierarchical relationships of the legal and institutional framework for the corresponding management plans is required. The legal framework seems to be incomplete, but is not evident from the documents.
278. Plans need a formal analysis of biodiversity resources that may justify zoning. A biodiversity and the corresponding feasibility analysis would be of interest in establishing conservation criteria, using previously generated information from other studies.
279. Although these aspects ought to be covered by current management plans, these should consider a threat analysis (a more detailed analysis would be beneficial in Francisco Coloane, for example) as well as a situation analysis, to include current usage maps validated by communities in order to justify zoning and working strategies. It would be advisable to have zoning defined based on an analysis of current and potential uses, as well as a situation analysis. Each zone identified should then be delimited and goals established, as well as defining permitted, restricted and prohibited uses.
280. If applicable, zoning should incorporate the fishing areas established under the Fisheries Act and list handling procedures so that their administration,



supervision and monitoring are incorporated as part of a multiple use protected area operation. In this regard, although the new environmental law recognizes MUMPAs and stipulates that the Ministry of the Environment is responsible for carrying out policies and plans, coordination with communities and agencies will clearly be a job to be done by future MUMPA replications, especially during the transition period before the bureau of protected areas bill is passed.

281. Protected area goals and management program objectives seem blurred into one. There seems to be no relationship between management purpose and area creation aims. The purpose of this protected area is not left clear. Regardless of the hierarchy that general management plan objectives may have, marine areas will have objectives derived from their declaration targets and the programs will have operational objectives.
282. Management plans also include infrastructure investment, requiring a comprehensive plan for infrastructure development, showing a relationship with public use planning in protected areas.
283. A management plan budget and timetable is required in order to realistically establish just how much can be implemented in the short and medium term. In this regard, it is necessary that management plans provide for different scenarios and that they show assigned priorities for each scenario.
284. As a general comment, it would be important for all marine areas to continue updating and validating planned activities with MUMPA users and with the different public entities involved. This validation is key for plan approvals and their additional follow-up.

## **8. Relevant Results**

### **Installation of Marine Protected Areas**

285. The first aspect to consider is an analysis of the scope of project development objectives, namely to improve protection of marine biodiversity in the country through the establishment of marine protected areas that may be approved in the medium and long term.

