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**Report No. 20481**

**IMPLEMENTATION COMPLETION REPORT**

**ECUADOR**

**BIODIVERSITY PROTECTION PROJECT**

**GET GRANT NO. 28700-EC**

**JUNE 29, 2000**

**Colombia, Ecuador and Venezuela Country Managing Unit  
Environmentally and Socially Sustainable Development Sector Unit  
Latin America and the Caribbean Region**

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## **CURRENCY EQUIVALENT**

Currency Unit = Ecuadorian Sucres (ECS)

Average Exchange Rate for 1998

US\$1.00 = ECS 5,413.86

Exchange Rate from January 1 through June 16, 1999

US\$1.00 = ECS 8,947.97

## **WEIGHTS AND MEASURES**

Metric System

## **FISCAL YEAR OF THE BORROWER**

January - December 31

## **ABBREVIATIONS AND ACCRONYMS**

BIC	Biodiversity Information Center
FY	Fiscal Year
GEF	Global Environment Facility
GET	Global Environment Trust Fund Grant Agreement
GOE	Government of Ecuador
ICR	Implementation Completion Report
ME	Ministry of Environment
PA	Protected Area
NEF	National Environmental Fund
NSPA	National System of Protected Areas
NDPA	National Directorate of Protected Areas and Wildlife
NGO	Non Governmental Organization
PCU	Project Coordinating Unit
PPA	Project Preparation Advance
RCC	Regional Coordination Committee
SAR	Staff Appraisal Report
SDR	Special Drawing Rights
UNDP	United Nations Development Program
WB	World Bank

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## IMPLEMENTATION COMPLETION REPORT

### BIODIVERSITY PROTECTION PROJECT

GET GRANT NO. 28700-EC

ECUADOR

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**IMPLEMENTATION COMPLETION REPORT****GLOBAL ENVIRONMENT TRUST FUND****BIODIVERSITY PROTECTION PROJECT  
(GET GRANT 28700-EC)****ECUADOR****Preface**

This is the Implementation Completion Report (ICR) for the Global Environment Trust Fund (GET)-Biodiversity Protection Project for which GET Grant 28700-EC in the amount of SDR 5.2 million was approved on May 9, 1994, and made effective on July 24, 1994. The Grant was scheduled to close on June 30, 2000, but actually did so on March 31, 2000. The Grant was fully disbursed and the last disbursement was on April 1999. Cofinancing for the project was provided by the Government of Ecuador in the amount of US \$ 370,000<sup>1</sup>.

The ICR was prepared by César Plaza, the project's original Task Manager and Gabriela Arcos, Operations Officer at the Ecuador World Bank field Office. Revisions have been made by the current Task Manager, Claudia Sobrevila and Robert Crown (Consultant).

Preparation of the ICR is based on the Grant Agreement; reports generated by supervision missions; available documentation in the project files; and an independent assessment by the Corporación Latinoamericana para el Desarrollo (CLD) (August 1999). The Recipient contributed to the ICR by preparing its own evaluation on the project's implementation (Appendix A).

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<sup>1</sup> According to Section 3.01 (b) of the Grant Agreement, the Recipient should have provided a total amount of \$ 1,500,000. The shortfall is attributed to the Recipient's budget difficulties during implementation and accounted for by a reduction in project-related activities for which the Recipient had full responsibility.



## **IMPLEMENTATION COMPLETION REPORT**

### **GLOBAL ENVIRONMENT TRUST FUND**

### **BIODIVERSITY PROTECTION PROJECT (GET GRANT 28700-EC)**

### **ECUADOR**

### **EXECUTIVE SUMMARY**

1. Ecuador has established 26 national parks, natural reserves, and protected areas (PAs), covering about 19 million ha and including the 14 million ha Galapagos Marine Reserve. Fifteen of the most important have been designated as a National System of Protected Areas (NSPA). Since their establishment, however, and in spite of important contributions by NGOs, international agencies and donors, these reserves have come under continuous pressure, with heavy resultant loss of their biodiversity.
2. By 1991, the Government of Ecuador (GOE) had taken steps to begin managing tourism in the Galapagos<sup>2</sup>, and formed a new agency for biodiversity protection; Ecuadorian Institute of Forestry, Natural Areas and Wildlife (INEFAN). The new agency raised the organizational focus on biodiversity, by creating a directorate for Wildlife and Protected Areas with a position equal to a National Forestry directorate. However, INEFAN did not have mature internal working relationships and was inadequately financed, staffed and trained.
3. The Project was identified (1991) in response to persistent constraints on the effective protection and appropriate sustainable use of biodiversity including:
  - (a) the lack of an operational national policy and consistent practices on protected areas management;
  - (b) an inadequate institutional framework for addressing biodiversity protection;
  - (c) lack of consistent enforcement of existing laws and regulations; and
  - (d) insufficient budgetary allocations to support NSPA management at the central and regional levels (while INEFAN obtained extra-budgetary financial support from NGOs, international organizations and bilateral sources, this support was generally tied to specific investments in specific locations and did not support the general needs of NSPA management).

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<sup>2</sup> "Global Plan for Tourism Management and Ecological Conservation of the Galapagos National Park"  
June, 1991

4. A new government, elected in August 1992 initiated the preparation of an “environment law”; and formed an Environmental Advisory Commission under the auspices of the President with a mandate to prepare a National Environment Action Plan. It also committed itself to implementing the Global Plan for the Galapagos, and applying lessons from developing this plan (which had been based on broad involvement of affected communities and other stakeholders) to major protected areas on the continent. INEFAN was identified as the government’s lead agency for developing a program to support these goals.

## **B. Project Objectives And Design**

5. The project’s goal was to raise the level of protection of the NSPA through: (i) the restructuring and strengthening of the institutional capacity with improvement in the overall policy and legal framework for management of the NSPA and (ii) by ensuring financial sustainability of the NSPA through the establishment of an efficient fees and tariffs system. This was interpreted to mean achieving an improvement in the organizational performance of INEFAN in planning, financing, monitoring and evaluation, and general management of the system at the central level, while relying on decentralized units for planning and managing the protected areas in their locales.

6. These improvements would be achieved through four components, comprising a series of actions (Annex Table 5), which would affect:

- a) institutional performance (including training and generating experience for INEFAN’s staff and communities in park management and the design of protected areas management plans, analyses and studies of resource valuation, and options for resource use; and alternative fiscal regimes for assuring adequate operating budgets);
- b) the legal and regulatory framework (including rationalization of legislation and regulations governing protected areas; regulations governing local participation in resource planning; land tenure regularization);
- c) outreach (including public awareness information and dissemination; promotion of alternative conflict resolution; involvement of indigenous peoples in biodiversity protection); and
- d) investment in key protected areas ( seven areas, including the Galapagos and six continental reserves, covering about 66% of all areas covered in the NSPA).

7. To account for the efforts being made by NGOs and through bilateral assistance and its importance for the protection effort, responsibility for designing and managing a collaborative and consultative process was delegated to INEFAN<sup>3</sup>.

8. The GOE and the Bank recognized that while empowering communities to protect biodiversity was working in some countries, and held promise for Ecuador, its institutions did not have experience with this mode of operations, so that applying the method would be experimental and would require time and intensive support to succeed. The project’s

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<sup>3</sup> An early attempt to coordinate INEFAN’s actions with those of the NGO community was the formation of a “consultative committee” in early 1995



actions were well identified and costed along with a clearly sequenced implementation plan, following the best practice of the day. Adequate attention was paid to the Bank's environmental and social safeguards policies and necessary covenants covering staffing, effectiveness, disbursements for local initiatives, were provided for.

9. The Bank identified the project's risks as: (i) potential budget constraints during project implementation<sup>4</sup>; (ii) delays in establishing needed advances in the policy, legal and regulatory framework to permit implementation of key project actions such as establishing decentralized regional protection authorities; (iii and iv) inadequate managerial and administrative capabilities in INEFAN, given the large number of actions to be undertaken; and (v) the possibility of competing government investments near protected areas, incompatible with protecting neighboring biodiversity reserves. To manage the "capacity risk", it was believed that forming a PCU and recruiting a procurement agent (UNDP) would suffice. GOE's commitment was considered to be adequate to provide a basis for annual work plans that would adjust the program to accommodate progress. These and other matters were covered in project conditionality. However, surprisingly, considering the importance of INEFAN's cash flow to support the project, a financial analysis of the project was not conducted.

10. The relevance the project's goal, biodiversity protection, was clear. Unfortunately, neither the GOE nor the Bank established standards for "protection" or a timeframe for raising performance as part of the project's framework. In fact, in spite of citing diversity protection as a project benefit, the project did not hold itself accountable for achieving it. Rather, it adopted the "softer" goal of establishing necessary conditions for protection to occur. In addition, the risks of selecting a new organization with untested internal and external relationships as the implementation agency, coupled with the insertion of a low-placed PCU into the agency do not appear to have been fully appreciated. While GOE showed good "ownership" of the project, little attention was paid to whether INEFAN would "own" the actions of the PCU or whether it had incentives to adopt its recommendations. The overall strategic concept of the project was, therefore, weak.

11. In contrast, the project's operational design showed a number of strengths. It recognized the need for building new roles and capacities in both central and decentralized agencies, and that flexibility in project implementation would be required to achieve it. Unfortunately, the details were, in important ways, incompatible with executing this approach. Project activities appeared to be over-designed and their links to the improvement of INEFAN were not clear. Standards of organizational performance were not stated so that results were not measurable. The monitoring and evaluation system itself was designed to focus on the completion of the activities, not the effectiveness of the organization's performance. A basis of accountability for a result, and the flexibility of action required to implement an "experimental" design, were therefore, missing.

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<sup>4</sup> Achieving a sound financing formula for the support of the NSPA was considered to be a project outcome.



## C. Achievements and Outcome

### Achievements

12. The project was completed and closed, September 30, 1999, three months early. At that time, 24 of the 35 planned activities had been fully or partially completed, and 11 had been combined with other activities or not undertaken. Most activities were implemented below anticipated budgets, however, several, notably, support for the restructuring of INEFAN, the training of INEFAN staff and the development of decentralized management planning in six key protection areas, overran their budgets by more than 150%. Overall, final costs under-ran planned costs by about 10%. A statement concerning the result of each of the main project activities and a list of the studies completed with project resources is contained in Table 5 and Table 6, annexed.

13. Activities to improve the protection of the Galapagos PA, the largest and most prominent, were only partially completed; equipment for surveillance was upgraded, a strategic management plan for the marine reserve was designed with the participation of stakeholders, and a preliminary design for urban settlement on the islands was formulated. These fell short of a more ambitious plan designed at the project's inception. However, a very positive outcome of the project not foreseen at the time of its design, was the passage of a new "Special Law" for the Galapagos (#278, of March 18, 1998). The project stimulated outreach and participation when preparing the marine reserves strategic plan. This participation resulted in a wide open discussion by many stakeholders of the main issues affecting Galapagos. The idea of a Galapagos Law came from these discussions. The Special Galapagos Law permits among other things that all the income and taxes generated in Galapagos are reinvested for Galapagos Protection. Galapagos is the National Park that generates more income in the country, but the funds collected use to be spent nationally with a very small fraction returning to the protection of the Galapagos Islands. This Law is a success for Galapagos National Park's long term protection.

14. On one hand, interpreted narrowly and literally, the outcome of the project could be considered deficient. On the other hand, the project has served its strategic purpose in the development of Ecuador's approach to managing the environment and to biodiversity protection. Overall, therefore, the project should be considered as having had a "satisfactory" (although disappointing) outcome.

15. The project did not produce a functioning institutional and financial framework. Ecuador continued, at the end of the project, to be studying alternatives, including the role of the newly created Ministry of Environment and the private sector in this regard. The project did produce valuable strategic studies; a consolidated data base in the BIC, useful publications on several important topics, and increased public awareness of the issues involved. The BIC is a critical element for biodiversity protection in Ecuador as it developed a comprehensive database on Ecuador's biodiversity. The government is currently developing the operational manuals to make the database available as the Clearing House Mechanism for the CBD. It also provided useful information on the legal constraints confronting biodiversity protection and proposals for rationalizing this

framework. However, the value of the investments in INEFAN's development will depend essentially on the role, structure and operational characteristics of the organizations that replace it.

16. The project also succeeded in developing experience in the management of biodiversity protection and sustainable resource use by local populations and stakeholders. These would be important building blocks for a more comprehensive program. The project also stimulated additional collaboration between the NGO, private sectors and public authorities, although this has still not been fully "consolidated". Even though this was partial, and not well planned strategically, it was not common in the Ecuadorian tradition of the day and has left a model to be emulated.

17. However, in a more general sense, the project may be considered as having actually met the development objective of "supporting the restructuring and strengthening of the institutions responsible for the management of the NSPA", even if not as originally envisaged. By the project's closing date, INEFAN as an organizational ideal had been shown to be unable to play its assigned role and was disbanded and a new Environment Ministry created with the mandate given to the Directorate of Wildlife and Protected Areas under INEFAN. This may be seen as a further evolution in the restructuring of Ecuador's environmental institutions in which the role of the public sector as the "protector" of biodiversity would need to be re-examined. The lessons, if internalized, may reduce the costs of further efforts to establish a sound regime for protection. Judged by a standard recently adopted in the World Bank with respect to "adaptable lending" instruments (especially Learning and Innovation loans; LILs), this knowledge would be considered a satisfactory outcome.

### **Sustainability**

18. The project has not produced a sustainable institutional or financial outcome. However, the ongoing activities of local authorities forming the RCCs and in the buffer zone of the Cotacachi-Cayapas Reserve, and the activities of the BIC may be sustainable if the organizations involved obtain regulatory recognition, acquire income to support and maintain their activities from the broader research community. In all of these cases, an analysis of their costs, efficacy and replicability is required. Therefore, the current sustainability of the project's activities is at best, "uncertain".

## **D. Performance of World Bank and the Recipient**

### **World Bank**

19. Bank staff satisfactorily identified, and prepared the project through participatory diagnosis of the issues and helped find informed responses to questions and issues. However, the Bank may not have sufficiently appreciated the "political" and behavioral risks associated with trying to improve INEFAN's performance through a "PCU", placed at a relatively low organizational level. The Staff did not appear to have appreciated that INEFAN was not adequately prepared to assume the role of an NGO coordinator during implementation. In hindsight, a more formal remedial measure would have been called

for. Finally, having identified unreliable financing as a project risk, the Staff did not investigate the severity of the risk, and did not plan a remedial measure. This was particularly problematic for the actions affecting the Galapagos PA. Therefore, the actual appraisal process would be considered “deficient”.

20. Throughout supervision, Bank staff drew extensively on experience from other countries to support implementation. The Recipient was also particularly appreciative of the Bank’s timeliness, assistance in solving grant administration issues. Unfortunately, while exemplary in supervising implementation processes, the Bank did not effectively maintained focus on achieving the project’s intended strategic outcomes; that is, whether the level of protection was poised to increase and whether INEFAN was becoming more capable of assuring it. In spite of reporting continuous problems with re-enforcing INEFAN and in reaching agreements on establishing a sustainable financing framework the Bank considered the project as “problem free”, on both meeting development objectives and implementation progress throughout. The project was not restructured to respond to the growing experience. Significant delays in counterpart financing and the execution of project components, as well as shortfalls in the implementation of components for the Galapagos PA for which INEFAN had responsibility, were noted but were not rated as problems. Remedial actions were, therefore, not initiated. Therefore, on grounds of unsatisfactory “realism” and low “proactivity”, supervision, as well as overall Bank performance would be considered “deficient”.

### **Recipient Performance**

21. The Recipient initially showed strong project “ownership” at the policy level. During implementation, this tendency was exacerbated. The PCU’s preparatory work for institutional reform, was not generally acted upon by INEFAN management. Further, INEFAN did not adequately pursue coordination with the NGO community on policy and strategic planning issues. A Consultative Committee (CC) that was established quickly became a point of confrontation. The recipient’s acceptance of NGO participation in what it saw as essentially “policy making” remained low (it did accept NGO’s work with communities in the PAs). Moreover, the NGOs themselves failed to find the vehicle for defining their collective interests. This left no structure for dialogue and little room for meaningful consultation.

22. Recurrent budget difficulties prevented INEFAN from meeting its financial obligations to the project, both to activities co-financed with GEF Trust Fund and those financed in parallel. INEFAN did not, apparently, raise the issue of obtaining a supplementary GEF grant during project implementation or of restructuring the project to conform more to its own budget possibilities.

23. The Recipient, as represented by the PCU, UNDP, and some of the technical staff, interacted very well with the Bank on implementation processing. They also assured that most legal covenants governing the use of the grant were met, and that acceptable norms for financial accountability, and procurement practices were followed. Unfortunately, surrogates for the recipient, the PCU and UNDP, assured these administrative functions and their performance was not effectively mainstreamed.

24. On most accounts, therefore, the Recipient's overall performance is considered to have been "deficient".

### **E. Overall Assessment**

25. The project did not, strictly speaking, restructure and strengthen institutional capacity to manage the NSPA. Nonetheless, it may be considered to have been "satisfactory" from the perspective of having contributed experience in defining an institutional and financial framework for biodiversity protection and a research base from which to develop a follow-on program<sup>5</sup>. It produced a model for including community interests in the development and implementation of biodiversity management and protection activities that appears to have been positive. At least at the level of PAs, a practice of collaboration between stakeholders, including local NGOs, was initiated and found to be practical in strategic planning. The PCU opened a line of communication with communities and NGOs that had not previously been available. In addition, the failure of INEFAN, created to protect and manage the NSPA was significant. It had been generally believed that the public sector could assume major responsibilities for biodiversity protection. In Ecuador, therefore, an alternative strategy for building the necessary organizational structure for biodiversity protection would have to be considered. A number of additional important outputs were produced which should add to the success of a future operation.