| Item  | Data                   | MU- MPA          |                  |                  | Total            |
|---|------------------------|------------------|------------------|------------------|------------------|
|   |                        | Atacama          | FC               | LML              |                  |
| BID   | Budget                 |                  |                  | 39,437           | 39,437           |
|   | Spent amount 2005-2008 |                  |                  | 153,539          | 153,539          |
|   | New contributions      |                  |                  |                  |                  |
| Ministry of the Environment<br>(Conama)                   | Budget                 | 165,241          | 175,242          | 165,241          | 505,724          |
|   | Spent Amount 2005-2010 | 35,175           | 119,888          | 174,260          | 275,722          |
|   | New contributions      |                  |                  |                  |                  |
| CONAF-CONADI Agreement                                    | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  | 33,445           | 33,445           |
| CORFO Innova Chile  | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 221,311          |                  | 221,311          |
| Road Department   | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      | 672,760          |                  |                  | 672,760          |
| Directemar  | Budget                 | 130,000          | 784,000          | 113,956          | 1,027,956        |
|   | Spent Amount 2005-2008 | 130,000          | 784,000          | 113,956          | 1,027,956        |
|   | New contributions      |                  | 1,443            |                  | 1,443            |
| Enap Magallanes   | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 2,459            |                  | 2,459            |
| Fundación Innovación<br>Agraria                           | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  | 25,084           | 25,084           |
| Global Greengrants Fund                                   | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  | 5,000            | 5,000            |
| Regional Government                                       | Budget                 | 1,250,000        | 801,000          | 2,419,820        | 4,470,820        |
|   | Spent Amount 2005-2008 |                  | 1,138,835        |                  | 1,138,835        |
|   | New contributions      |                  |                  | 1,819,718        | 1,819,718        |
| La Prensa Austral   | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 12,295           |                  | 12,295           |
| Municipality of Caldera                                   | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      | 3,279            |                  |                  | 3,279            |
| Municipality of Punta<br>Arenas                           | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 6,557            |                  | 6,557            |
| NAVIMAG   | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  | 334              | 334              |
| Individuals   | Budget                 | 1,100,704        |                  |                  | 1,100,704        |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  |                  |                  |
| Regional Ministerial<br>Secretary of National<br>Heritage | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 245,902          |                  | 245,902          |
| Regional Ministerial<br>Secretary of Public Works         | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 2,950,820        |                  | 2,950,820        |
| Seremi OOP  | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  | 2,952,426        |                  | 2,952,426        |
| Sernapesca  | Budget                 |                  | 20,481           |                  | 20,481           |
|   | Spent Amount 2005-2008 |                  | 1,402            |                  | 1,402            |
|   | New contributions      | 542              |                  |                  | 542              |
| TNC   | Budget                 | 38,000           | 257,000          | 205,000          | 500,000          |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  |                  |                  |
| Universidad de Los Lagos                                  | Budget                 |                  |                  |                  |                  |
|   | Spent Amount 2005-2008 |                  |                  |                  |                  |
|   | New contributions      |                  |                  | 351              | 351              |
| WWF   | Budget                 |                  |                  | 158,000          | 158,000          |
|   | Spent Amount 2005-2008 |                  |                  | 167,334          | 167,334          |
|   | New contributions      |                  |                  |                  |                  |
| <b>Total Budget</b>                                       |                        | <b>2,683,945</b> | <b>2,037,723</b> | <b>3,101,454</b> | <b>7,823,122</b> |
| <b>Total Spent Amount 2005-2010</b>                       |                        | <b>165,175</b>   | <b>2,044,125</b> | <b>609,089</b>   | <b>2,818,389</b> |
| <b>Total New contributions</b>                            |                        | <b>676,581</b>   | <b>6,393,213</b> | <b>1,883,932</b> | <b>8,953,726</b> |

286. Thanks to the Marine GEF, significant development has been carried out in marine protection in Chile, through the declaration of MUMPAs, first in the Francisco Coloane MPA in 2003, followed by the Atacama MPA in 2004, finally adding LML in 2006. Francisco Coloane was also the first marine park in the country, with a total of 1,503 hectares. The Marine GEF project generated in these first three marine protected areas a total of 74,983 hectares, in addition to the already existing ones and also adding 42,357 hectares of adjacent coastal areas. The establishment of these three areas also meant improved administration, according to a self-evaluation made on management, using the METT tool.
287. The project has strengthened the protection of marine biodiversity, thanks to agreements reached with SERNAPESCA, as it does not authorize new marine operational leases whose uses are incompatible with the aims of MUMPAs.
288. A key project result is the fact that MUMPAs are now recognized under the new environmental law, so they will now be "areas under official protection" in the environmental impact assessment system and any activity to be performed in these marine areas would necessarily need to go through this system. Prior to the law coming into effect, only the Francisco Coloane MPA had the status of a protected area for EIA purposes, given its condition as a marine park.
289. During 2010, the government announced the creation of Motu Motiro Hiva, the largest marine park in Chile, located in the surrounding sea of Salas and Gómez islands. The park spans 114,764 square kilometers, making it one of the three largest in the world.
290. MUMPAs have, for the most part, developed their own identity and a vocation that clearly defines them: LML is a marine area having an ethnic and cultural nature, while Francisco Coloane has the contemplation of the world's southernmost flora and fauna as its hallmark. While Atacama would need to develop a clearer identity and clearer conservation goals.
291. An additional achievement is that academic institutions, NGOs and research foundations are furthering activities that have been built on knowledge harnessed from the project. At present there are an increasing number of students and professionals specializing in marine protection, as well as more NGOs broaching the issue of marine protected areas<sup>27</sup>.

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<sup>27</sup> An example of the above is TNC, an NGO project partner, continuing to implement studies and methodologies for marine areas. WCS, another NGO, is operating in the Almirantazgo Bay in the Magallanes region, a project aimed at strengthening management in an integrated terrestrial-marine environment in Karukinka and in supporting the establishment and coordination of a network of conservation areas on the coasts of Patagonia and Tierra del Fuego. The CEQUA foundation has cetacean research projects in Magallanes. Some former marine GEF members

292. There is clear national and regional consensus on the importance that dissemination activities have played in the growing interest for establishing new marine protected areas.
293. The project has led discussions on marine area replication, through a MUMPA Technical Committee. This multi sector committee, not included in the original project design, has been a key factor in institutionalizing the Marine GEF project and in making progress towards establishing marine protected areas, providing guidelines for the creation of MUMPAs, while tracking the different actions implemented at national level.
294. Experience gained by the marine GEF helped the Technical Committee in creating a preliminary procedure guide for the creation of MPAs in the country. Although aspects of this guide may be improved upon, it is currently the only public guideline available for steering the declaration of a MUMPA in the country.
295. The project introduced a whole new thinking as to how the country relates to the sea and its biodiversity, hitherto dominated by a production and maintenance view of fishery resources.
296. Although the term MUMPA is not fully shared among public actors and its scope remains unclear, the term is widely known. The project has improved the readiness of relevant public sector actors in discussing the issue of marine protection in the country, yet the extent of this willingness is difficult to judge.
297. A key project outcome has been to facilitate a favorable environment for consolidating a stable institutional framework system or subsystem for marine coastal protection in the country. The new environmental law welcomes the Marine GEF approach and includes MUMPAs in article 70, while the draft law for the Bureau of Protected Areas also defines them (art. 20), placing them as a category within protected areas (Article 12 h), and indicates types of activities allowed (art.45, 46). Additionally, MUMPAs are included in article 10 of Law 19.300 (article 78).
298. MUMPAs were positioned as an instrument for regional development, making them first visible to Regional Government and then developing the corresponding stewardship within Regional Government and the actors involved (especially for special interest tourism). At the stage of project evaluation, Regional Governments were discussing the inclusion of MUMPAs in their respective regional strategies for the 2010-2020 period.

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created a foundation which is carrying out studies in conjunction with CEQUA, while in Los Lagos, the I-MAR Institute of the University of Los Lagos also carries out research on marine biodiversity in the region. Finally, mention should be made of the national NGO called Center for Cetacean Conservation (CCC), whose aim is to promote effective policies on management, conservation and protection of marine environments.

299. In LML, the project managed to make visible to the region a remote area that was virtually unknown to relevant actors in Los Lagos, such were the conditions of these communities, living in extreme poverty and isolated from the rest of the region, that relevant authorities initiated discussions on the issue, pledging financial investment for improving access and provide these communities with specific development plans. This visibility, plus community insistence, placed the Mapu Lahual territory as a priority area for a regional development strategy for Los Lagos for the years 2010 to 2020.

### **Sustainability**

- 300. At final evaluation, most of the Marine GEF team was working outside the institutional umbrella of the Ministry of the Environment.
- 301. Given the departure of Marine GEF professionals, there was an ensuing shortage in the Atacama project up until the arrival of a professional hired by the Ministry of Environment. The Ministry of Environment has now hired a professional to address marine area issues in each of the three areas.
- 302. The Ministry of Environment presented to the Senate a bill for the creation of a Bureau of Biodiversity and Protected Areas (SBAP). This bill stipulates that the creation and management of protected areas, which include MUMPAs, be the responsibility of this bureau.
- 303. Although the creation of a bureau of protected areas may provide sustainability to the creation and subsequent administration of a network of MUMPAs in the country, there are still discussions pending in Congress, which may take several years to reach a final decision on the issue.
- 304. In the meantime, it is perceived that MUMPAs are at a "volatile" and transitional stage, as it is not clear who will ultimately manage them. In general, Regional Governments do not want to assume recurring expenses regarding their administration, while income from tourism activities clearly would not cover these costs.
- 305. The foundations or corporations that the project wants to use as marine area administrators are still under formation, each facing different conditions: in Magallanes, for instance, the governor's office is reviewing how to participate in the corporation and will issue a resolution by late 2010, while in LML the foundation does not appear as having many possibilities for success, thus a board of directors was formed consisting of local communities. Finally, in Atacama, this foundation is a desired end-state, but Regional Government would like to provide better estimates of what the administrative costs of such a MUMPAs is likely to be.