26. Several factors contributed to the positive side of the outcome. These included the support from NGOs in the development of strategic plans for individual PAs with communities, in a process that was considered "experimental". Although possibly not the best designed or placed, the PCU was professionally staffed and dedicated to their work in spite of their difficult position. Lastly, although it should have been more focused on the outcomes of the project and less on the detail of implementation, the close collaboration between the Bank and the Recipient provided additional stability to implementing the individual components.

27. Unfortunately, other factors, largely beyond the control of the project, contributed to its failures. Changes in governments and overarching economic and budgetary problems diverted the recipient's attention from the project. In addition, INEFAN's staff had been selected from a parent agency with a tradition of forestry exploitation and did not receive the leadership or the incentives necessary to motivate a change favoring "protection". Finally, while the NGO community's participation was welcomed by the PCU in arriving at community-based strategic plans for specific PAs, the same openness was not true of INEFAN management when asked to deal with NGO's at the policy and legislative level. Moreover, for its part, NGO community itself appears not to have been able to consolidate a technically grounded position. In this new environment, therefore, it proved difficult for the parties to find common ground for discussion and to focus on the issues, so that the process quickly became confrontational and was abandoned.

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<sup>5</sup> This standard for assessing project success is acceptable in evaluating Learning and Innovation Loans. Given the uncertainties and the "experimental" nature of the project, which were identified and accepted by the Bank and GEF at the design stage, applying LIL-type criteria for the assessment of outcomes may be justified.

Unfortunately, these risks were not fully appreciated at the appraisal of the project and a definite strategy for dealing with them was not adopted.

### **Lessons Learned**

28. The experience of this project served to confirm a number of lessons derived from other GEF and biodiversity projects.

29. Approach to Institutional Development: The project was designed to improve an organization that had been given a role and a legal structure without having had experience on the ground. A special unit, the PCU was mandated to perform this task from within INEFAN, supported by UNDP as procurement agent. The outcome illustrated the dangers of this response. Experience has shown that such PCUs frequently become seen as enclave operations. This was the root of poor ownership of the project by INEFAN; difficulty in mainstreaming the capacity of the surrogates (PCU and UNDP); and a lack of follow-up action on the PCU's studies and advice by higher levels of INEFAN's decision-making. An alternative would have been to establish a program of organizational strengthening, managed from without, setting expectations for performance for INEFAN, supported by incentives to perform appropriately. Experience has also shown that once an agency has a legal structure, it cannot be easily changed. Therefore, it is prudent to gain experience through working relationships prior to deciding what relationships will be legalized. It might have been preferable to execute the project with a "mission champion"; that is, temporary agency that would have managed a process through which roles, responsibilities and working relationships were developed prior to giving them legal form. Projects that have adopted this approach have placed PCUs at the disposal of a project "champion" with decisions about the legalization of an institutional framework being considered as a project "output", not an "input".

30. Community Involvement: The involvement of communities in the planning and implementation of sustainable resource management and biodiversity protection was again shown to be important. Studies of the efficacy and efficiency of the plans made for the seven test cases undertaken in the project have not been completed, and should be, to draw the detailed lessons from the experience. However, the willingness of these communities to undertake the exercise shows that they had positive expectations from the practice. The value and cost of replicating this experience should be evaluated. More attention should also be given need to the implementation of the plans.

31. NGO Collaboration: The project also confirmed the importance of collaboration between public authorities and the NGO and bilateral community, but with some nuances. Representatives of leading local NGOs were involved in the preparation phase. This cooperation continued during project execution of decentralized project activities in communities. However, the project failed to bring these interests together at the central level. This project illustrated, therefore, that having determined that a consultative process is important for project success, it would be crucial that an explicit process be prepared and included in the project's basic design, with resources identified as needed to make this effective at all levels (see the following point).

32. Flexibility in Execution: The project was considered experimental in several respects, including the use of communities in the protection of individual NSPA sites, and the process of building an organization like INEFAN. Unfortunately, the project specified its activities as a blueprint, leaving little room for introducing new actions, or dropping unproductive ones. In spite of repeated evidence that INEFAN was not developing, the project was not restructured. This problem was compounded by the lack of organization performance indicators that could have guided changes in actions. When the project was initiated, the World Bank had not designed its “adaptable lending” instruments (Learning and Innovation Loans and Adaptable Program Lending). If these had been available, and given the issues and constraints that were being faced, the adaptable lending approach might have been considered.

33. Monitoring and Evaluation: The monitoring and evaluation system should have been functional before the project began, through such actions as conducting baseline surveys or pre-project assessments of INEFAN’s performance. This would have focused attention on the project’s expectations for results. Instead, the monitoring system was used to track the implementation of the project’s inputs and actions. While this was valuable for the purposes of project administration, it did not serve to flag or substantiate shortcomings in achieving the institutional development outcomes. Without this, there was little basis for proposing adjustments to the project’s design during implementation.

34. Strategic Vision of the NSPA: The experience with this project again illustrated the weaknesses in implementation when concrete priorities for biodiversity protection, the ultimate purpose for the project, are not outlined ex ante. Without a unifying vision of the NSPA as an ensemble, including such features as the locations and sizes of the PAs needed to constitute the NSPA, the meaning of “protection”, criteria for either abandoning and/or adding PAs, there was not a touchstone for assessing the efficacy of the project’s many actions. Instead, project implementers, including the Bank, focused on setting “necessary conditions” among which it is more difficult to establish explicit priorities. It also proved difficult to alter the “menu” in light of implementation experience. Accountability for results was also hard to assign.

### **Implications for further operations**

35. To be successful, a follow-on project or program to promote protecting the NSPA should have clear development objectives and explicit indicators that measure “protection” directly, rather than through establishing the “necessary conditions” for protection to occur. To do this would require agreement on a concept of protection, and a time frame in which “improvement” would occur. Such a statement would establish a level of accountability for project management overall, as well as accountability at the level of each PA. It would also allow for less strict specification of the actions that the project would support, and permit increased empowerment of project management to respond to implementation experience.

36. The project also showed that improving biodiversity protection depends on the change in the behavior of individuals at the local and the national level, often against perceived self-interest. The project succeeded in doing this at the local level but failed at the central level, where the staff of INEFAN was not motivated to alter their attitudes and



approaches to resource management to accommodate a higher level of protection. Future operations should be designed to allow for trial-and-error, action and feedback, leading to the internalization of a “protection culture”. Future projects in the area of biodiversity conservation may be designed as either Learning and Innovation Loans or Adaptable Program Lending to respond to these needs.

37. The institutional and organizational framework for protecting the NSPA has changed with the creation of the Ministry of Environment. This should not, however preempt a process of developing institutional arrangements for the NSPA through an evolutionary process in which the public sector, and civil society, at the central and at the community levels, each find their respective roles. The choice of organizations to perform protective services could then follow, not lead the process. The Ministry could be the “champion” for developing such an organizational framework without considering itself to necessarily be that management agency. A new operation, therefore, should approach its institutional development “component” with a focus first, on arrangements that are effective, and then on the organizational requirements that sustain these.

38. The completed project produced promising experiences of planning and managing the NSPA at the community level. In order to maximize the learning, it would be necessary to disseminate the experiences that were positive and avoid repeating those that did not work. Regarding the institutional arrangements and the long-term financial needs for the NSPA, it would be necessary to bring experiences from other countries. The institutional and financial aspects of protected areas management is a chronic problems in most countries in the region. For this reason, bringing positive experiences from outside of Ecuador would open new initiatives that might bring more long-lasting results.

39. Lastly, a permanent and open system for pooling the views and knowledge of the NGO and bilateral communities should be established as an integral part of a follow-on operation. This process should provide a framework for steering further GEF support as an addition to the resources already committed to the NSPA. It should also provide a vehicle for articulating policy and strategic options needed for biodiversity protection. The follow-on project should plan for this as a monitorable component.



## **IMPLEMENTATION COMPLETION REPORT**

### **GLOBAL ENVIRONMENT TRUST FUND**

#### **BIODIVERSITY PROTECTION PROJECT (GET GRANT 28700-EC)**

#### **ECUADOR**

### **PART I: PROJECT IMPLEMENTATION ASSESSMENT**

#### **A. Introduction**

1. Ecuador has long been recognized as having a considerable share of the world's most valued biodiversity heritage. In addition to the Galapagos Islands, situated about 1,000 km from its coast, Ecuador's continental forest reserves in its coastal, Andean and upper Amazon regions are believed to contain vast stocks of flora and fauna that have only begun to be inventoried. Since as early as 1936, with the establishment of the Galapagos National Park, Ecuador established some 26 of national parks, natural reserves, and protected areas, covering about 19 million ha and including the 14 million ha Galapagos Marine Reserve. Within this group, some 15 of the most important from the point of view of global biodiversity have been designated as a National System of Protected Areas (NSPA). These reserves, however, have come under continuous pressure for exploitation by forestry, mining and drilling interests, tourists and the general spread of population looking for new lands for agriculture. The resultant loss of species is believed to have been significant but only partially documented.

2. Several national and international non-governmental organizations and bilaterally supported interventions have been made and are ongoing, to protect a number of the more significant reserves and parks. These various initiatives have been well designed and are contributing to improvements in specific areas. However, they have tended to address specific issues in specific locales, and have lacked a vehicle for assuring overall coordination and providing a focus on the system-wide and contextual issues. As a result, their efforts may not have created the critical mass needed to capture the full attention of policy makers and the public and thus, may only partially have dampen the major negative trends towards biodiversity loss.

3. Since 1981, the Government itself has made it a matter of national policy to improve the protection of and to regulate the use of natural resources. Unfortunately, with key public policy makers pre-occupied with general economic development issues, there has not been the consistency of public attention to resource management issues, and to the issues of biodiversity preservation in particular. By 1991, however, initial attempts to

manage tourism in the Galapagos had been undertaken<sup>6</sup>, and recognition of the unique needs of biodiversity compared to more general resource use management had been institutionalized in the form of a new agency, Ecuadorian Institute of Forestry, Natural Areas and Wildlife (INEFAN). Prior to its formal creation in 1993, attention to natural resources issues was under the responsibility of a sub-directorate within the Ministry of Agriculture, with attention to biodiversity subsumed under units with responsibilities for commercial forestry and other resource use matters. The new agency, while staffed with former civil servants, was given broader powers for its own management, and raised the organizational level at which biodiversity questions could be addressed, by creating a directorate for Wildlife and Protected Areas with a position equal to a National Forestry directorate. INEFAN was to be supported from the national treasury at a level of about 30% of the revenue generated by park fees, tariffs on paid by operators, fines and penalties from illegal uses of forestry and natural resources, as well as an annual budget allocation from the treasury.

4. The present Biodiversity Protection Project was identified (1991) in response to continued major issues affecting the effective protection and appropriate sustainable use of biodiversity in the country. These included:

- (a) the lack of an operational national policy on protected areas management (the existing policies governing natural resources management having been fragmented when applied to different user interests, and broadly interpreted to allow for and even encourage the use of reserves. Many of the more notable users of sensitive biodiversity areas have been State enterprises);
- (b) an inadequate institutional framework for addressing biodiversity protection (while INEFAN had been created, it's staff was still inadequately selected and trained to address biodiversity issues, and relatively few, given the number of tasks that protecting biodiversity entailed);
- (c) lack of consistency in and enforcement of existing laws and regulations; and
- (d) insufficient budgetary allocations to maintain various biodiversity management agencies at the central and regional levels (while INEFAN received extra-budgetary support from NGOs, and bilateral contributions, these were generally tied to specific investments in specific locations, and did not support the general needs of NSPA management).

5. Given the history of attention given through NGO and bilateral efforts to understand and manage parts of the NSPA, the lack of basic scientific and technical knowledge about Ecuador's biodiversity was not initially perceived as a constraint to improving protection. However, the pooling and synthesis, as well as the dissemination of this information as a basis of public awareness and action were considered poor.

6. A new government, elected in August 1992, gave indications that it would attempt to address the needs for biodiversity protection. In addition to following through with the creation of INEFAN, it initiated the preparation of an "environment law" in an attempt to rationalize the treatment of natural resource management and protection that had evolved;

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<sup>6</sup> "Global Plan for Tourism Management and Ecological Conservation of the Galapagos National Park"  
June, 1991

and formed an Environmental Advisory Commission under the auspices of the President with a mandate to prepare a National Environment Action Plan. It also committed itself to implementing the Global Plan for the Galapagos, and applying lessons from developing this plan (which had been based on broad involvement of affected communities and other stakeholders) to major protected areas on the continent. INEFAN was identified as the government's lead agency for developing a program to support these goals.

7. GEF awarded a PPA of SDR 227,000 (US \$ 326,025) in September 27, 1993, to assist INEFAN finance expenditures related to the preparation and start-up phase of a biodiversity protection project. Specifically, the following activities were financed: (i) preparation of software and operating manuals for INEFAN's accounting, administration and management information systems; (ii) acquisition and use of computers and office equipment in support to the above systems; (iii) training of INEFAN's staff, with the assistance of consultants, in project procedures and implementation; (iv) contracting of a procurement agent; and (v) assistance to INEFAN's management in selecting and hiring technical staff.

## **B. Project Objectives And Design**

### **Rationale and Objectives**

8. Based on available scientific knowledge and ongoing biodiversity protection efforts, it was believed that a significant contribution to the protection could be achieved through (i) the restructuring and strengthening of the institutional capacity and overall policy and legal framework for adequate management of the NSPA and (ii) through special emphasis on ensuring financial sustainability of the NSPA through the establishment of an efficient fees and tariffs system. In the context of the day, this was interpreted to mean achieving an improvement in the performance of INEFAN in the areas of system-wide planning, financing, monitoring and evaluation, and general management, relying on decentralized regional units to be responsible for planning and managing the protected areas in their locales.

9. The project's components were designed to address:

**(a) Institutional Strengthening:** aimed at strengthening INEFAN's capacity to manage the NSPA by: (i) training its staff and other public officials on technical issues related to park management and on the implementation of proposed new laws and regulations; (ii) review/updating of existing management plans for PAs with the participation of local communities; (iii) studies to determine the economic values of goods and services generated through use in the PA resources; (iv) analysis of the relationship between local populations and PAs, focusing on their use of resources and ways to maximize the benefits accruing the communities; (v) the design of a new system for the collection and allocation of revenues from resource use activities; and (vi) the review of the role and responsibilities of tour operators in promoting conservation while allowing for sustainable revenue generation.

**(b) Legal Regulatory Framework:** comprising: (i) a comparative review of current legislation affecting PAs; (ii) identification and establishment of legal reforms for the protection and management of biodiversity; (iii) drafting and promulgation of new regulations for granting operating permits to official and private users of the NSPA and for limiting extraction activities within PAs; (iv) development and establishment of regulations that encompass both public and private property within a management regime, and allow private property owners to participate in the management of the area; (v) development of regulations and a strategy to allow community participation in the administration of the PAs and their buffer zones; and (vi) analysis of the institutional, legal and social problems related to landholding within PAs, which undermine the successful implementation of strategies related to protection of biodiversity so as to determine effective legislation to solve these problems.

**(c) Outreach Activities:** including: (i) conflict resolution amongst key target groups through a national forum to promote project activities and to obtain the support of all interested groups; (ii) creation of Regional Coordination Committees to overlook the Implementation of Management Plans and Conflict Resolution Process; (iii) a study for the solution of problems of tenancy and resource use within PAs; (iv) public awareness campaigns at the national level to promote biodiversity conservation and the new legal system concerning protected areas; (v) development of a strategy at the national and regional levels to educate the public on the NSPA; and (iv) technical assistance and pilot studies for Chachi and other native communities located in buffer zones and surrounding areas of the Cotacachi-Cayapas Reserve.

**(d) Investment Activities:** providing financing for civil works and infrastructure for selected PAs. It included border delimitation, establishment of trails for visitors, and the construction of visitor information centers. In addition the project financed logistic support for INEFAN's field staff in the protected areas, such as vehicles, motorcycles, survival equipment, etc.

10. The government and project teams were aware of the efforts being made by NGOs and through bilateral assistance, and assumed that their actions would complement these. A consultative and information sharing process with these organizations was undertaken during project preparation. However, the Teams did not design a process, a priori, for following through with the consultative process, leaving coordination to be one of INEFAN's several responsibilities.<sup>7</sup>

11. The government and the Bank also recognized that while the practice of engaging local participation in biodiversity protection was working in some countries, and held promise for Ecuador, its institutions did not have long experience with this mode of operations, so that applying the method would be experimental. It was also recognized that the process for doing so would require time and intensive staff inputs.

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<sup>7</sup> An early attempt to coordinate INEFAN's actions with those of the NGO community was the formation of a "consultative committee" in early 1995

## Operational Design

12. The projects' components were designed by specifying a more-or-less complete list of actions to be taken as project outputs. Thirty-five were so identified and costed. A well-defined implementation schedule/sequence was also specified. The new agency, INEFAN was given responsibility for project implementation, however, the government and the Bank recognized the need for "technical transfer" and building local "models" for planning and managing protected areas as a major thrust of the operation. Technical assistance, designed to be available principally through a project coordination unit (PCU) supported by the UNDP for procurement assistance and short-term assignments of individuals and teams, would work with the staffs of INEFAN and the six Regional Coordinating Committees. Technical assistance would account for about 45% of project costs, and about 64% of the GEF grant.