306. The issue of where the funding for MUMPA administrative units is to come from lies at the heart of concerns for all Regional Governments involved, a situation yet to be clarified<sup>28</sup>.
307. Despite the reservations expressed by Regional Governments regarding their involvement in the administrative units of MUMPAs, all parties involved are of the opinion they should continue because they are seen as important for regions and their identity.
308. Although the establishment of MUMPAs is seen as an important milestone, there is no institution actually leading the process: in Atacama, it is Regional Government who desires that role, while in other regions the thinking is that the Regional Ministerial Secretary for the Environment is the institution that should lead the initiative. Regarding the board of directors at LML, it is still at an early stage and it will need strong support, both professionally and logistically, if this board is to work autonomously and with the ability to perform marine area management, either as an independent entity or embedded in a regional administrative unit or some other entity that may manage MUMPAs in the future.
309. The possibility that an institution such as the future Bureau of Protected Areas lead the initiative is a plausible possibility.
310. Whatever administrative alternative is finally implemented, the current status of MUMPAs may be seen as "fragile", given that although the Marine GEF team was leaving, the issue was not taken up by any of the relevant actors.
311. In light of the situation, the Ministry hired during 2011, using State funds, three professionals solely dedicated to marine areas in the three regions where Marine GEF were operational, with the coordination function in the hands of a Ministry professional in Santiago.
312. This commitment made by the Ministry of Environment is a landmark event regarding MUMPA sustainability, as activities within marine areas will be constant up until such a time that MUMPAs are defined.
313. Finally, the momentum given from this Ministry to the law that creates a Bureau of Biodiversity and Protected Areas for the country is an additional sign of the commitment Chile has in increasing marine protection.

## Financing

314. The efforts undertaken by both Marine GEF and the Ministry of Environment lead Central Government in its 2011 budget, approved by Congress, to create a change in the General Budget Notes for Regional Governments, awarding

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<sup>28</sup> The situation in the regions is indeed peculiar. All parties recognize the importance of MUMPAs and have identified them as opportunities for development, yet no funds are released and Regional Governments have expressed that National Government should help fund marine areas.

these regional administrations the ability to fund the administration of MUMPAs. Notes 2.3 on the national budget states: "Subsidies granted to municipalities or other public entities for the maintenance of parks and management of multiple use marine and coastal protected areas which have been leased out to operators. For this purpose regional governments may be able to allocate corresponding resources, as reflected with this budget and the ones approved during subsequent years".

315. Therefore, note 2.3 will allow that municipalities and public entities receive subsidies for the maintenance of marine areas, they must have first leased out the operation before actually applying for this funding. The important thing being that once approved, this funding will be stable in time. The three marine areas have requested funding using this modality, for funding minimum operational costs during the transition phase until the entity that will manage these areas is finally defined. For 2011, the Francisco Coloane, Atacama and LML MPAs requested approximately US\$ 355,000, US\$ 103,000 and US\$ 72,000, respectively, (using an exchange rate of 1US=CLP\$ 485).
316. Although amounts requested to Regional Governments are far below the estimates mentioned in the General Administrative Plans for the three MUMPAs (only 25% for LML, 64% for Francisco Coloane, and 51% for Atacama), these amounts may nevertheless fund the minimum expenses needed to begin operating these administrative units, initiate the search for alternative funding sources, speed up construction of infrastructure and to update General Administration Plans.
317. As can be seen, the sustainability of the existing marine areas and the ones to follow, now have a stable funding mechanisms for their administration through Regional Governments
318. In the LML, FC and Atacama MPAs, Regional Government reported that there were resources for infrastructure at these MUMPAs for the 2010-2012 period: i) Atacama will finance the two gateways for an amount totaling CLP\$1,200 million (around US\$ 2.4 million) ii) LML with CLP\$1,110 million (around US\$2.2 million), and iii) for Francisco Coloane, financing would be available in 2011 for the construction of the lodge and the visitor center for CLP\$3,000 million (US\$ 6 million) and for designing the pier, amounting to CLP160 million (US\$ 320,000).
319. In case foundations /corporations fail, there is a possibility that the Bureau of Protected Areas will be the entity responsible for its administration and maintenance in future.
320. Therefore, continuity of marine areas during this transition period will depend on the activities promoted by the Ministry of Environment, in collaboration with regional and national strategic partners.

## Replicability

321. The Marine GEF has facilitated marine area replication, although there are still no administrative mechanisms. In the past 2 to 3 years, the interest seen in the regions for establishing new marine areas has increased considerably. This is the case seen in the Hualpen peninsula in the Bio-Bio region, the Mejillones Peninsula in the region of Antofagasta and Punta Patache in the region of Tarapaca. It should be noted that the declaration of these marine areas is pending and it is not clear if progress can be made on this issue.
322. Additionally, Greenpeace Chile and the National Confederation of Traditional Fishermen (Conapach), supported by an external team of scientists, prepared a comprehensive document defining an appropriate protection policy, which should cover 10% of each marine ecoregion in the country. These being North of Chile or Humboldt, Central Chile, Araucania, Chiloé, the southern channels and fjords, Islas Desventuradas and Easter Island<sup>29</sup> (the latter being the only one included in the Salas and Gomez park).
323. WWF has identified, with the help of special software, the areas with the greatest presence of cetaceans. This proposal aims at creating a multiple use marine protected area in the area between Chiloé and the Guaitecas islands, so that in some other areas restrictions on economic activities may be somewhat relaxed<sup>30</sup>.
324. The establishment and operation of Technical Committees set up by the Marine GEF is a cornerstone in future marine area creation, due to their experience in protected area declaration and because there are specific guidelines and procedures for those interested in presenting MUMPA proposals.

## Other achievements

325. The project has been important in supporting poor communities and in ensuring that regional governments include these territories in their development plans, from the perspective of a MUMPA, where sustainable economic activities can be generated, mainly in nature-watching tourism.
326. Additionally, the project has helped improve democratic governance in the environment by drafting a legal text on marine protection, having the possibility of developing different activities within it.

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<sup>29</sup> See *Portal de los Siete Mares (Seven Seas Gate)*.

[http://www.mardechile.cl/index.php?option=com\\_content&view=article&id=2386:dos-organizaciones-ambientalistas-proponen-red-de-areas-marinas-protegidas-para-chile-&catid=81:noticias-cientcas&Itemid=68](http://www.mardechile.cl/index.php?option=com_content&view=article&id=2386:dos-organizaciones-ambientalistas-proponen-red-de-areas-marinas-protegidas-para-chile-&catid=81:noticias-cientcas&Itemid=68)

<sup>30</sup> IDEM 28.



327. Although the project document does not contain any gender policies, in practice there is a gender-balance in the professional team and in local community participation, where women have participated without being subject to gender discrimination.
328. The project has also lead to global environmental benefits, as it supports efforts to protect the unique global biodiversity found in Chile.

## Threats

329. The main threat to the Francisco Coloane MPA would be the approval of the coal mining project located in Isla Riesco, bordering the protected area. The main challenges to the project would be the traffic of large cargo ships, currently standing at 2 ships every twenty days, increasing to 2 ships per week. According to tourism operators, this increased traffic may act as a disincentive for tourists wishing to visit the marine area.
330. Also unknown is the effect of coal sediments on marine environments, or their effect on the Geronimo Canal, which drains into the marine protected area.
331. There is growing interest in operating salmon farming in the region of Magallanes. Currently, there are about 1,700 applications for aquaculture concessions, but only about 8% will be accepted, due to the government moratorium on regional aquaculture allocations. Regarding the Francisco Coloane MPA, aquaculture concessions will not be granted in future. Tourism operators view Salmon farming as being counterproductive to special interests tourism.
332. In Atacama, the marine area lacks a clear vision and identity for making it viable as a regional development hub. While informal tourism activities that every summer occupies the coastal marine area acts as a disincentive for visiting the area due to resulting overcrowding, unsanitary conditions and general disorder<sup>31</sup>.
333. In LML, land conflict issues will persist for a long time, delaying investments and administration of the marine area and therefore compromise viability in the medium to long term.
334. If there is an excessive delay in the building of infrastructure for administering these marine units, there may be pressure from regional governments and municipalities to use these areas for other purposes.