13. Government and the Bank agreed to use annual work programming and budgeting to maintain project activities. This would allow adjustments to be made to account for experience in implementing some of the more experimental parts of the project. For example; while principles of good practice were available for arriving at strategic plans for managing PAs, including the process of consultations with local stakeholders, these had not been tested in Ecuador. The project needed some flexibility to conduct trial application of these principles. Agreements also covered the staffing of the PCU; terms of reference for the studies and major activities to be conducted in the first project year; the principles of the sources and application of counterpart funds (the parties agreed to use INEFAN financing for the components related to the Galapagos, and GEF financing for the remaining activities); and the indicators to be used in the monitoring and evaluation system. Investments in the six key NSPA PAs would be made progressively, when an appropriate plan for the PA had been made. World Bank environmental assessments would be made on a case-by-case basis.

14. The project was thoroughly prepared following the standards of the day. Adequate attention was paid to assuring that INEFAN had been provided with training and assistance with the financing of the PPA in basic procedures of project implementation. Components and activities were well specified and costed. Implementation responsibilities were clear. However, there was not an analysis of INEFAN's cash flow to support the realism of the assumption that its sources of revenue would be adequate and reliable for financing the project. This lack of understanding of the sensitivity associated with project financing proved to be a source of difficulty throughout the project's implementation.

## Assessment of Risks

15. The Bank identified five risks to meeting project objectives: (i) potential national budget constraints limiting funding during project implementation<sup>8</sup>; (ii) delays in establishing needed advances in the policy, legal and regulatory framework to permit implementation of key project actions such as establishing decentralized regional

<sup>8</sup> Achieving a sound financing formula for the support of the NSPA was considered to be a project outcome.

protection authorities; (iii and iv) inadequate managerial and administrative capabilities in INEFAN, given the large number of actions to be undertaken; and (v) the possibility of government investments near protected areas, incompatible with protecting neighboring biodiversity reserves. The Bank believed that adequate preparatory steps had been made in establishing INEFAN with a measure of adequate financial support (see above), and that the actions of a newly elected government favored environmental protection, so that continued dialogue and annual work program planning could mitigate the first two of these risks. It also believed that it could manage the “capacity risk” by forming a PCU and recruiting a procurement agent (UNDP) could compensate for INEFAN’s lack of internal managerial and administrative experience. These arrangements were covered by adequate project conditionality.

### **Strengths and Weaknesses**

16. On a global and strategic level, concern for Ecuador’s biodiversity was undoubtedly, well founded. Most professionals readily accepted the relevance of protecting nearly 19 million ha comprising the NSPA. Without an inventory of Ecuador’s overall biodiversity resource and an assessment of its value, judging whether this was an “adequate” reserve would have been difficult for the Government and the Bank. The project did not propose to lead to an expansion of the areas within the NSAP; however, the knowledge of the biodiversity value of the reserves already under “protection” would have indicated that the NSPA was already “significant”. Unfortunately, neither standards for “protection” nor a timeframe for raising performance to meet them were stated. As a result, a basis for judging the efficacy of the project in reaching the strategic objectives for biodiversity protection could not be elaborated. The project did not, in fact, in spite of statements in the project documentation concerning its benefits, hold itself accountable for achieving an improved level of biodiversity protection, but rather the more limited and “softer” goal of the establishing some of the necessary conditions for this to occur. Whether it addressed enough of the necessary conditions is still an open question.

17. The early strategic choice was to select a newly legalized agency, INEFAN, a priori, as the institution to be developed to assure the protection of the NSPA. It is clear that INEFAN was the result of administrative decision-making and its staffing largely a process of re-assigning existing staff to new tasks. The Bank and Recipient assumed that an operational culture could be built into the existing legal and staffing framework using the PCU, UNDP and technical assistance. The risks of adopting this approach were not fully appreciated or acted upon. While the risks of low administrative and managerial capacity of a new INEFAN were cited, the risks associated with developing ownership of the project and its goals by the INEFAN staff (particularly given that a PCU would hold executive power) and the creation of incentives for the staff to internalize training and adopt new attitudes and behavior, were not. While not common at the time of the project’s inception, an alternative might have been to assign responsibility for project implementation temporarily to a central authority with national policy responsibilities (a “Champion”), with the mandate to guide the creation of an institution or institutions that



would be subsequently empowered to protect biodiversity. In fact, this was the strategy for developing the RCCs, which are awaiting regulatory confirmation of their structures<sup>9</sup>.

18. Given these strategic choices, however, the project's operational design showed a number of strengths. It recognized the need for developing both central and decentralized roles and capacities to play them. It recognized that under the circumstances where there was not a developed institutional framework for doing this, that experimentation and building models of performance by INEFAN and the RCCs would be required. In this respect, the project's design concept anticipated by several years, the rationale for the eventual development of the World Bank's "adaptable lending" instruments. The details, however, were, in important ways, incompatible with executing this design. Project activities were over-designed and specified given the unpredictable nature of institution building (thirty-five were specified the Grant Agreement). Moreover, it was not clear how these activities and the numerous studies that were undertaken, were to have been used to improve INEFAN's operations. The scope for adding new activities or not implementing those that proved redundant was ambiguous. It was also not clear what the standards of institutional performance would be expected which would lower monitorability of results. In this regard, the monitoring and evaluation system appears to have been designed so as to focus on the completion of the activities, with much less attention paid to the effectiveness of the "models" being developed. Some of these weaknesses appear to have been accommodated through the implementation process, for example, the achievement of relatively well organized RCCs through planning the implementation of several activities that were germane to this task as a group.

19. The project partially accommodated the risks inherent in its operational design. Having decided to use INEFAN to implement the project, the use of substitute management structures (the PCU and possibly UNDP) compensate for INEFAN's unproven capacity was logical, although this solution would have its own risks of low internalization of the project by INEFAN staff. An alternative might have been to agree on a less strict set of outputs and agree instead on performance standards on the tasks that were performed. Holding higher expectations for INEFAN, even if over a smaller number of actions, may have built more incentives for it to grow. With the uncertainties associated with INEFAN's budget, the Bank should also have been more concerned about designating all project activities related to the Galapagos to this institution, rather than making provisions for the more reliable, GEF financing for these critical activities. It is also surprising that a financial analysis of the project was not done, considering the importance of INEFAN's important role in providing cofinancing.

20. Overall, the project should be appreciated for having addressed a significant issue, and for having brought into play new strategies for increasing biodiversity protection that held promise (for example, the involvement of local communities in protecting their own biodiversity zones; and working towards establishing enabling frameworks for protection at a macro level). At the same time, however, the project showed some flaws in defining its objectives and inconsistencies between actions and expected outcomes that would

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<sup>9</sup> This model has been employed in the implementation of a number of Learning and Innovation loans; LILs, including, for example, Dominican Republic: National Environment Policy Reform Project, 1998

later frustrate implementation. In addition, while the project took a number of important lessons from experience into account, the risks inherent in critical assumptions about the behavior of INEFAN's staff and the incentive structure in that institution were not explicitly recognized. Finally, the project did not elevate the possibility of establishing more cooperation and collaboration among NGOs and bilateral agencies to a level of a basic objective or design element so that an early initiative foundered. This may have been a lost opportunity to create a critical mass of influence, advice and support for biodiversity protection as a counterweight for other entrenched interests.

### C. Achievements and Outcome

#### Achievements

21. The project was completed and closed on March 31, 2000. At that time, 24 of the 35 planned activities had been fully or partially completed, and 11 had been only partially undertaken, these related mainly to the actions for the Galapagos protected area. Most activities were implemented below anticipated budgets, however, several, notably, support for the restructuring of INEFAN, the training of INEFAN staff and the development of decentralized management planning in 6 key protection areas, overran their budgets by more than 150%. Overall, final costs under-ran planned costs by about 10%.

22. A statement concerning the result of each of the main project activities and a list of the studies completed with project resources is contained in Table 5 and Table 6, annexed. Activities to improve the protection of the Galapagos, the largest and most prominent PA, were only partially completed; equipment for surveillance was upgraded, a strategic management plan for the marine reserve was designed with the participation of stakeholders, and a preliminary design for urban settlement on the islands was formulated. These fell short of a more ambitious plan designed at the project's inception. However, as an unexpected outcome of the project, work financed under the GEF grant in stimulating outreach and participation, a convergence of interests was facilitated that led to the passage of a new "Special Law" for the Galapagos (#278, of March 18, 1998) which established the groundwork for follow-on investment in sound urban development in the reserve.

23. On a component-by-component basis, the project produced the following results<sup>10</sup>:

#### a) Institutional Strengthening:

24. Restructuring INEFAN and its Directorate for Protected Areas<sup>11</sup>: A significant effort was devoted to diagnosing the management and training needs of INEFAN and its

<sup>10</sup> Ecuador has also financed an independent assessment of the project; conducted August 1999, by the Corporation Latinamericana para el Desarrollo (CLD); Quito. The summary draws on their finding as well as those of the Bank Team; both views being essentially identical.

key staff devoted to biodiversity protection. Several operational manuals covering all aspects of managing the technical, financial and administrative systems, deemed applicable to managing biodiversity were produced by consultants engaged through the UNDP for the PCU. Owing to a lack of consensus among INEFAN's management committees, however, these systems were not put into effect. An extensive training program was also designed and conducted for about 200 staff on the use of these tools. While the field staff appeared to appreciate the added training, its usefulness without the systems in place to exploit the training was low. At the root of the failure to adopt the systems and training appeared to be irreconcilable differences within INEFAN over the balance between the roles it should be playing in two essentially different aspects of natural resource management- - biodiversity protection and minimal use versus forestry resource development. From its position as a project unit, the PCU was unable to integrate itself into INEFAN's mainstream operations so that its proposals were largely unsupported.

25. Protected Areas Trust Fund: Plans to establish the Protected Areas Trust were developed by the PCU, but not acted upon. The fund was to be financed through tourist fees, tariffs, fines from illegal forestry and wildlife harvesting in protected areas, and the national budget. Supplementary study was conducted on the demand for access to reserves as a basis for fee setting. Intended for the exclusive use of biodiversity protection, the proponents were unable to shield the fund from the interest of the forestry sector staff who foresaw a loss in their financial support if the plan succeeded.

26. Additional Strategic Studies: Four important strategic studies were completed, although not acted upon. These covered development of a proposed policy for the management of the NSPA that benefited from the advice of several NGOs, managers of protected areas and independent consultants; a proposed operational strategy for managing the NSPA which would increase reliance on decentralized/regional management and a mechanism to increase areas under protection; proposed revised policies for tourism in protected areas and a strategy for the sustainable use of biodiversity (wildlife); and a preliminary evaluation of the economic value of biodiversity as a basis for the justification of protection activities. These have received wide comment and may form a basis for further planning of a subsequent operation.

27. Management Plans for Protected Areas: Progressively, several activities were brought together to support the development of experience in biodiversity protection in six different areas, under the management of RCCs. RCCs did not enjoy legal standing, and operated as NGOs (although work continues to address this need). A technical unit was established to coordinate with PCU the preparation of management plans. This unit was staffed with specialists in the following areas: natural resources management, protected areas planning, biodiversity, social development, cartography, and nature tourism who provided assistance to communities. In addition to management provisions, each plan contained a set of projects aimed at increasing revenues to local communities, while promoting the sustainable use of biodiversity (the implementation of these projects

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<sup>11</sup> INEFAN was structured to contain 3 major directorates; Forestry, Wildlife and Protected Areas and Research. The project was to focus on the Directorate for Wildlife and Protected Areas. The PCU was lodged in this Directorate in the Division of Protected Areas.

is contemplated for the project's second phase and will allow the development of on- the-ground conservation actions). Plans were eventually concluded for the following parks/reserves: Machalilla, Sangay, Yasuni and Cayapas-Mataje. Partial support was provided for specific components of the Cayambe-Coca, Antisana and Galapagos Marine Reserve management. As part of this process, a conflict resolution methodology was developed and applied as well. This experience has not, at this time, been evaluated for replicability or efficacy but is considered to be instructive for future interventions.

28. Biodiversity Information Center: To support further interventions in the area of protection, and the public's need for information, a Biodiversity Information Center (BIC) was established with the main purpose of providing updated information about the situation of biodiversity in the country as one of the most important tools for decision making on actions addressed to its sustainable use and conservation. INEFAN signed agreements with several public and private research institutions for the transference of information on biodiversity. Indirectly, these organizations were strengthened by the implementation of this activity. A specialist<sup>12</sup> was contracted to design and install at INEFAN the database to register this information. This database was designed to provide data on species such as: scientific and common names, geographic location and altitude, status of conservation, traditional uses, etc. The development of cooperation relations between private and public research institutions and the governmental sector for information exchange has had a positive effect. A new Vegetation Classification System has been developed to show the real diversity of vegetal formations and ecosystems existing in continental Ecuador. Currently, the government is developing the operational manuals that will rule the use and access to this database. Once the manuals are operational, the BIC will be able to act as the Clearing House Mechanisms for the CBD in Ecuador.

29. Buffer zone development of Cotacachi-Cayapas Ecological Reserve: This activity was considered particularly instructive in the search for reproducible models for local biodiversity protection. The lack of economic alternatives for local communities, and growing threats to extremely fragile ecosystems, have been identified as extremely critical by the governmental sector and NGO community. The nature of the conflicts existing in this area, motivated the development of a strategy aimed at improving the economic situation of local communities, while reducing pressure towards the interior of the protected area and conserving biodiversity. A consortium of NGOs developed this activity; through a diagnosis of the biological and socio-economic situation, assessment of current and potential land use issues and the involvement of local organizations, and the availability of other natural resources management programs in the area. Based on the analysis of this information, the following products were obtained: (i) a preliminary strategy for the sustainable management of the buffer zones of Cotacachi-Cayapas Ecological Reserve; (ii) individual sub-community management plans; (iii) an assessment on non-forestry resources; (iv) a training strategy for communities, and (v) a set of pilot sub-projects for natural resources management.

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<sup>12</sup> This specialist was contracted by the "Conservation of Biodiversity in Ecuador Project", financed by the Government of Netherlands and executed by Fundación Ecociencia.

### **b) Legal Regulatory Framework:**

30. The PCU, through the work of consultants, has completed a compilation of regulations for the administration of protected areas and biodiversity and specific mechanisms for application. This has been published and made available to public at large. PCU also originated the drafting of other specific regulations as proposals related to: (i) operation of non-governmental organizations in protected areas; (ii) tourism operations in protected areas and grant of operating permits; (iii) operation of the Biodiversity Information Center. This work was severely hampered by the inability of the PCU to secure action by INEFAN management. The possibility that reform of the regulatory framework would not be acted upon, owing to its complexity and political importance, was foreseen as a risk to the project. Much of the agenda has still to be acted upon.

### **c) Outreach Activities:**

31. Public awareness campaigns were considered as the most effective vehicle for mobilizing public support for biodiversity protection. A communication strategy to support biodiversity protection was completed and communication materials were produced. Some dissemination of these materials through mass media was carried out in a very initial stage and evidence of increased public awareness was observed.

32. The PCU had other dissemination and educational materials produced with the active participation and contribution of the NSPA's technical staff. These materials were published and sold to interested organizations and persons, in order to recover the production costs. These publications include:

- Map of the National System of Protected Areas.
- Guide to Ecuador's National Parks and Reserves (book and CD).
- Guide to Ecuador's Paramos.
- Guide to Tourism at urban sites in the Galápagos.
- Policies for Tourism in Protected Areas.
- Regulations for the Administration of Protected Areas and Biodiversity.

The acceptance and demand by the public of these publications has been significant. Earnings obtained from their sale were used to cover a project component for which grant funds were not available. The new authorities of the Ministry of Environment have manifested their interest in pursuing such a program, however, the value added of so doing has not been evaluated.

### **d) Investments:**

33. Construction of Visitors Centers: As a tangible part of the building of local capacity and ownership of biodiversity protection, the project financed construction and remodeling of visitor and information centers in several protected areas. A key element regarding the visitors centers, was the establishment of mechanisms for their administration by the private sector. The Ministry of the Environment is currently defining the best alternatives to put into operation these centers.

34. Logistic support-equipment: Equipment needs for the Galapagos and six continental PAs were also identified with protected areas managers, lists and technical specifications were prepared and purchase was carried out following procurement methods specified in the Grant Agreement. This equipment has facilitated the overall management and maintenance activities in a significant way, as manifested by protected areas managers.

## **Outcome**

35. The outcome of this project may be seen from two different perspectives. On one hand, interpreted narrowly, and literally, the outcome of the project could be considered deficient. On the other hand, the project has served a valuable strategic purpose in the development of Ecuador's approach to managing the environment and its approach to biodiversity protection. Overall, therefore, as discussed below, the project should be considered as having had a satisfactory (although disappointing) outcome.

36. The expectations that the project would create important necessary conditions leading to the protection of Ecuador's biodiversity through the establishment of a functioning institutional and financial framework was clearly not achieved. Without this, Ecuador continued at the end of the project to be studying alternatives, including the role of the newly created Ministry of Environment and the private sector. The project did produce valuable contributions to strategic thinking in the form of a number of well-executed studies; a consolidated database in the BIC, useful publications on several important topics, and increased public awareness of the issues involved. It also provided useful information on the legal constraints and contradictions confronting biodiversity protection and proposals for rationalizing this framework. These achievements, however, while important, would support, but not form an integrated basis for a comprehensive biodiversity protection program. The residual value of other achievements such as the use of the training and systems manuals developed for INEFAN in successor institutions would depend essentially on the structure and operational characteristics of these institutions.

37. The project succeeded in developing two important sets of experience in the management of biodiversity protection and resource use on a local level, through the participation of local populations and stakeholders. This is considered important in that local ownership and commitment to sound resource use is considered essential for a biodiversity protection program to succeed. These would be important building blocks for a more comprehensive program, although not the equivalent of the program itself. The project also stimulated additional collaboration and partnering between the NGO, private sectors and public authorities. Even though this was partial, and not well planned strategically, it was for the Ecuadorian tradition of the day, relatively rare, and has left a model to be emulated.

38. As summarized in Table 1, Achievement of Objectives, achievements in terms of sector policies, social objectives, public sector management, private sector development, the rating would be "partially met". Negligible achievements were registered in meeting

financial objectives, institutional objectives and environmental objectives. Only physical objectives have been substantially met.

39. However, in a real sense, the project may be considered as having actually met the strategic objective of “supporting the restructuring and strengthening of the institutions responsible for the management of the NSPA”, even if not as originally envisaged. By the project’s closing date, the agency that was expected to be ready to assume a major role in the protection of biodiverse resources, INEFAN, had been shown to be unable to play its role. The reasons for this have become clear: INEFAN was an organizational ideal, generated by a largely political decision and lacking an internal operational culture. As such, it was unable to harmonize legitimate pressures for the use of forestry, land and water resources exploitation, with those for biodiversity protection. INEFAN was disbanded and a new Environment Ministry was created with the mandate given to the Directorate of Wildlife and Protected Areas under INEFAN. This may be seen as a further evolution in the restructuring of Ecuador’s environmental institutions, although not the final such step. It is disappointing that this lesson was learned at considerable cost in time and financial resources. However, the lessons, if internalized, may reduce the costs of further efforts to establish a sound regime for protection. Judged by a standard recently adopted in the World Bank with respect to “adaptable lending” instruments (especially Learning and Innovation loans; LILs), this knowledge would be considered a satisfactory outcome.

### **Sustainability**

40. The project has generally not produced a sustainable institutional or financial result and a follow-on project or program that would be required to do this. The exceptions may be in the ongoing activities of local authorities forming the RCCs and in the buffer zone of the Cotacachi-Cayapas Reserve, and the activities of the BIC. The work in local reserves has depended fundamentally on the incentives felt by local stakeholders to find alternative livelihoods, with only minor outside technical support and encouragement to take biodiversity protection into account and a modest financial grant for investment. The organizations involved may still require regulatory recognition to permit them to acquire income to support and maintain their activities, which would require a one-time decision. The BIC has been developed through the appeal to the interests of the broader research community, who would be in a position to continue financial support if the service is judged to be useful. In all of these cases, an analysis of the replicability of these experiences is required. Therefore, at this moment, the sustainability of the project’s activities is at best, “uncertain”.

## **D. Performance of World Bank and the Recipient**

### **World Bank**

41. Bank staff appears to have satisfactorily identified, and supported the preparation of the project. The diagnosis of the issues and the response were generally well conceived, and appears to have adequately involved the Recipient (at least on one level) and stakeholders in the NGO and bilateral donor community. Staff sought to learn from

experience and take lessons from other GEF and biodiversity projects into account, and throughout, relied on a network of knowledgeable individuals to support the technical aspects of the operation. However, the Bank may not have sufficiently appreciated the “political” and behavioral risks associated with trying to improve INEFAN’s performance by inserting a PCU into the organization, and at a relatively low organizational level. The Staff did not appear to have appreciated that INEFAN was not adequately prepared to assume the role of an NGO coordinator during implementation. In hindsight, a more formal measure to involve the NGO community would have been called for. At approval, the Bank staff had identified the counterpart funding for the project and agreed that Galapagos’s revenues from park entry fees would be ear-marked to an account that would support the project. During implementation and due to the Bank’s macro-economic advise, all earmarked accounts were abolished for Ecuador. This financial policy affected the project counterpart funding sources, but should not be identified as a failure from the team’s part at appraisal and approval. Perhaps the supervision team would be at fault for not having raised this issue at the country department or ENVGC level to ensure the adequate counterpart funds originally committed.

42. Throughout supervision, Bank staff was careful and innovative in the drawing on persons with experience in similar programs in other countries to assist. The recommendations provided during missions were very important in promoting innovative technical alternatives for local initiatives. In addition, supervision missions fully engaged to assist in the resolution of project implementation and grant administration issues. Unfortunately, while attention to implementation processes (i.e. responsiveness and timeliness to procurement, disbursements, auditing, and other financing issues; collaboration to maintain coordination and lines of communications between the recipient, NGOs, and between the central and the regional/community participants) was intense, the supervision effort did not act effectively to maintain focus on achieving the project’s intended strategic objectives- - whether the chances of protection of the PAs were increasing, and whether there were stronger institutions for assuring this protection. This may have been difficult considering that the project had not at the design stage defined an objective set of standards against which to measure progress on these outcomes. In spite of noting and reporting on continuous problems with the restructuring of INEFAN and in reaching agreement on a financing framework, the project was considered to be “problem free” in meeting its development objectives and implementation progress expectations throughout. The project was not restructured to account for recognized evidence that the design might be ineffective. Likewise, significant delays in counterpart financing and the execution of project components, as well as shortfalls in the implementation of components for the Galapagos that INEFAN was intended to finance and low levels of management commitment, were noted but were not rated as implementation problems. Therefore, on grounds of less-than-satisfactory “realism” and low “proactivity”, supervision would be considered “deficient”.

### **Recipient Performance**

43. The Recipient initially showed strong “ownership” at a high policy level of the project’s objectives, but did not take steps to adequately prepare for the project. INEFAN apparently failed to include key staff members in the project preparation process. This led



to the impression that the project was an enclave activity, creating additional demands on staff but not bringing additional benefits. During implementation, this tendency was exacerbated. The PCU was fully involved in project implementation, and with difficulties completed preparatory work for institutional reform, and assisted the development of planning studies with communities. However, its work was not generally acted upon by INEFAN management. Further, having accepted to coordinate the development of policies and strategic planning with the NGO community, INEFAN did not adequately pursue this. A Consultative Committee (CC) that was established quickly became a point of confrontation. The recipient's acceptance of NGO participation in what it saw as essentially "policy making" remained low (it did accept NGO's work with communities in the field). Moreover, the NGOs themselves failed to find the vehicle for defining their collective advice and interests. This left no structure for dialogue and little room for meaningful consultation.

44. The most serious negative impact at the project level was the inadequacy by INEFAN and the rest of the Government to provide their financial obligations to the project. The Bank did not insist that the Government find a solution to these recurrent financial difficulties. This might explain why no solution was proposed, such as project restructuring. In future projects, the source of counterpart funds needs to be assessed objectively so that project activities are designed based on realistic expectations.

45. The Recipient, as represented by the PCU, UNDP, and some of the technical staff, interacted very well with the Bank on implementation processing. They also assured that most legal covenants governing the use of the grant were met, and that acceptable norms for financial accountability, and procurement practices were followed. Unfortunately, surrogates for the recipient, the PCU and UNDP, assured these administrative functions and their performance was not effectively mainstreamed.

46. On most accounts, therefore, the Recipient's overall performance is considered to have been "deficient".

## **E. Overall Assessment**

### **Outcome and Factors Affecting the Results**

47. The project did not, strictly speaking, restructure and strengthen institutional capacity to manage and protect protected the NSPA. Nonetheless, it may be considered to have been "satisfactory" from the perspective of having contributed experience in defining an institutional and financial framework for biodiversity protection and a research base from which to develop a follow-on program<sup>13</sup>. It produced a model for including community interests in the development and implementation of biodiversity management and protection activities that appears to have been positive. At least on a community level, a practice of collaboration between stakeholders, including local

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<sup>13</sup> This standard for assessing project success is acceptable in evaluating Learning and Innovation Loans. Given the uncertainties and the "experimental" nature of the project, which were identified and accepted by the Bank and GEF at the design stage, applying LIL-type criteria for the assessment of outcomes may be justified.

NGOs, was initiated and found to be practical in strategic planning. The PCU opened a line of communication with communities and NGOs that had not previously been available. In addition, the failure of INEFAN as an organizational structure, offered important findings. INEFAN had been created to protect and manage the NSPA without having had experience or a predisposition to execute this function. It had been generally believed that the public sector could assume major responsibilities for biodiversity protection, but the case of INEFAN showed that this was not realistic when the staff of government organizations did not share these goals. In Ecuador, therefore, an alternative strategy for building the necessary organizational structure for biodiversity protection would have to be considered. A number of additional important outputs were produced which should add to the success of a future operation.

48. Several factors contributed to the positive side of the outcome. These included the support from NGOs in the development of strategic plans for individual PAs with communities, in a process that was considered “experimental”. Although possibly not the best designed or placed, the PCU was professionally staffed and dedicated to their work in spite of their difficult position. Lastly, although it should have been more focused on the outcomes of the project and less on the detail of implementation, the close collaboration between the Bank and the Recipient provided additional stability to implementing the individual components.

49. Unfortunately, other factors, largely beyond the control of the project, contributed to its failures. Changes in governments and overarching economic and budgetary problems diverted the recipient’s attention from the project. In addition, INEFAN’s staff had been selected from the ranks of a parent agency with a tradition of forestry exploitation and did not receive the leadership or the incentives necessary to motivate a change favoring “protection”. Finally, while the NGO community’s participation was welcomed by the PCU in arriving at community-based strategic plans for specific PAs, the same openness was not true of INEFAN management when asked to deal with NGO’s at the policy and legislative level. Moreover, for its part, NGO community itself appears not to have been able to consolidate a technically grounded position. In this new environment, therefore, it proved difficult for the parties to find common ground for discussion and to focus on the issues, so that the process quickly became confrontational and was abandoned. Unfortunately, these risks were not fully appreciated at the appraisal of the project and a definite strategy for dealing with them was not adopted during project implementation.

### **Lessons Learned**

50. The experience of this project served to confirm a number of lessons of other GEF and biodiversity projects.

51. Approach to Institutional Development: The project was designed as a vehicle for improving an organization that had been given a role and a legal structure without having had experience on the ground. A special unit, the PCU was mandated to perform this task from within INEFAN, supported by UNDP as procurement agent. The outcome illustrated the dangers seen in many other projects, of both committing to an organization that has a legal and administrative structure but that has not yet begun to perform, and

attempting to compensate for this by establishing a specialist implementation/coordination unit within the organization. Experience has shown that such PCUs frequently become seen as enclave operations. This was the root of poor ownership of the project by INEFAN; difficulty in mainstreaming the capacity of the surrogates (PCU and UNDP); and a lack of follow-up action on the PCU's studies and advice by higher levels of INEFAN's decision-making. An alternative would have been to establish a program of organizational strengthening, managed from without, setting expectations for performance for INEFAN, supported by incentives to perform appropriately. Experience has also shown that once an agency has a legal structure, it cannot be easily changed. Therefore, it is prudent to gain experience through working relationships prior to deciding what relationships will be legalized. It might have been preferable to execute the project with a "mission champion"; that is, temporary agency that would have managed a process through which roles, responsibilities and working relationships were developed prior to giving them legal form. Projects that have adopted this approach have placed PCUs at the disposal of a project "champion" with decisions about the legalization of an institutional framework being considered as a project "output", not an "input".

52. Community Involvement: The involvement of communities in the planning and implementation of sustainable resource management and biodiversity protection was again shown to be important for the harmonious development of strategic management plans for PAs. The studies of the efficacy and efficiency of the plans made for the seven test cases undertaken in the project have not been completed, and should be to draw the detailed lessons from the experience. However, the willingness of these communities to undertake the exercise shows that they had positive expectations from the practice. The value and cost of replicating this experience should be evaluated. More attention should also be given need to the implementation of the plans.

53. NGO Collaboration: The project also confirmed earlier lessons that the participation and collaboration between public authorities and the NGO and bilateral community was important for project implementation, but with some nuances. Representatives of leading local NGOs were involved in the preparation phase from the beginning. The design and scope of the activities proposed were the result of numerous discussions, consultations, joint review and agreement on proposals, and of close cooperative efforts between Government authorities and NGO's representatives. This cooperation continued during project execution, with the participation of NGOs in the implementation of the decentralized project activities in and around targeted PAs. However, the project failed to bring these interests into a structured consultative process, the "consultative committee" that would have been necessary at the central level. If this had been done, civil society might have had a more coherent voice that could have exerted influence at the policy and regulatory level in favor of the reforms that the project sought. Without this, the value of efforts to disseminate information (as was done successfully) and some of the value of the BIC would have been partially lost. This project illustrated, therefore, that having determined that participation and a consultative process is important for project success, it would be crucial that an explicit process be prepared and included in the project's basic design, with resources identified as needed to make this effective at all levels (see the following point).

54. Flexibility in Execution: The project was acknowledged to be experimental in several respects, including the application of concepts of community participation in the protection of individual NSPA sites, and the process of building implementation capacity within a legally constructed but non-functioning institution, INEFAN. During appraisal, it was very difficult to anticipate all the political and institutional changes that actually took place during project implementation. Unfortunately, the project specified numerous activities that it was committed to undertake so that its “flexibility” was limited to how these would be implemented. Throughout the project, the question of not whether these or other activities would have been more effective in achieving the project’s ultimate objectives was not addressed. In spite of repeated evidence that INEFAN was not developing as intended, no activity was dropped or modified, and no new activity was introduced that might have improved the project’s efficacy. The project did not specify the indicators that would have shown whether the objective of institutional development was occurring, so that attempting to alter project actions during the project’s implementation period to improve performance might have been difficult. This experience illustrates that when, as the project appraisal team noted, the project is experimental in nature, and would demand flexibility in its implementation, the design should emphasize and be guided by anticipated results, not detailed components as “blueprints” for action. When the project was initiated, the World Bank had not designed its “adaptable lending” instruments (Learning and Innovation loans and Adaptable Program Lending). If these had been available, and given the issues and constraints that were being faced, the adaptable lending approach might have been considered.

55. Monitoring and Evaluation: The project would have been strengthened if the monitoring and evaluation system had been functional before the project began, through such actions as conducting baseline surveys or pre-project assessments of INEFAN’s performance. This would have focused attention on the project’s expectations for results. As there were no explicit performance goals, the emphasis of the system was to monitor the implementation of the project’s actions. While this was valuable for the purposes of project administration, it did not serve therefore to flag or substantiate shortcomings in achieving the institutional development outcomes that might otherwise have permitted the Bank and the recipient to adjust the project’s design.

56. Strategic Vision of the NSPA: The experience with this project again illustrated the weaknesses in implementation that may arise when concrete priorities for biodiversity protection, the ultimate purpose for the project, are not outlined *ex ante*. Without a unifying vision of the NSPA as an ensemble, including such features as the locations and sizes of the PAs needed to constitute the NSPA, the meaning of “protection” in these different cases, criteria for either abandoning PAs that were not viable and/or adding PAs that were warranted, there was not a touchstone for assessing the efficacy of the project’s many actions. Instead, project implementers, including the Bank, focused on setting “necessary conditions” among which it is more difficult to establish explicit priorities. It also proved difficult to alter the “menu” in light of implementation experience. Accountability for results was also hard to assign.

## Implications for Further Operations

57. One of the most significant implications of the project was to show the importance of changing the behavior of individuals at the local and the national level with respect to biodiversity protection. The completed project succeeded in doing this at the local level where individuals agreed to plan while taking biodiversity into account, but failed at the central level, where the staff of INEFAN were not motivated to alter their attitudes and approaches to resource management to accommodate a higher level of protection. The project recognized the risks and unpredictability of the time needed to achieve such a result and was unable to fully manage these factors with the design it adopted. Future operations should be designed to allow for a process of trial-and-error, action and feedback, leading to the internalization of a “protection culture”. Future projects may be designed as either Learning and Innovation loans or Adaptable Lending Programs to allow for greater flexibility both in how to implement pre-designed actions, but also in selecting what actions to implement.

58. The institutional framework for protecting the NSPA has changed with the elimination of INEFAN and the creation of the Ministry of Environment. This should not, however preempt a process of developing institutional arrangements for the NSPA through an evolutionary process that would allow the public sector, and civil society, at the central and at the community levels, to each find their respective roles. The Ministry could indeed be the “champion” for developing the framework without itself being the project management agency. A new operation, therefore, should include an institutional development “component” that supports new models for managing protected areas in Ecuador that are agile at solving emergency problems in biodiversity protection as soon as these are identified.

59. The completed project produced promising experiences of planning and managing the NSPA at the community level. To allow for the replication of these experiences, both as a means of increasing protection coverage, and also for helping define the upstream institutions that would be necessary to sustain the field work, a thorough evaluation of these experiences would be necessary. It would then be important to design the system that supported the re-application of the experience. A similar evaluation of alternatives for establishing a supporting financing system for the NSPA should be completed.

60. Lastly, a permanent and open system for pooling the views and knowledge of the NGO and bilateral communities, building on the good will that already exists, should be established as an integral part of a follow-on operation. This process should provide a framework for steering further GEF support as an addition to the resources already committed or which may be committed to the NSPA. It should also provide a vehicle for articulating policy and strategic options needed for biodiversity protection. The follow-on project should plan for this as a monitorable component.