## 9. Conclusions

### Design

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<sup>31</sup> Around 3,000 people are estimated to set up informal camping sites on the beach, causing serious sanitary problems and garbage issues.

- 335. The project development process did not have an adequate participation of local communities nor of those institutions acting in the intervened area, nor was this participation registered appropriately. Additionally, deadlines and goals set were unrealistic.
- 336. The benefits that local communities would stand to gain from the project were exaggerated, generating damaging over-expectations moving forward; leaving a sense of frustration once the project was completed.
- 337. Participative efforts focused on regional governments, but failed to formalize commitments and agreements with regional councils.
- 338. Therefore, the Marine GEF had a limited legitimacy in the territories to be intervened.
- 339. No proper analysis and monitoring of the studies undertaken by independent consultants was made, leading to erroneous project conclusions and indicators.
- 340. The project document did not include a specific item for funding a project coordination unit, so as to reflect project administrative costs, having been created after the fact as an additional product (product 8: Administration and Monitoring). In practice, administrative expenses were distributed across all products, making it very difficult to estimate actual costs for this item.

## **Implementation**

- 341. Team project members were specialists, yet they were not fully complementary to each other, such as would have been the case if there were professionals with experience in project management and in planning.
- 342. The ability for project adaptive management required improvement since the project document, indicators or the logical framework matrix were not updated once it became apparent that original project assumptions were mistaken.
- 343. The Program Implementation Review (PIR) does not adequately reflect critical project risks, nor changes in products and activities.
- 344. The establishment of Technical Committees, charged with preparing guidelines for MUMPA declaration, was a positive development for the project, awarding continuity to the matter.
- 345. Communication with local communities in Atacama and LML was complicated and inadequate because the project failed to meet the expectations generated, resulting in a series of conflicts that to date have not been resolved.
- 346. A greater co-financing commitment by regional government was missing, mainly due to the lack of institutionalization of the project at the different regional instances.

347. The strategy of the Marine GEF team, distancing itself from CONAMA institutions, meant both gains and losses. Among the gains is the positive image that the UNDP has among actors, while the downside is a partial and unsatisfactory project integration within CONAMA institutional frameworks.
348. Mechanisms for monitoring and evaluating different project stages were incomplete.

### **Financial Execution**

349. Although project budget included an item for administration and monitoring, the implementation team's salaries and operating expenses were indistinctly distributed among all product lines, hence it was very difficult to estimate actual project administration costs. How project costs were reallocated among the different products is not clear either.
350. Better financial planning was needed, as well as an adequate response to situations during the first 3 years of implementation, which, together with unrealistic assumptions, left the project with virtually no cash to finalize their activities.
351. A revaluation of activities as a consequence of the fall in the US dollar exchange rate was missing, in addition to formally rescheduling activities not implemented.
352. The project budget was prepared using an excessively high US dollar rate with respect to the Chilean peso.
353. Co-financing by regional governments did not materialize during the project, bar Magallanes, but there are clear signs that marine areas in Chile will indeed be financed using national resources.
354. Cofinancing operated better within public services, such as with DIRECTEMAR, the Ministry of Environment, Subpesca and with resources from the WWF NGO, while with the TNC, they were only partially so.