**Table 1: Summary of Assessments**  
**Grant Number 28700-EC**

A. <u>Achievement of objectives</u>	<u>Substantial</u>	<u>Partial</u>	<u>Negligible</u>	<u>Not Applicable</u>
Macro policies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Sector policies		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Institutional development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Physical objectives	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Poverty reduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Gender issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other social objectives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental objectives		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public sector management	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
Private sector development	<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous people	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
B. <u>Project sustainability</u>	<u>Likely</u>	<u>Unlikely</u>	<u>Uncertain</u>	
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
C. <u>Bank performance</u>	<u>Highly satisfactory</u>	<u>Satisfactory</u>	<u>Deficient</u>	
Identification	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Preparation assistance	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Appraisal	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Supervision	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

D. <u>Borrower performance</u>	Highly satisfactory	Satisfactory	Deficient	
	Identification			
Preparation assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Appraisal	<input type="checkbox"/>		<input checked="" type="checkbox"/>	
Supervision	<input type="checkbox"/>		<input checked="" type="checkbox"/>	
E. <u>Assessment of outcome</u>	Highly satisfactory	Satisfactory	Deficient	Highly unsatisfactory
	<input type="checkbox"/>	<input checked="" type="checkbox"/> *	<input type="checkbox"/>	<input type="checkbox"/>

\* Consideration given to the strategic importance of knowing that an institutional structure would not be reliable for future operations.

**Table 2: Related Bank Loans/Credits/Grants**  
**Grant Number 28700-EC**

Credit/Grant Title	Purpose	Year of Approval	Status
<b>Ongoing Operations in lending program:</b>			
Environmental Management Technical Assistance Project	Strengthen recipient's capacity to undertake environmental policy analysis and implementation.	1996	Under implementation
<b>Following operations in GEF grants program:</b>			
Biodiversity Protection Project-Phase II	To consolidate the National System of Protected Areas.	2001	Under preparation
Monitoring of the Galapagos Islands	To establish a sound monitoring system to measure the well being of the eco-regions of the Galápagos Islands.	1998	Under execution
Wetland Priorities for Conservation Action	To assist and promote the conservation of Ecuador's wetlands through the identification, characterization, and prioritization of wetlands in the country.	2001	Under execution
Conservation of Biodiversity in Pastaza - Project Brief	To carry out <i>in situ</i> ecosystems' conservation and management in the indigenous territories of Pastaza.	2001	Under preparation
Recovering Ancient Knowledge in Coastal Ecuador Project Brief	Increase the understanding about the technologies utilized by ancient inhabitants of the region to sustain use of the biodiversity of the Santa Elena Peninsula area.	2001	Under preparation
Choco-Andean Corridor-Project Brief	The preservation of the threatened biodiversity of the southern section of the Choco-Andean ecosystems.	2001	Just approved



**Table 3: Project Timetable**  
**Grant Number 28700-EC**

	<b>Date Planned</b>	<b>Date Actual</b>
Identification (Executive Project Summary)		
Preparation		
Appraisal		
Negotiations		
Board Presentation (RVP Approval)	N/A	N/A
Signing	5-19-94	5-19-94
Effectiveness	8-17-94	7-25-94
Midterm Assessment	4-15-97	4-15-97
Project Completion	12-31-99	9-30-99
Credit Closing	6-30-2000	3-31-00

**Table 4: Grant Disbursements: Cumulative Estimated and Actual**  
*(US\$ millions)*  
**Grant Number 28700-EC**

	<b>FY95</b>	<b>FY96</b>	<b>FY97</b>	<b>FY98</b>	<b>FY98</b>	<b>FY99</b>
<b>Estimate</b>						
Annual	1.0	1.5	2.0	1.5	1.2	0
Cumulative	1.0	2.5	4.5	6.0	7.2	7.2
<b>Actual</b>						
Annual	0.5	1.2	2.2	1.5	1.3	0.3
Cumulative	0.5	1.7	3.9	5.4	6.7	7.0
Actual as % of estimate	50%	80%	110%	100%	108%	
Date of final disbursement						12-2-99

**Table 5: Key Project Achievements**  
**Grant Number 28700-EC**

	Key implementation indicators in Memorandum and Recommendation to the Regional Vice-President	Estimated	Actual	Comments
<b>1</b>	<b>Institutional Strengthening</b>			
1.1	Preparation of INEFAN's administrative, financial and technical systems and manuals.	1994-1995	1994-1997	The preparation of manuals took longer than originally planned. Systems and manuals were completed, however they have not been implemented yet because institutional restructuring still pending. An assessment of proposed systems carried out by a consultant concluded in specific recommendations for their application in Project's second phase.
1.2	INEFAN's restructuring and organization: financial and administrative systems	1994-1995	Not carried out	Several attempts were made to carry out pertinent studies, however they were never accomplished due to the lack of political support from INEFAN authorities.
1.3	Formulation of policies for biodiversity protection and management of natural resources in Protected Areas	1994-1995	1995-1998	A document which includes policies for NSPA has been completed. Its recommendations will be implemented within the new institutional and legal framework.
1.4	Formulation of a Strategy for the sustainable use of wildlife	1994-1996	1997-1999	A document containing the new strategy for the sustainable use of wild life has been completed.
1.5	Design and development of a methodology for conflict management and resolution within protected areas.	1994-1995	1995-1996	A methodology has been established and implemented during preparation of management plans for protected areas.
1.6	Study for the establishment of a Protected Areas Trust Fund.	1996-1997	1996-1998	Proposal for the establishment of the trust fund has been concluded, but not yet approved by INEFAN's authorities.
1.7	Training of INEFAN's staff and other organizations related to park management.	1995-1996	1996-1999	Following products have been obtained: <ul style="list-style-type: none"> <li>▪ Curriculum design</li> <li>▪ 5 educational modules</li> <li>▪ 10 tutors trained</li> <li>▪ 200 INEFAN staff members trained.</li> </ul> Full implementation of the training system is expected to be carried out in Project's second phase.

**Table 5: Key Project Achievements (continued)**  
**Grant Number 28700-EC**

	<b>Key implementation indicators in Memorandum and Recommendation to the Regional Vice-President</b>	<b>Estimated</b>	<b>Actual</b>	<b>Comments</b>
1.8	Preparation of protected areas management plans.	1995-1997	1996-1999	Management plans completed for Machalilla, Yasuni, Sangay, Cayapas-Mataje, Cayambe-Coca*, Antisana*, Galapagos Marine Reserve. Ready for implementation on Project's second phase.
1.9	Preparation of the Management Plan/Strategy for the National System of Protected Areas	1994-1995	1997-1999	Management Plan concluded and ready for implementation on Project's second phase.
1.10	Study to determine economic values for goods and services generated through resource use in protected areas.	1995-1996	1998-1999	Study included in the NSPA Management Plan. Also a pilot study in one protected area (Cayapas-Mataje) was developed. Recommendations will be implemented during second phase.
1.11	Study for the establishment of a Regional System of Protected Areas in southern Ecuador.	1996-1998	1996-1998	Study concluded and approved by INEFAN.
1.12	Preliminary Archeological Survey of protected areas.	1996	1996	Study concluded and used as support information for protected areas management plans.
1.13	Study: Proposal for a Vegetation Classification System for Continental Ecuador.	1995-1998	1995-1998	Study and map concluded.
1.14	Design and establishment of a quarantine system in Galapagos National Park: Support for alien species control in Santiago Island, Galapagos			Galapagos National Park together with Charles Darwin previously developed the design of the quarantine system. The system was not implemented due to the following reasons: <ul style="list-style-type: none"> <li>Operational staff was never hired and put in place by implementing organizations (INEFAN, Ministry of Agriculture).</li> <li>Counterpart funds were not available for this activity.</li> </ul>

\*The project supported only with specific components. Fundación Antisana completed the remaining issues.

**Table 5: Key Project Achievements (continued)**  
**Grant Number 28700-EC**

	<b>Key implementation indicators in Memorandum and Recommendation to the Regional Vice-President</b>	<b>Estimated</b>	<b>Actual</b>	<b>Comments</b>
1.15	Review of the role and responsibilities of tour operators in promoting conservation while allowing for sustainable revenue generation: <ul style="list-style-type: none"> <li>▪ Policies for tourism in protected areas</li> <li>▪ Study for payment of park fees and demand of an annual pass.</li> <li>▪ Tourism Guidelines for Galapagos' Urban Centers</li> </ul>	1995-1996  1995  1997-1998	1995  1995  1997-1998	Study concluded and published. Recommendations applied in management plans.  Same as above  Concluded and published.
1.16	Strengthening of urban planning in Galapagos	1997-1998	1997-1998	Limited to two neighborhoods in Santa Cruz Island. Includes plans and CD Rom
1.17	Design and development of a Biodiversity Database and establishment of a Biodiversity Information Center.	1995-1996	1996-1999	Agreements with research institutions concluded and information delivered to INEFAN. Information Center database designed and in operation.
1.18	Design and establishment of a monitoring system to follow up of the implementation of Project activities.	1995-1998	1995-1998	System designed and in operation
1.19	Environmental Education Plans and Identification of infrastructure needs.	1995-1998	1996-1998	Completed for eight protected areas: Sangay, Podocarpus, Yasuni, Machalilla, Cotacachi-Cayapas, Cayambe-Coca, Antisana and Cayapas-Mataje.
<b>2 Legal Regulatory Framework</b>				
2.1	Comparative review of current legislation affecting protected areas.	1995	1995	A document including a review of current legislation and proposals of legal reforms has been produced and published to make it available to users and public in general.
2.2	Identification and establishment of legal reforms needed for the protection and management of biodiversity.	1995	1995	Included in document mentioned above
2.3	Drafting and promulgation of new regulations for granting operating permits to official and private users of the NSPA and for limiting extraction activities within reserve areas.	1995-1996	1995-1998	Same as above.
2.4	Development of regulations and a strategy to allow community participation in the administration of the protected areas and their buffer zones.	1995-1996	1996-1998	Regulations and strategy proposed in protected areas management plans.

<b>Outreach Activities</b>				
3.1	Conflict resolution amongst key target groups through a national forum to promote project activities and to obtain the support of all interested groups.	1995-1996	1996-1998	Activity developed during the process of preparation of protected areas management plans.
3.2	Creation of Regional Coordination Committees to overlook the implementation of the Management Plans and Conflict Resolution Process	1995-1996	1996-1998	Activity developed during the process of preparation of protected areas management plans.
3.3	Public awareness campaigns at the national and regional levels to promote biodiversity conservation and the new legal system concerning protected areas.	1995-1998	1997-1999	A set of education audiovisual materials such as: videos, audio programs, leaflets, and posters have been produced. A strategy for communication and distribution of materials has been designed and implemented in a preliminary stage. Is expected to continue on project second phase.
3.4	Development of a strategy at the national and regional levels to educate the public on the NSPA	1995-1998	1997-1999	Same as above.
3.5	Technical assistance and pilot studies for Chachi and other native communities located in buffer zones and surrounding areas of Cotacachi-Cayapas Ecological Reserve.	1994-1998	1996-1998	The main product produced is the Strategy for the Sustainable Management of the area. The Strategy includes: 25 community management plans, a study on non-forestry products, productive pilot projects, guidelines on land use planning and a training/technical assistance strategy to native communities.
<b>4 Investment Activities</b>				
4.1	Civil works and infrastructure in protected areas	1995-1998	1996-1999	Design and construction of Visitors Centers has been completed for the following protected areas: Boliche, Cotacachi-Cayapas, Cayapas-Mataje. Includes design and construction of educational contents. Other minor works have also been completed: administrative center in Borbón (lower Cotacachi-Cayapas), guard house and trail in Podocarpus National Park, design of San Cristobal's Administrative Center, support for the conclusion of San Cristobal's Visitors Center, remodeling of visitors center and design and construction of educational contents in Machalilla National Park.
4.2	Logistic support-equipment for protected areas.	1994-1996	1994-1997	Purchase and delivery of equipment has been successfully concluded.

**Table 6: Studies Completed Under  
Grant Number 28700-EC**

	Study	Purpose as defined at Appraisal/redefined	Status	Impact of study
<b>1.</b>	<b>Institutional Strengthening</b>			
1.1	Elaboration of administrative and financial systems and manuals	Support the restructuring process of INEFAN.	Completed	Systems not implemented yet, institutional restructuring still pending.
1.2	Formulation of policies for biodiversity protection and management of natural resources in protected areas	Define a set of policies aimed at improving biodiversity protection actions in the National System of Protected Areas (NSPA).	Completed, but not approved by INEFAN	Even though not approved, the recommendations of the study have been the basis for the revision/updating of the NSPA's management plan.
1.3	Formulation of the Strategy for the Sustainable Use of Wildlife.	The establishment of an operational framework for the sustainable management of wildlife at national level.	Completed	The operational framework is in place and the strategy is ready for implementation on Project's second phase.
1.4	Design a methodology for conflict management and resolution within protected areas.	Integration of stakeholders to protected areas management.	Completed	Methodology has been successfully applied during the preparation of management plans for protected areas.
1.5	Establishment of a Protected Areas Trust Fund	Not contemplated in appraisal, but identified as necessary.	Completed, but not approved by INEFAN	The recommendations of this study will become part of the operational framework of the National Environmental Fund.
1.6	Design of a training system for INEFAN staff and other organizations related to park management	Strengthen INEFAN's capacity to manage the NSPA	Completed	Implemented in a very initial stage, no evaluation to measure impact has been carried out yet. However, this initial stage has awakened the interest in participating on a significant number of INEFAN staff and other related organizations
1.7	Preparation/update of protected areas management plans.	Produce management plans that would become planning and operational tools for the efficient management of protected areas.	Completed for protected areas mentioned in Table 5 (section 1.8)	As a result of a highly participatory methodology applied for the preparation of management plans, all stakeholders have been involved and understand their roles and responsibilities for the implementation stage.
1.8	Preparation/update of the management plan for the NSPA	Sound management of the NSPA, through the application of improved planning instruments.	Completed	The updated management plan will respond to new legal and institutional framework and will strengthen the participation of civil society in the management of the NSPA.

	Study	Purpose as defined at Appraisal/redefined	Status	Impact of study
1.9	Study to determine economic values for goods and services generated through resource use in protected areas.	The establishment of a new revenue system based on the economic valuation of biodiversity	Completed	Recommendation of the study will allow the establishment of mechanisms for auto-financing the operation of the NSPA.
1.10	Establishment of a Regional System of Protected Areas	Not contemplated in appraisal, but later requested by INEFAN	Completed	A new vision of a decentralized management of protected areas has been incorporated.
1.11	Archeological survey of protected areas	Integrate cultural values of protected areas into management actions	Completed	Archeological have been considered in zoning within protected areas for conservation/protection purposes.
1.12	Proposal for a Vegetation Classification System for Continental Ecuador (includes a map)	Enhance the knowledge of existing biodiversity in Ecuador.	Completed	The new system has been a valuable tool for the characterization of biodiversity and better for defining conservation actions and priorities.
1.13	Study for the payment of park fees and demand of an annual pass.	Define the potential nature tourism activities in the NSPA and recommendations for the improvement of revenues.	Completed	The information generated by the study was the basis for the definition of tourism policies.
1.14	Policies for tourism in protected areas	Establish coherent guidelines to enhance revenue to improve management and operation and maintenance of the NSPA, while conserving biodiversity.	Completed	Policies were the basis for the definition of tourism management plans for protected areas.
1.15	Tourism Guidelines for Galapagos urban centers	Assessment of other tourism sources available in Galapagos.	Completed and published	Increased awareness on alternative tourism sites in Galapagos.
1.16	Urban planning in Galapagos	Database and establishment of a Biodiversity Information Center. Make available updated information for the scientific community, donors, NGOs, and public.	Completed	Information used as a tool for sound management of biodiversity.
1.17	Monitoring system for project activities	Implementation of a tool to follow up progress of project execution.	Completed	Efficient and updated reporting
1.18	Interpretation plans for 7 cited areas (Yasuni, Podocarpus Cotacachi-Cayapas, Cayambe-Coca, Antisana, Machalilla, Sangay). Interpretation/educational contents design for five protected areas (Boliche, Cotacachi-Cayapas, Cayapas-Mataje, La Chiquita, Machalilla).	Provide relevant information to visitors and create incentives to increase tourism and revenues to protected areas.	Completed	Interpretation plans have been applied for the improvement of services provided to visitors in the 5 protected areas.

	Study	Purpose as defined at Appraisal/redefined	Status	Impact of study
<b>2</b>	<b>Legal Regulatory Framework</b>			
2.1	<p>Comparative review of legislation affecting protected areas.</p> <p>Identification and establishment of legal reforms needed for the protection and management of biodiversity.</p>	<p>Identification of gaps on protected areas management legal framework.</p> <p>Establish an updated/sound legal framework for the NSPA.</p>	Completed	New regulations will ensure management improvement of the NSPA.
2.2	Drafting and promulgation of new regulations for granting operating permits to official and private users of the NSPA and for limiting extraction activities within reserve areas.	Establishment of a concessionaire system, procedures and regulations to grant operating permits.	Completed	Same as above
2.3	Development of regulations and a strategy to allow community participation in the administration of the protected areas and their buffer zones.	Regulate the participation of buffer zones inhabitants in protected areas management.	Completed	Roles and responsibilities of buffer zones inhabitants clearly established.
<b>3</b>	<b>Outreach Activities</b>			
3.1	Public awareness campaigns at the national and regional level to promote biodiversity conservation and the new legal system concerning protected areas.	Design a communication strategy to conduct a public awareness campaign.	Completed	Increased awareness of the public on the importance of biodiversity and reserve areas.
3.2	Development of a strategy at the national and regional levels to educate the public on the NSPA.	Same as above	Completed	Same as above
3.3	Technical assistance and pilot studies for Chachi and other native communities located in buffer zones and surrounding areas of the Cotacachi-Cayapas Ecological Reserve.	<p>Preparation of a study to determine the effects of selective logging on biodiversity of tropical forest.</p> <p>Prepare guidelines on land use planning.</p> <p>Provide technical assistance to native communities in improved forest management and biodiversity protection.</p>	Completed	The information compiled assisted in the preparation of a strategy for the sustainable management of the area, management plans and the design of pilot studies as a basis to provide assistance and training to communities.