### **Outcomes**

355. The project achieved its goal of improving protection for globally significant biodiversity in Chile, establishing marine areas in 3 locations in the country; it strengthened public actors' capacities and placed the issue within the new environmental regulatory framework and the country's protected areas system.
356. Although the project's goal was achieved, deficiencies were clearly seen during its design and implementation.
357. Interest in marine protection and in creating a MUMPA Statement increased in several regions of the country. In 2010, a new Marine Park was declared, set to be one of the largest in the world.

- 358. A new concept for protecting marine areas was introduced into the country, giving biodiversity an integrated ecosystem vision, in a resource protection and exploitation modality, as opposed to the current concept, mainly focused on maritime production.
- 359. There are at present hardly any relevant actors who are unfamiliar with the MPA concept.
- 360. The concept of MUMPAs was introduced into the new environmental legislation, giving marine areas a protected area status. The concept was also introduced as a protection category in the Bureau of Protected Areas bill that will be presented to National Congress in early 2011.
- 361. The strengthening of public services capacities was achieved, and despite project implementation problems, public entities were coordinated in defining new MUMPAs procedures.

## **Sustainability**

- 362. Although marine area management units have yet to be formally constituted, they will become permanent features, due to the interest seen in all relevant players in the upkeep of these areas.
- 363. The Environment Ministry confirmed the continuity of those professionals having responsibility for these areas in the interim period, so as to speed up the final definition of administrative units.
- 364. The 2011 national budget introduced changes to regional governments, making them capable of subsidizing any operational costs in the administration of marine areas licensed out to municipalities or public entities.
- 365. From a regulatory point of view, MUMPAs are part of the new environmental regulation and are also included in the draft law of the new Bureau of Protected Areas.
- 366. It can therefore be concluded that there is a high probability that marine areas will endure in time.

## **Challenges**

- 367. The main challenge is to maintain and perform activities within marine areas during the transition period between the end of Marine GEF and the installation of new environmental institutions, including the Bureau of Protected Areas, which could easily last from two to three years.
- 368. A pending issue is bringing in private actors into marine area management and demonstrating in practical terms the benefits to local and regional development.
- 369. Another aspect to consider is the inclusion and participation of local communities in marine area management. In this regard, it becomes

important to support the board of LML with logistics, professionals and training so they may be properly inserted within the future administration of marine areas. In Atacama, fishing and user organizations of the marine area need similar support.

370. Terrestrial integration into marine areas is a pending issue, as the feasibility of carrying out compatible economic development activities is closely linked to land development.

## **10. Lessons Learned**

### **How could results be attained in a more effective manner?**

371. The preparation of complex projects, such as the Marine GEF itself, must enjoy the widest possible participation, to avoid any additional problems later on during execution, even if this means extra preparation time. For government actors this means that commitments be made by the respective institutions and not merely by those authorities currently holding power.
372. It is important to consider and deal with appropriately any over-expectations that such projects may generate between local communities and institutions, so caution is recommended when communicating project benefits.
373. Supporting studies in preparation for project documentation should be validated by relevant actors in those areas to be intervened in order to obtain valid information for each site.
374. Co-funding commitments should be documented and validated by the respective institutional mechanisms.
375. The valorization of project activities should be based on the average dollar values or trends seen in the dollar value and not on specific or short-term values.
376. The project document, the annual operational plan and the program implementation review are all management tools that must be updated according to the reality seen. All changes must be documented.
377. Working teams and projects should be fully integrated into the executing institution. Staff contracts and tendering procedures should be those that the institution operates. UNDP may transfer funds to institutions in accordance to the disbursements schedule, updated in accordance to project reality. This change in modality may allow UNDP teams to focus more on monitoring and evaluating project activities.
378. Working teams should have a counterpart in the implementing institution at regional level, if pertinent. Not all monitoring and supervisory responsibilities should be delegated to the national structure.

### **Actions that had scarce or negative impact on the project**

379. The main factors that reduced project impacts were: i) The partial inclusion of the marine GEF into CONAMA's institutionality, especially in LML and Atacama ii) The over-expectations of the project generated in local actors; iii) lack of a strong counterpart in the regional CONAMAs iv) lack of project steering by the project regional coordination and v) lack of project fund management.