**Table 7: Project Costs**  
**Grant Number 28700-EC**  
*(US\$ million)*

Component	Appraisal estimate (US\$M)			Actual/latest estimate (US\$M)*		
	Local Costs	Foreign Costs	Total	Local Costs	Foreign Costs	Total
<b>I Institutional Strengthening</b>	1.62	1.98	3.60	3,71	0,01	3,72
<b>II Legal Regulatory Framework</b>	0.24	0.30	0.54	0,07	--	0,07
<b>III Outreach Activities</b>	1.05	0.14	1.19	0,93	--	0,93
<b>IV Investments</b>	2.17	0.76	2.93	1,51	1,52	3.03
<b>Total Base Cost</b>	<b>5.08</b>	<b>3.18</b>	<b>8.26</b>	<b>6,22</b>	<b>1,53</b>	<b>7,75</b>
<b>Price Contingency</b>	0.13	0.06	0.19			
<b>Physical Contingency</b>	0.09	0.16	0.25			
<b>TOTAL PROJECT COST</b>	<b>5.30</b>	<b>3.40</b>	<b>8.70</b>			

**Table 8: Project Financing Plan**  
**Grant Number 28700-EC**  
*(US\$ million)*

Source	Appraisal estimate (US\$M)			Actual/latest estimate (US\$M)*		
	Local Costs	Foreign Costs	Total	Local Costs	Foreign Costs	Total
<b>GET</b>	3.8	3.4	7.2	5,85	1,53	7,38
<b>Government of Ecuador</b>	1.23	0.27	1.5	0,37	--	0,37
<b>TOTAL</b>	<b>5.03</b>	<b>3.67</b>	<b>8.7</b>	<b>6,22</b>	<b>1,53</b>	<b>7,75</b>

**Table 9: Status of Legal Covenants**

Grant	3.01 (b)	5	CP			The Borrower shall cause INEFAN to provide, promptly as needed and pursuant to the annual review process referred to in Section 3.09 of this Agreement, a total amount of at least \$ 1,500,000 equivalent in funds required for the Project;	The US \$ 1.5 million was to be allocated mostly to activities planned for the Galapagos National Park. At project closing, US \$ 370,000 was actually disbursed. In March 1998, a law was approved granting Galapagos access to about 60 percent of the revenues received by the park or about US \$ 1.8 million per year. The Government claim that under the new law, the park would be receiving more than what was agreed in the Grant Agreement.
	3.01 (d)	5	C			Shall provide, or shall cause INEFAN to provide, promptly as needed, the facilities, services and other resources required for the Project.	OK
	3.02 (b)	5	C	07/07/95		The Recipient shall abide by a contract, satisfactory to the Trustee, with a procurement agent, whereby INEFAN may obtain such agent's assistance in carrying out (in a manner fully consistent with the provisions of Schedule 3 to this Agreement, unless the Trustee shall otherwise agree) procurement of goods, works and consultants' services required for the Project.	INEFAN signed an agreement in 1994 with UNDP for this purpose.
	3.03	5	C			Throughout the course of Project execution, the Recipient shall cause INEFAN to maintain the PCU operational and fully staffed with a full-time Project Coordinator, and a full-time Project assistant coordinator, two part-time scientific advisors (one specialized in biodiversity protection and the other in management of natural parks) and two full-time support staff.	INEFAN recruited specialists in both fields to work full time in the PCU. INEFAN has kept the same staff at the PCU during the project implementation period, even though changes of INEFAN's authorities have taken place.
	3.04	5	NYD			In any case where INEFAN may lack authority under Ecuadorian law to issue a regulation referred to in Part B of the Project or in the Implementation Letter, such regulation shall be issued by the Recipient.	No such situation has presented.

	3.04 (b)	5	C			All Management Plans shall be prepared under terms of reference satisfactory to the Trustee. All provisions contained in such Management Plans shall, if satisfactory to the Trustee, be carried out by INEFAN. In any case where INEFAN may lack authority under Ecuadorian law to carry out such provisions, they shall be carried out by the Recipient.	Preparation of Management Plans has been carried out according to TORs approved by the Bank.
	3.06	5	NYD			The Recipient and INEFAN shall ensure that no voluntary resettlement of people be required as a consequence of the Project.	No resettlement has been necessary.
	3.07	5	C			Throughout the course of Project execution, the Recipient shall cause INEFAN to operate and maintain its management information system, referred to in Section 5.01 (a) of this Agreement, in manner satisfactory to the Bank.	
	3.08	5	C			By no later than March 31 and September 30 of each year during Project execution, the Recipient shall cause INEFAN (without limitation of the obligations under section 9.07 of the General Conditions) to furnish to the Trustee semi-annual reports with regard to the execution of the Project.	Report of second semester was received in September 1998.
	3.09	5	C			The Recipient shall participate, and shall cause INEFAN to participate, in annual reviews of Project execution to be held in conjunction with the Trustee each month of October during Project execution.	The last review took place on October, 1998
	3.10	5	C			With regard to Par. A.11 of the Project, part of the implementation of the monitoring and evaluation system referred to therein shall consist of the preparation of social assessments for each of the Project Areas, under terms of reference satisfactory to the Trustee and as a prerequisite for the preparation of a Management Plan for the Project Area in question.	Social assessments for selected parks are being carried out as part of the preparation of management plans.
	3.11	5	NYD			Any amendment, suspension, abrogation, repeal or waiver of the Law referred to in Section 1.02 © of this Agreement (or of any regulations there under) or of Ecuador's Ley Forestal de Conservación de Areas Naturales y Vida Silvestre (Natural Areas	Not applied during project implementation period.

						and Wildlife Conservation. Forestry Law) (or of any regulations there under) shall, if it affects, in the opinion of the Trustee, materially and adversely the carrying out of the Project, constitute an additional event for purposes of Section 6.02 (1) of the General Conditions.	
	4.01	2	C			The Recipient shall cause INEFAN to maintain records and separate accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect to the Project.	Audit report was submitted on April 15, 1999
	4.01	2	C			The Recipient shall cause INEFAN to: (i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Account, for each fiscal year audited; (ii) furnish to the Trustee as soon as available, but in any case not later than six months after the end of each such year, the report of such audit by said auditors.	Audit report was submitted on April 15, 1999
	4.01	2	C			For all expenditures with respect to which withdrawals from the GET Grant Account were made on the basis of statements of expenditure, the Recipient shall cause INEFAN to: (i) maintain or cause to be maintained, in accordance with paragraph (a) of this Section, records and separate accounts reflecting such expenditures.	OK
	5.02	5	C			The date August 17, 1994 is specified as the Date of Effectiveness.	Actual date July 24, 1994

<p><i>Key</i></p> <p>Covenant types:</p> <p>1 Accounts/audit</p> <p>2 Financial performance/generate revenue from beneficiaries</p> <p>3 Flow and utilization of project funds</p> <p>4 Counterpart funding</p> <p>5 Management aspects of the project or executing agency</p> <p>6 Environmental covenants</p> <p>7 Involuntary resettlement</p>	<p>8 Indigenous people</p> <p>9 Monitoring, review, and reporting</p> <p>10 Project implementation not covered by categories 1-9</p> <p>11 Sectoral or cross-sectoral budgetary or other resource allocation</p> <p>12 Sectoral or cross-sectoral policy/regulatory/institutional action</p> <p>13 Other</p>
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**Status:**

C = complied with  
CD = complied after delay  
NC = not complied with  
SOON = compliance expected in reasonably short time  
CP = complied with partially  
NYD = not yet due

Table 10: Status for Trust Fund 28700-EC

Disb Officer:	ABOUSLEIMAN, ISSAM A.	Task Manager:	PLAZA, CESAR ALEJANDRO
Disb Analyst:	BALCHUN, CECILIA MARIA	Managing Division:	LCSES
Sector:	Environment	Loan Type:	Trust Fund
Currency:	XDR	Restrictions:	Disb. Allowed
	Amounts in XDR		Date
Original Principal	5,200,000.00	Approval	5-sept-1994
Disbursed	5,200,000.00	Signing	19-may-94
% Disbursed	100.00	Effective	25-jul-94
Cancelled	0.00	Closing	30-jun-00
Undisbursed	0.00	Latest Disb/Refund/Recov	30-apr-1999
Committed	0.00	Last Cancellation	
Free	0.00		
Pipeline Application	0.00		

Table 11: Bank Resources: Staff Inputs  
Grant Number 28700-EC

Stage of project cycle	Planned Weeks	Actual Weeks	Planned US\$*	Actual US\$*
<b>Preparation to appraisal (FY91-92-93)</b>	Not available	35.5	53.5	83.4
<b>Appraisal (FY 93-94)</b>	Not available	59.4	185.7	73.4
<b>Negotiation- Approval (FY-94)</b>	Not available	16.7	50.4	19.3
<b>Supervision:</b>				
FY95	Not available	40.8	252.1	50.4
FY96		57.8	92.5	84.0
FY97		74.8	68.2	92.5
FY98		54.0	48.8	68.2
FY99		0		49.1
FY00		39.4		
<b>Total</b>		<b>378.4</b>	<b>751.2</b>	<b>520.3</b>

\*Direct costs

**Table 12: Bank Resources: Missions**  
**Grant Number 28700-EC**

Stage of project Cycle	Month /Year	Number Of Persons	Days In Field	Specialized Staff skills Represented	IP Rating	DO Rating	Types Of Problems
Project Identification							
Implementation First Supervision Mission	October 15-28 1994	2		<ul style="list-style-type: none"> <li>Environment Specialist</li> <li>Social Development Specialist</li> </ul>	S	S	<ul style="list-style-type: none"> <li>PCU financial and accounting systems.</li> <li>PCU administrative and financial guidelines.</li> <li>Training program for INEFAN's staff.</li> <li>INEFAN's participation in planning activities.</li> <li>Lack of park rangers.</li> <li>Institutional procedures.</li> <li>Organization of Regional Coordination Committees.</li> <li>Lack of knowledge of conflict resolution methodologies.</li> <li>Establishment of Protected Areas Trust Fund.</li> </ul>
Implementation: Second Supervision Mission	July 17-21 1995	2		<ul style="list-style-type: none"> <li>Environment Specialist</li> <li>GIS Specialist</li> </ul>	S	S	<ul style="list-style-type: none"> <li>Terms of reference for the establishment of the Biodiversity Information Center (BIC)</li> <li>Type and format of the information delivered to INEFAN for the BIC.</li> </ul>
Implementation: Third Supervision Mission	August 14-30 1995	4	3	<ul style="list-style-type: none"> <li>Environment Specialist</li> <li>Institutional Development</li> <li>Archaeologist</li> <li>GIS Specialist</li> </ul>	S	S	<ul style="list-style-type: none"> <li>Limited participation of National Directorate of Protected Areas (NDPA) staff.</li> <li>Increase staff in PCU.</li> <li>NDPA's weak organizational structure.</li> <li>INEFAN's financial administration.</li> <li>Promulgation of laws pending in the Congress.</li> <li>Establish new priorities regarding project's activities.</li> <li>Delay on allocation of counterpart funds.</li> <li>Delay on Galápagos activities due to counterpart funds.</li> <li>Conservation of cultural resources in Machalilla National Park.</li> <li>Define activities to assist communities in Machalilla National Park.</li> </ul>

**Table 12: Bank Resources: Missions (continued)**  
**Grant Number 28700-EC**

Stage of project Cycle	Month/ Year	Number Of Persons	Days In Field	Specialized Staff skills Represented	IP Rating	DO Rating	Types Of Problems
Implementation: Fourth Supervision Mission	February 3-16 1996	2	3	Environment Specialist	S	S	<ul style="list-style-type: none"> <li>▪ Disbursements interrupted due to a delay on requests by PCU.</li> <li>▪ NDPA's weak organizational structure.</li> <li>▪ Improvement of TORs by PCU.</li> <li>▪ NGOs complain regarding their treatment as consulting firms.</li> <li>▪ Establishment of an interim training plan, until training system design is completed.</li> <li>▪ Delay on contracting of NDPA's institutional assessment.</li> <li>▪ Operational Plan for 1996 too extensive needs to be revised.</li> </ul>
Implementation: Mid Term Evaluation and Fifth Supervision Mission	March 30-April 18 1997	8	8	<ul style="list-style-type: none"> <li>▪ Environment Specialist.</li> <li>▪ NGO Coordinator</li> <li>▪ Natural Resources Management</li> <li>▪ Protected Areas Management</li> <li>▪ Social Development</li> <li>▪ Nature Tourism (2)</li> <li>▪ Institutional Development</li> </ul>	S	S	<ul style="list-style-type: none"> <li>▪ Continues delay on counterpart funds, only US\$ 285,000 (19%) has been allocated.</li> <li>▪ Continues delay on Galápagos activities due to lack of counterpart funds.</li> <li>▪ Partial involvement of NDPA's staff in project activities.</li> <li>▪ NDPA position within INEFAN's institutional structure.</li> <li>▪ Operational and administrative independence of the Galapagos National Park in relation to the NSPA.</li> <li>▪ Several initiatives regarding policies for protected areas and a lack of consensus among them.</li> <li>▪ Lack of a legal specialist in the NDPA.</li> <li>▪ Participation of civil society in the administration of the NSPA.</li> <li>▪ Management plans: large documents, language and concepts difficult to understand.</li> <li>▪ Management plans: deeper analysis on stakeholders is necessary and should promote more participation.</li> <li>▪ Activity 35: local communities have manifested their concern in the sense that most of the funds have been used for studies, while no practical projects/experiences have been contemplated.</li> </ul>

**Table 12: Bank Resources: Missions (continued)**  
**Grant Number 28700-EC**

Stage of project Cycle	Month/ Year	Number Of Persons	Days In Field	Specialized Staff skills Represented	IP Rating	DO Rating	Types Of Problems
Implementation: Sixth Supervision Mission	April 20- May 7 1998	2	4	<ul style="list-style-type: none"> <li>Environment Specialist</li> <li>NGO Specialist</li> </ul>	S	S	<ul style="list-style-type: none"> <li>Continues delay on counterpart funds, only US\$ 352,000 (24%) has been allocated.</li> <li>Continues delay on Galápagos activities due to lack of counterpart funds.</li> <li>Administration and maintenance of Interpretation Centers.</li> <li>Improve NGOs participation mechanisms.</li> <li>NGOs need technical assistance for the preparation of proposals.</li> <li>Depleted INEFAN's financial situation due to the Galapagos Special Law.</li> <li>No decisions are taken by INEFAN regarding the establishment of the Protected Areas Trust Fund.</li> <li>Delays and disagreements regarding the contract for the design of a Regional System of Protected Areas.</li> </ul>
Implementation: Seventh Supervision Mission	Novemb er. 30- Decemb. 11 1998	1	2	<ul style="list-style-type: none"> <li>Environment Specialist</li> </ul>	S	S	<ul style="list-style-type: none"> <li>Only few activities have been implemented for Galapagos, due to partial allocation of counterpart funds.</li> <li>INEFAN's Board has not approved policies for protected areas.</li> <li>Minor problems detected in the design of Interpretation Centers.</li> <li>There are no clear mechanisms for the administration of the Interpretation Centers.</li> <li>Biodiversity Information Center: INEFAN needs to internalize the system and work out the regulations for its operation.</li> <li>Training System: the contract will be closed by the end of December, but only 80% has been completed.</li> <li>The GoE has the intention of restructuring INEFAN, but the specific actions and mechanisms are not known yet.</li> </ul>



**Table 12: Bank Resources: Missions (continued)**  
**Grant Number 28700-EC**

Stage of project Cycle	Month/Year	Number Of Persons	Days In Field	Specialized Staff skills Represented	IP Rating	DO Rating	Types Of Problems
Implementation: Eighth Supervision Mission and ICR Mission	April 6-16 1999	2	2	<ul style="list-style-type: none"> <li>Environment Specialist</li> <li>Biodiversity Specialist</li> </ul>	S	S	<ul style="list-style-type: none"> <li>Changes in the institutional framework: INEFAN has been eliminated and its functions have been transferred to the Ministry of the Environment. The new institutional framework for the administration of the NSPA is under design.</li> <li>Policies for protected areas have not been approved due to changes in institutional framework.</li> <li>Studies and assessments carried out under the project are not being considered by the Ministry of the Environment for the institutional restructuring process.</li> <li>There are still no clear mechanisms for the administration of the Interpretation Centers.</li> <li>Maintenance plans for Interpretation Center should be prepared.</li> </ul>
End of Project Evaluation							

## **RECIPIENTS ASSESSMENT AND COMMENTARY**

### **Part I: PROJECT IMPLEMENTATION ASSESSMENT**

#### **A. Project Objectives and Description**

1. The main objective was to support the restructuring and strengthening of the institutional capacity and overall policy and legal framework for adequate management of the National System of Protected Areas (NSPA). Special emphasis was made to ensure financial sustainability of the NSPA through the establishment of an efficient fees and tariffs system. While most of the project activities benefited the entire system, proposed investments were done in the Galapagos National Park (GNP) and seven of the most representative conservation units on continental Ecuador selected for their contribution to protection of global biodiversity (Machalilla, Podocarpus, Sangay, and Yasuni National Parks, and Cotacachi-Cayapas, Cayambe-Coca and Antisana Ecological Reserves). Actions were designed to complement previous Government and NGO activities on the NSPA.