## **Best Practices**

380. Best practices were seen in Magallanes, namely: i) phased project team inclusion within CONAMA's institutionality ii) systematic planning, full consideration of relevant local actor participation, be they public or private iii) building alliances with different public and private relevant actors and iv) identifying the project with regional development priorities.
381. Atacama has a project monitoring committee constituted by people with an interest in the marine area.
382. At national level there is a project technical committee, made up from different public institutions with authority on the matter. This has meant an across-the-board approach and continuity, regardless of any national or regional changes in authorities.

### **11. Recommendations**

383. Future projects must further involve relevant institutions on the matter, and a strong Presidential stance on the initiative is desirable.
384. Improve monitoring and follow-up during project design and development.
385. Projects should have a separate budget in their design, for unified project management and coordination.
386. Projects and their co-financing should have institutional approval, as should relevant actors in those areas to be intervened (approval from regional government, regional councils, municipalities, communities), before actually being submitted for GEF review.
387. Project budget should be valued using average dollar values or dollar trends.
388. Provide for an integration assigning greater preponderance to those institutions having more authority on the matter, including CONAF.
389. Co-financing should be carefully documented, as well as the definitions used for calculating in-kind contributions.
390. Project preparation should be made by institutional staff, using consultants for support, and not the other way around.
391. Project implementation should be fully integrated into the executing institution, both in its professional teams as in its procurement procedures. UNDP may limit itself to making scheduled payments to institutions and focus more in monitoring and in project activity follow-up.

392. Project teams should consist of professionals having complementary profiles, thus mixing specific knowledge with management and planning skills.
393. Regarding projects with a regional footprint, institutions should have a professional as the permanent regional counterpart during project execution.
394. Authority awareness-building and lobbying should be a specific activity for every project, implemented from project start and it should not be considered a burden or a secondary activity.
395. Project steering committee resolutions should first contain an analysis of the situation presented, followed by specific accords on how to address them, including responsibilities, tasks and estimated terms.
396. Local community and municipal participation should include adequate accounting and transparency for all activities.
397. In order to reinforce project impact and consolidate the network of MUMPAs, the following strategic guidelines are proposed: i) that the Ministry maintain the hired professionals working in the regions so as to continue working towards the creation of administrative units in participation and coordination with local relevant actors and regional governments, up until the administrative units of the MUMPAs become operational, meaning that the Bureau of Protected Areas manages these MUMPAs; ii) in case Regional Governments may not be involved from the start, it is proposed that the Regional Ministerial Secretary for the Environment (SEREMI MA) constitute them along with municipalities, communities and other relevant actors; iii) regarding the LML the proposal is that the Environment Ministry negotiate an agreement with the parties involved in land dispute issues, in order to declare a strip of land as "conflict free" and thus worthy of investments; iv) to get CONAF and the Ministry for National Heritage integrated into the project technical committee so as to analyze the administration and integration of the land portion of the MUMPA; v) to validate and update the general administration fund and MUMPAs with main local relevant players vi) to strengthen the board of the LML with professional, technical and training support and supporting marine area users in Atacama, in order to effectively integrate local communities in MUMPA management; vii) To promote the realization of infrastructure approved by the Regional Councils in Magallanes and Atacama; viii ) to fine-tune CONAMA guidelines for establishing replication with all relevant actors.

## **12. Project Rating**

398. According to the concepts stipulated by the GEF and contained in the terms of reference, the table below shows the grading obtained by the Marine GEF, in both design and implementation stages.

399. While true that significant progress was made towards marine biodiversity protection in Chile, the project presented marked weaknesses throughout its life cycle.

| Stage / Concept                     | <i>Formulation</i> | <i>Implementation</i> |
|-------------------------------------|--------------------|-----------------------|
| <b>Conceptualization/Design</b>     | MS                 |                       |
| <b>Relevant actor participation</b> | MU                 | MS                    |
| <b>Implementation Approach</b>      |                    | MS                    |
| <b>Monitoring &amp; Evaluation</b>  | MU                 | MS                    |
| <b>Results Achievement</b>          |                    | S                     |