#### **B. Project Description**

2. To support these objectives, the project focused on activities that were grouped in the following four components:

- **Institutional Strengthening** (US\$ 3.60 million). This component supported strengthening of INEFAN's capacity to manage the NSPA and execute the project by financing: (i) training for INEFAN's staff and other public officials on technical issues related to park management and on the implementation of proposed new laws and regulations; (ii) preparation/updating of existing management plans for protected areas with the participation of local communities and NGO's; (iii) studies to determine economic values for goods and services generated through resource use in the protected areas, (iv) analysis of the relationship between local populations and the protected areas, focusing on their use of resources and ways to maximize the benefits accruing to communities; (v) design of a new system for the collection and allocation of revenues from resource use activities; (vi) review of the role and responsibilities of tour operators in promoting conservation while allowing for sustainable revenue generation; (vii) design establishment of a quarantine system in the GNP to control the influx of non-native species; and (viii) the design and establishment of a monitoring and evaluation system to follow up on the implementation of activities proposed under the project;
- **Legal and Regulatory Framework** (US\$ 0.54 million). (i) a comparative review of current legislation affecting reserve areas; (ii) identification and recommendation of legal reforms needed for the protection and management of biodiversity and natural resources; (iii) drafting and promulgation of new/updated regulations for granting operating permits to official and private users of the NSPA and for limiting extraction activities within

reserve areas; (iv) development and establishment of regulations that encompass both public and private property within a reserve area, and allow private property owners to participate in the management of the area. These regulations will allow for the creation of privately protected areas; (v) development of regulations and a strategy to allow community participation in the administration of protected areas and their buffer zones; and (vi) analysis of the institutional, legal and social problems related to landholding within protected areas, which undermine the successful implementation of strategies related to protection of biodiversity so as to determine and recommend effective legislation to solve these problems.

- **Outreach Activities** (US\$ 1.19 million). Outreach activities were focused on conflict resolution through a process of consultation and public awareness raising. Specific activities included: (i) conflict resolution amongst key target groups through a national forum to promote project activities and to obtain the support of all interest groups; (ii) creation of Regional Coordinating Committees to oversee the implementation of the Management Plans and Conflict Resolution Process; (iii) a study for the solution of problems of tenancy and resource use within the protected areas; (iv) public conservation and the new legal system concerning protected areas; (v) development of a strategy at the national and regional levels to educate the public on the NSPA; (vi) technical assistance and pilot studies for native communities (such as the Chachi Indians) located in buffer zones to assist them in developing sustainable plans and options for natural resource use in areas surrounding conservation units; and,
- **Investment Activities** (US\$ 2.93 million). This component provided financing for civil works and infrastructure as identified in the management plans of the eight critical reserve areas selected. This included border delimitation, establishment of trails for visitors, and the construction of visitor information centers. In addition, the project financed logistic support for INEFAN's field staff in the units of the NSPA, such as motorcycles, horses, mobile communication systems, survival equipment and first-aid kits.

### **C. ACHIEVEMENT OF PROJECTS OBJECTIVES**

3. The project met, and even exceeded objectives outlined in Chapter A as evaluated by all Bank supervision missions. Annual audits were also positive. The most important factor limiting project performance was the general lack of appropriation of the project from INEFAN and particularly of activities related with institutional strengthening such as policies for protected areas, fiduciary fund and administrative restructuring. Fortunately, the policies and strategies (Protected Areas Policies, Sustainable Development Strategy, Biodiversity Strategy) now being developed by the Ministry of Environment uses important parts of the work developed by the Project in those and most matters.

Specific objectives met:

#### **I. Institutional Strengthening**

1. **Training of INEFAN staff and other public officials on technical issues related to part management and on the implementation of proposed new laws and regulations.**

A nation-wide training and education system on the protection, management and sustainable use of natural resources (SEC) was designed, organized and implemented with its corresponding curriculum and materials. The system is custom-made to the needs of INEFAN technical and professional level field staff and public officials from other institutions, as well as adults from peasant communities. SEC is a distance education proposal in all levels: primary and secondary school, technological level and a University degree corresponding to a B. A. SEC has a national coverage serving the staff of 24 protected areas and more than 40 surrounding communities. By the end of the project, 1,000 students were enrolled in 21 educational centers. At the B. A. level the first semester of the Environmental Management career with a specialization in Protected Areas had concluded. An important institutional coordination is part of the successful implementation: the Ministry of Education, the National Training Service SECAP and the Universidad Técnica Particular de Loja. Interest is growing among different institutions and agencies (the National Institute for the Amazon Region ECORAE, projects PATRA and PETRAMAZ, the Podocarpus project, the Ecuadorean-Swiss Fund, among others), to support the project and transform it into a long-term activity. On the part of the communities, mounting interest is shown as hundreds of people would like to have the opportunity to get registered.

### **1.1 Additional training**

A number of INEFAN staff were trained in international events: Master Programs in Protected Areas and in Geographical Information Systems (2); wildlife management (3) genetic resources access (1) biological diversity convention (1) Ramsar wetlands convention (2) GIS implementation (1), strategic planning (3) legal training (1) Protected areas (5).

INEFAN staff was also trained in national courses, seminars and workshops on the following topics: mastering negotiation (50), tropical forest biodiversity (3) environmental interpretation (9), use of geopositional equipment (16), use of field equipment (16), strategic planning (25), nature guide (6) computers (25), environmental interpretation design and planning (18).

A number of people belonging to NGOs were also included in the above-mentioned courses and seminars.

### **1.2 A volunteer program for the NSPA**

Conceived as an educational and training activity, Terms of Reference for a Volunteer Program were developed by the PCU, taking into account the personnel deficit in the field, as a result of restriction in public spending. Several NGOs bid for the contest, but it was declared null since the TOR were not understood by the bidding participants and they presented extremely high costs and heavy bureaucracy.

## **2. Preparation/updating of existing management plans for protected areas with the participation of local communities and NGOs.**

In order to prepare/update existing management plans all the technical staff from the head office as well as all park technical officials from INEFAN were trained with a methodology adapted by the project for protected areas. This methodology puts together Kenton Miller's protected areas planning strategies, with the situational strategic planning -PES-, developed by Carlos Matus,

and it pays specific attention to community and local actors participation. A video was produced to summarize the main methodology strategies.

The preparation/updating of existing management plans required the creation of the Technical Planning Unit (UTP) which has as its objective the technical strengthening of the National Directorate of Protected Areas and Wildlife (DANVS) and the training of staff in plan development. The Unit had a fixed number of specialists in protected areas planning, economic projects, eco-tourism, social matters, and others. The Unit also coordinated actions with other project activities such as archeology, interpretation, infrastructure, etc.

Sangay, Yasuni and Machalilla Parks<sup>14</sup> Management Plans were developed, as well as the one for the Cayapas Mataje Reserve for which the project had previously promoted its declaration as a protected area by developing a management alternatives study.

The Project also supported Fundación Antisana's efforts in the development of management plans for the Cayambe Coca and Antisana Reserves. The project also supported the Galapagos Marine Reserve Plan which the Parque Nacional Galàpagos implemented.

Cartographic, flora and fauna studies were also developed for most of the protected areas. The National Protected Area System Strategic Plan is further outlined as numeral 2.7 below.

## **2.1 Land Tenure and border delimitation**

Landholding patterns, human occupation, influx of human occupation, property registry and conflict resolution strategies were developed in all protected areas for which management plans were formulated. Members of local communities (living in the NSPA & surrounding towns) were invited to workshops and future actions registered as priorities within the management plans. Special land tenure studies and actions were carried out to solve conflicts where they were occurring. Such was the case of the land tenure study for the Mache Chindul Reserve and the border marking for the Sangay National Park in the Guamote Macas area.

As a result of land tenure studies and the processes of consultation and systematization that ensued, new strategies have been developed for the NSPA Strategic Action Plan which include changing categories for certain areas, creating new categories, declaring and including privately owned areas of conservation within the NSPA, establishing land use and biological resources zoning as a planning and administrative mechanism, retracing area borders, buying/indemnifying areas where conservation is critical, and establishing legal mechanisms to legalize privately owned lands.

A very important step has been taken to conceive human presence not as a limiting factor or a deterrent for conservation but as an opportunity to get people involved in management. This point of view is critical, especially in the case of indigenous-held lands.

## **2.2 Southern Regional Management Plan**

In order to provide basic information for decision taking on the part of NSPA authorities to prioritize areas of conservation in the southern part of the country 90 areas of special interest for

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<sup>14</sup> including the Marine Reserve

conservation were identified, 29 were selected and 3 prioritized, one on each southern province. Management alternative plans were developed as well as a general management strategy for the southern part of the country.

### **2.3 Cultural diagnosis of the Machalilla National Park. Preliminar Archeological Diagnosis of the NSPA.**

As a result of the first study, the Park has information materials: a tourist pamphlet, an educational module for the area schools, a video, audiovisual registry of ways of life, scripts for the area museums. Priorities were developed for restoration and conservation of the archeological sites.

A Preliminar Archeological Diagnosis of the NSPA was also developed which was included both in the management plans and on the Strategic NSPA Plan.

### **2.4 Strategy for Wildlife Protection and Sustainable Use**

The study included a diagnosis and a strategic plan for the development of research, management, control, educational and institutional strengthening. Additionally, 10 pilot economic and research projects were designed.

This strategy, which was developed in a series of forums, is being taken as the basis for the development of the National Strategy for Biodiversity, which the Ministry of Environment (MA) is currently working on.

### **2.5 Sustainable management of the Cotacachi-Cayapas Reserve**

This activity which was developed by an NGO consortium in the buffer zone of a protected area, resulted in community natural resources sustainable management for 30 black and Chachi Indian communities, located in an area of 120,000 has. between the Cotacachi -Cayapas Reserve and the Cayapas, Onzole and Santiago rivers in the Esmeraldas province. The strategy is based upon the results of the physical, socioeconomic, land tenure and biological studies. Pilot projects on agriculture; marketing and education were also designed.

### **2.6. Classification of Ecuadorian vegetation: Methodology and map**

In order to support management processes, local and regional monitoring through digital systems to allow an efficient data up-to-date- evaluation and analysis, standardized ecosystem classifications were developed for natural communities. Four reputed botanists were hired as consultants (R.Sierra, W.Palacios, C.Cerón and R.Valencia). The Wildlife Conservation Society and the University of Arizona gave additional financing for maps of actual and remaining vegetation. The structure and nomenclature of this classification methodology uses physiognomic, environmental, biotic, and topographic criteria in the continental regions of Ecuador.

## **2.7 National Protected Area System Strategic Plan**

The making of the 10-year plan for the NSPA included as a first step, a management performance evaluation on the basis of the former strategies from 1976 and 1989. Some of the main strategies suggested would be:

- Regional subsystems structuring.
- Regional subsystems' integration to public and private areas.
- Regional organisms, provincial and municipal governments, NGOs, other private organizations and community's involvement in these areas' management.
- The imperative need to include the NSPA in national land use zoning; and
- The definition of step-by-step strategies with full participation of all actors involved.

For the plan, former studies and experiences were systematized (both of the project itself and of others).

Other studies developed specifically for the plan were:

### **(i) Socioeconomic**

On the basis of gathering secondary data information such as land tenure, land use, agricultural activities, population explosion, project development; land tenure typology was established.

### **(ii) Priority areas for the conservation of biodiversity**

Critical areas for conservation were identified, through the GAP analysis methodology application. The model defines biodiversity using the following as indicators: bird's availability, ecosystem information and the vegetation classification developed by the project. Numbers and values were established through a cartographic digital base scale 1:200.000, together with a pondered function of biodiversity and representation in the NSPA plus three other factors: ecosystem remnants, ecosystem diversity and human pressures. The results suggest that institutional efforts should be placed in the dry and humid Coastal Region, where ecosystems are not yet represented on the NSPA. This study was co-financed by WCS, Ecociencia, CDC, University of Arizona and the Audubon Society.

### **(iii) Establishment of Potentially Protected Areas for the NSPA**

This study took into account topography, vegetation, actual and potential soil use, actual and potential conflicts, socioeconomic data, tourism, archeology, protected areas at present, degraded areas, and others.

Areas to be protected were identified, as well as potential areas to be incorporated on the NSPA. The results include ecological corridors, current PA amplification, buffer zones and regional PA systems.

**3. Studies to determine economic values for goods and services generated by local populations and the protected areas, focusing on their use of resources and ways to maximize the benefits accruing to communities.**

A methodology to determine economic values for NSPA goods and services was developed. It integrated as a standard procedure, a calculation of global change rate, which facilitates the definition of protected area dynamics. The substitution of a derivative income model was also applied to account for human pressure over renewable resources.

Information was drawn from studies done for the management plans, for the NSPA Strategic Plan, for other activities of the Project and from studies done by other institutions. Methodology was applied in case studies in the Cayambe-Coca and Cayapas Mataje Reserves.

These studies are part of the management plans and of the socioeconomic component of the NSPA Plan.

#### **4. Design of a new system for income collection and allotment for use of resources within the NSPA**

The study and design have become in part of NSPA Plan.

#### **5. Review of the role and the responsibilities of tour operators in promoting conservation while allowing for sustainable revenue generation**

##### **5.1 Tourism policies in PAs**

Workshops conducted by an NGO and an international consultant determined policies which were compiled in a widely distributed publication (500 copies).

##### **5.2 Tourism management plan within PAs management plans**

In the making of the different management plans, a chapter on tourism management was included.

##### **5.3 Tourist guide for urban centers in Galapagos**

A tourist attractions guide within the Galapagos urban centers and their surrounding areas was researched. It also included a budget for tourist facilities in the surrounding areas.

Three (3) pamphlets were published, one for each of the Santa Cruz, San Cristóbal and Isabela islands.

##### **5.4 Market and feasibility studies for eco-tourism projects in the Cotacachi-Cayapas and El Boliche Reserves.**

Studies provided basic information for the rental processes of the two areas. They included values added by the newly built (by the Project) interpretation centers and tourism complexes. Later on, terms of reference and legal parameters for rental contracts were developed. These are now being adopted by the Ministry of the Environment. Rentals will enter into bidding presently.

##### **5.5 Entrance fees and annual passport demand to the NSPA (passport) studies and implementation**



The study done through polls, suggested fee values to be charged in the Protected Areas System and the possibility of an annual entrance fee – something like a passport- to enter to all of them. All this data was used in the economic value component of the NSPA Plan.

#### **6. Implementation of Inspection and Quarantine system in the GNP to control the influx of biological organisms.**

The Galapagos National Park and the Charles Darwin Foundation designed an inspection and quarantine system. PCU staff participated in frequent meetings to develop terms of reference for implementation.

Eventually system implementation did not take place as all activities assigned to the Ministry of Agriculture were not started, especially the hiring of inspection personnel. The lack of Government counterpart contribution prevented further action.

Galapagos System of Inspection and Quarantine SICGAL would be established by May 31<sup>st</sup>. Through a combined action of all institutions concerned (FCCHD, GNP, INGALA, MAG, SESA, and one IDB project). A 5% contribution from the tourist income of the Galapagos Special Law will fund all activities for which 14 inspectors have been trained.

#### **7. Improve and strengthen Galapagos urban planning and management**

Due to the lack of action on the part of the municipalities, the agreement for the modernization of the cadastre system could not be set in action. Still, the project supported urban planning in the Santa Rosa y Bellavista barrios on Santa Cruz Island.

A request from the San Cristóbal Municipality Mayor for studies on a major tourist attraction, the Cobos ruins, was followed through, when a PCU request for support to the Quito's Municipality was served with the contribution of a planning architect. A basic study was completed.

Recycling solid waste courses were provided to the Isla San Cristobal municipality.

Right now, the Environmental Program for Galapagos, a project to provide rationale in the charge of public service tariffs and the provision of services, is being prepared through a grant (IDB- PPF-189/OC/EC) by the Ministry of the Environment.

#### **8. Design and establishment of a monitoring and evaluation system to follow up implementation of activities proposed under the project**

System analyst consultants developed a data base structured system, which has been fed through the project's life. All activities were kept up to date, monitored, evaluated and followed.

#### **9. Establishment of a Biodiversity Information Center CIBE**

A study was prepared to integrate data, keep it up to date and collect as much information as possible in order to establish the Ecuadorian Biodiversity Information Center (CIBE). This Center, to be placed within the DANVS, has as its main objectives: information centralization, its incorporation in a GIS system, management decisions, and supply of information to the public.

The first phase of this activity was a preliminary study, the drafting of norms and regulations for taxonomic transference and the drafting and signing of cooperation agreements. Information was generated and transferred by Museums and Universities (owners of taxonomic collections), to INEFAN. Participating institutions were: Pontificia Universidad Católica de Quito, Museo de Ciencias Naturales, Fundación Herpetológica G.Orcés, Universidad de Loja, Herbario Nacional, Universidad de Guayaquil, Escuela Politécnica Nacional, Universidad del Azuay.

As a second phase, new custom-made information requested by INEFAN was researched and transferred. Equipment was acquired and personnel trained in GIS use, including a public official receiving a grant for a Master's degree in the University of Arizona. This person will take CIBE's management responsibility as soon as he returns to the country.

The second phase consisted in the design and development of research projects.

The Biodiversity Conservation Project will continue this activity, an Ecociencia/INEFAN initiative financed by the Netherlands.

Programs of research, information management, education and communication, politics and legislation will be put into effect.

An additional database named "Protected Areas" was also developed. This base includes information on 24 PA and it is designed to be brought up to date continuously. Its first use was the publication of a book and a CD-ROM called "A Guide to Ecuador's National Parks and Reserves".

## **10. Strengthening of INEFAN and DANVS**

### **10.1 Support for the organization and Strengthening of INEFAN and DANVS**

During the first two years, INEFAN Executive Direction postponed consultants hiring for developing an institutional organization and strengthening study. Eventually a first phase study was developed in early 1997 but cut short as the consultant argued lack of cooperation from INEFAN and institutional instability (three Directors in charge and one Executive Director on his way out). Later on, lack of interest from the next Executive Director's part did not provide the opportunity to return to the issue. With the last administration, some of the measures taken for the institution restructuring have been those suggested by the study and the PCU.

### **10.2 Elaboration of INEFAN information systems**

The World Conservation Center (WCMC) and the International Institute for Environment and Development (IIED) were hired to design a Forest and NSPA Resources Accounting System. The contract was co-financed with Overseas Development Administration (ODA) funds. Once information equipment requirement studies were made, equipment was bought and installed all over the country. Later on, eight system analysts were hired to research, analyze, develop and install the following systems: PLANFOR (reforestation), forest inventory, forest industries census, wood transport guides, tourist operation licenses, tourist monitoring, species management, research, personnel management and payrolls, purchasing, operational plans, filing systems.

200 INEFAN officials were trained in three software applications with the co-financing of another INEFAN internationally funded project.

Systems were developed partially. The PCU hired a consultant firm to establish the status of system developing. This study recommended that INEFAN institutionalize a systems committee that restructure the web, purchase the appropriate software for operational systems such as communication, database, GIS and provide in depth, training to staff. The study also recommended a structure for a systems department with personnel to provide support and to establish priorities according to its institutional needs and framework

Twice, administrative and financial systems were put out to bidding. They included governmental accounting, budget implementation, goods inventory and control, project monitoring and evaluation, and so on. In both occasions the processes were declared voided. Later on, INEFAN did not show enough interest as to continue with these activities.

Activity No. 20 "Strategy for the Protection and Sustainable Use of Wildlife" developed a database called "Vidasil" and the corresponding manual for its use. An additional data based named "Protected Areas" was also developed to systematize NSPA information.

## **XII. Formulation of National Policies for the Protection of Biodiversity and the Management of Protected Areas**

### **11.1 Policies for the Protection of Biodiversity and the Management of Protected Areas**

This activity was initiated in 1995 and developed a nation wide participative process. A number of workshops took place. The main participants were NGOs, public officials and other actors involved with PA. The final document is also part of the National Protected Area System Strategic Plan.

### **11.2 Policies for Wildlife Protection and Use**

In the activity "Design and Formulation of a Strategy for the Protection and Use of wildlife " a number of policies are proposed.

### **12. Methodologies for actor identification and conflict resolution in PAs**

Methodologies were developed; PA field staff trained and training materials were published.

Actor identification methodologies were incorporated in management plans and NSPAS Plan.

Methodologies were applied in a case study for a land tenure conflict with communities along the Guamote Macas highway in the Sangay National Park. Negotiations and border marking took place with the participation of the people themselves. Relationships have markedly improved and right now Fundacion Natura is carrying out the Sangay Project, doing community project implementation as designed in the Sangay Management Plan.

### **12.1 Study for a Fiduciary Fund for the NSPA**

In order to achieve as much financial independence as possible for the management of PAs, a fiduciary fund was conceived based on examples from other area countries. Consultancy works were hired by the Project to develop the fund. NSPA financial needs, strategies for fund raising were established as well as a long-term financial plan. Results were put to a former INEFAN Director's consideration but the creation of the fund was not approved; all the information, however, is now being used for the Fondo del Medio Ambiente (National Environmental Fund).

## **II Legal and Regulatory Framework**

- 1. A comparative review of current legislation affecting reserves areas. Identification and recommendation of legal reforms needed for the protection and management of biodiversity and natural resources**

The results of consultancy work were published in a book under the name of “Regulations for PAs and Biodiversity Administration”.

- 2. Drafting and promulgation of new/updated regulations.**

The following regulations were approved by the Board of Directors of INEFAN: (a) agreements of cooperation for ordering and management of PAs, (b) processes to update PAs delimitation; and (c) Rules for wildlife (flora and fauna) research, collections, and exportation. Proposals for other changes/additions to legislation are now being studied by INEFAN: (a) Hunting and closed seasons for certain wildlife species, (b) establishment and functioning of wildlife rescue centers, zoos, botanical gardens and wildlife collections (c) CIBE implementation, functioning and management, (d) statement of declaration for species threatened or in danger of extinction, (e) Provisional tourist charge capacity for tourist operation quotas, (f) Regulations for the protection, management and use of wildlife, and (g) Sustainable use of camelids.

In the activity Strategy Wildlife Protection analysis of current legislation and proposals to improve rules and regulations are included.

## **III. Outreach Activities**

- 1. Conflict resolution amongst key target groups through a national forum to promote activities and to obtain the support of all interest groups.**

This process took place at the same time as policies for Protected Areas were discussed.

- 2. Creation of regional coordinating committees to oversee the implementation of management's plans and conflict resolution process.**

All management plans initiated processes for the structuring of coordinating committees. Some coordinating structures have worked better than others, the best example being the Podocarpus Committee.

- 3. A study for the solution of problems of tenancy and resource use within protected areas.**

Analysis of the institutional, legal and social problems related to landholding and tenure within protected areas took place so as to determine and recommend effective legislation to solve these problems.

Particular strategies to solve problems also are included in specific management plans, the NSPA system (as are in the legislation), conflict management and others.

#### **4. Development of a strategy at the national and regional levels to educate the public on the NSPA**

This strategy was based on a market study that resulted in a campaign design, a production phase for the media: printing press, radio and TV and a nation-wide public campaign. For the first time public TV broadcasted programs about the NSAP and educated the public on the protection of biodiversity and protected areas.

In Galapagos National Park a youth park ranger program was developed with the cooperation of the Scouts.

#### **5. Technical assistance and pilot projects for native communities (such as the Chachi Indians) located in buffer zones in order to assist them in developing sustainable plans and alternative actions for natural resource use in areas surrounding conservation units**

This objective was accomplished in the development of sustainable management strategy from the Cotacachi Cayapas Ecological Reserve Buffer Zone.

#### **6. Outreach Graphic Material**

Aside from published material concerning each activity, the project has published:

1. 10 numbers of "Dialogos" magazine.
2. Ecuador's Protected Areas Map (5.000)
3. The NSPA Paramo Guide (2.000)
4. Biodiversity Agreement (5.000).
5. Brochure printed for the "Convention on Biological Diversity "
6. Book and CD Rom "National Parks and Ecuador Reserves Guide"
7. CD Rom, "Architecture and Interpretation of Nature"
8. Photographs and logos for the Protected Areas contests, pamphlets, posters and stickers to prevent wildlife illegal traffic.

#### **IV. Investment Activities**

##### **Furnishings and Equipment for INEFAN**

Throughout the life of the project, INEFAN received all equipment and furnishings required, especially DANVS, according to the following specifications and amounts which show the relevance of this component:

Type of Equipment	US dollars
Field Equipment	237.354
Computers and software	814.411
Office furnishings	97.808
Audio – visual equipment	95.788
Weapons, ammunitions, riding outfits, mules	36.278
Vehicles, motorcycles, canoes	594.086
Other Furnishings	62.090
<b>TOTAL</b>	<b>1'937.815</b>

#### **A. Construction and Furnishing of Interpretation Centers**

The project contracted the Design and Construction of the Interpretation Centers during different project phases and under different contract specifications.

The Interpretation Centers built are:

- a. "Ecuador's Pioneer Area in Conservation" and "The National Protected Areas System" located at Recreational Area "El Boliche".
- b. "A Reserve from the Snow to the Jungle" at Cotacachi Cayapas Ecological Reserve.
- c. "3.000 years of History in the Tropical Forest" located at "La Chiquita" in Cayapas Mataje Ecological Reserve.
- d. "The mangrove" Interpretation Center in San Lorenzo, designed but not built.

All Interpretation Centers rely on the project's contracts for the designing and construction of furnishings and exhibitions.

The Interpretation Center located at San Cristóbal, Galapagos National Park, was assisted in its design by the project with US\$ 20,000.00.

Other constructions executed by the project were:

- a. Classroom and office at INEFAN's station in Borbón, Cotacachi Cayapas Ecological Reserve;
- b. 50 kilometers trail and daytime office for Podocarpus National Park;
- c. Recreational Area El Boliche Tourist complex made of:
  - 2 Interpretation Centers
  - 1 Administrative Center

- 10 log-cabins,
- 1 restaurant
- Camping lots
- Tables and BBQ place
- 2 sanitary batteries
- Complete external lighting
- Parking lots
- Water
- Gardening
- Basic furniture and domestic equipment.

Environmental Impact and Economic Feasibility Studies were prepared for this Area and also for Cotacachi Cayapas Ecological Reserve Interpretation Center.

- d. Photovoltaic Energy Study in Isla Floreana, Galapagos.
- e. Guard posts at Galapagos National Park.
- f. Office, Housing and Services Design at Isla San Cristóbal, Galapagos National Park.
- g. Trail Design under the Interpretative Diagnostic Study of 8 Protected Areas.

#### **D. Implementation Record and Major Factors Affecting the Project**

The project has been rated overall as “satisfactory. It exceeded all goals and objectives outlined in the legal agreement<sup>15</sup> except for the lack of Government counterpart contribution. This event changed the development of Galapagos activities for which this contribution should have been used.

It must be remarked that certain activities that INEFAN took under its direct charge, which were activities requiring INEFAN’s approval such as the Development of Information Systems, the Fiduciary Fund, the Administrative Restructure, and Protected Areas Policies were not satisfactorily concluded. Finally, the Ministry of Environment will involve those resources in INEFAN’s restructure.

The factors which affected the project positively are as follows:

- i) World Bank support: Task Manager’s fast and efficient participation in all processes, agile system of disbursements; as well as successful Supervision Missions with INEFAN participation that led to an adequate Bi-annual routine of technical evaluations.

Bank’s coordination permitted that most of the original foreseen activities have been executed according to the original design, others have been substituted or updated, and some have been modified in order to fit into unexpected requirements and processes. However, under those events, the objectives accomplished have exceeded original expectations”. (7<sup>th</sup> Supervision Mission).

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<sup>15</sup> The project assisted a larger number of protected areas

- ii) UNDP's participation as service agent gave all activities a transparent image. They assisted on agile processes for the dealing and contracting of goods and consultants, that if done by the government, would have been complicated and sluggish, creating suspicion.
- iii) Equally important was UNOPS participation in contracting and supervising civil work, which allowed effective, economic and non-conflictive selection of construction companies.
- iv) Wide and effective involvement of NGO's in the accomplishment of different activities. Even though this participation was not clearly specified in the Agreement, it made a relevant contribution. NGO's led teamwork; sometimes operating by themselves and some other in association. Most of these associations promoted excellent outcomes and permanent learning for the parts.
- v) Even though the project experienced four Executive Directors' administrations and four different governments; the PCU held stable technical staff that gave continuity and institutional memory to the process in order to support coordination between INEFAN's administration, World Bank, NGO's and private consultants.
- vi) The Planning Unit established inside the PCU was conformed by qualified staff whose objective was to intermediate and work together with INEFAN and independent consultants. It held a permanent relationship along DANVS and communities to fulfill the NSPA and PA need for strategic planning and conflict resolution.
- vii) Architectonic Design and Investigation were relevant contributions from consulting of national universities.
- viii) Importation of vehicles and equipment carried out during the first years of the project permitted more dedication to later technical responsibilities.
- ix) The support given especially by the first<sup>16</sup> and last Executive Directors.

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<sup>16</sup> who subscribed the project



- x) Exclusive participation of national consultants. Even though the initial plan included a large number of international consultants, during the project's execution, international consultants were contracted only for two short activities and some seminars.
- xi) DINICE (Investigation, Training and Outreach Activities Direction) cooperated and supported all activities and issues related to this area.

The factors that limited the project's performance were:

- i. One of the main problems was DANVS bureaucratic transactions when checking and approving: staff selection and hiring, Terms of reference, and processes' evaluation. These transactions were especially slow and difficult when final approval decisions on investigation studies were required. DANVS's excessive task assignment and weak appropriation of the project resulted in sluggishness.
- ii. Coordination between INEFAN (PCU) and UNDP wasn't always satisfactory. On several occasions they were asked to speed up processes and procedures.  
At the beginning there were some complications with functions' definition between UNDP and PCU, until World Bank's opinion was given and methods and procedures were specified and clarified in order to carry out the actions planned. Due to the large number of project activities and their specialization, UNDP's staff rotation also obstructed normal continuity and management.
- iii. INEFAN changed its policies constantly during the project's execution according to Government and Executive Director's interests. The authority's lack of knowledge about ongoing activities and processes, new demands and strategies applied to Protected Areas distorted NSPA's importance and its relation with the Forest Area.
- iv. Authority's lack of final decision in such important activities like administrative restructure, legislation, fiduciary fund, institution's policy.
- v. INEFAN never assumed the responsibilities mentioned above in order to take care of the Information System matter. Guidelines were never established for permanent information flow, hardware and software updating and maintenance.
- vi. Forest Districts obstructed intermediation and communication between Protected Areas and Executive Direction.
- vii. DANVS had relevant deficiencies; it didn't have a correct organizational structure and it wasn't adequately fit into INEFAN's management structure.
- viii. DANVS is not provided with the specific and specialized human resources it requires in areas such as legal and financial issues, ecological tourism, archeology, hydrocarbon and mines, community management, interpretation, environmental education, equipment and infrastructure maintenance. The participation of women in its staff is almost null.
- ix. The lack of support from INEFAN's other departments (Planning Direction) also affected the introduction of Information Systems and Legal Assistance.
- x. DANVS never practiced an effective and complete participation with the project; it didn't take advantage of its sense of ownership. PCU was forced to work as executor to carry out annual operative plans.
- xi. Galapagos National Park decentralization brought several coordination problems to the project.
- xii. Failure to develop a coherent, integrated eco-tourism policy suggested by the project through the application of a fee's system, which could have helped, to increase revenues in

protected areas management. In the same way, income generation through other elements (petroleum, water, hydraulic energy, anthems, mine concessions and others) was never concluded due to the non-existence of a "Unit of Internal Revenues".

- xiii. Failure to get NGO's technical assistance in the preparation of proposals, establishment of accounting and financial systems, and in the know-how of selection, hiring and training processes.
- xiv. Some activities' Terms of Reference weren't clear enough, especially at the beginning of the project or when they were prepared by DANVS. In some cases, there were Terms of Reference too general or too specific.

#### **E. Project Sustainability**

The prospects for the sustainability of the NSPA are not good enough. The expedition of the law that authorized Galapagos National Park to reduce the amounts of money shared with INEFAN, makes it necessary, (as told before), to increase INEFAN'S income by means of a special unit working for Protected Areas' auto-financing through concessions, entrance fee rationale, environmental services tariffs and others.

INEFAN's restructure which is now being planned by the current government involves some modernization methods such as deconcentration, civil society participation in Protected Areas management, environmental funds development. This way, the areas' conditions may improve in short or medium time frames.

Project's studies and their results give important guidelines to this ongoing process and are compiled in the "System Plan". Phase II of this Project, which is currently being prepared and negotiated, must contemplate certain activities' continuity and further application the processes that have been initiated.

#### **F. World Bank Performance**

World Bank's performance was highly satisfactory.

Supervision missions were of particular assistance to the project in:

- a. Solving financial issues related to taxes, procedures, operative plans definition, and categories re-assignment.
- b. Technical assistance identification.
- c. Executed activities supervision. Special emphasis was given to topics such as office installation, coordination committees, conflict resolution, fiduciary fund, NGO's participation, civil work, and fieldwork activities.
- d. Operational Coordination between INEFAN/PCU/UNDP/WB/NGO's/ Ministry of Finance.
- e. Establish relationships between the project with similar ones in Bolivia and Venezuela.
- f. "Aid Memoires" to follow the recommendations agreed by the parts.

As explained before, World Bank's functions were fast and efficient in all processes, non-objections were effective without obstacles or excessive transactions, successful Supervision Missions led an adequate routine of technical evaluations and recommendations application.

### **G. Recipient Performance**

The attention paid to the visiting missions was almost without exception, exemplary. Coordinated information programs and fieldwork visits were well organized.

The missions' suggestions and recommendations were usually followed up with the adequate actions. The success achieved in meeting project objectives is a matter of record.

The Project Coordination Unit (PCU) within INEFAN was very efficient in activity coordination and execution in order to achieve set up goals on the annual operative plans.

Stable and qualified technical staff gave continuity to the process, and permitted the achievement of the best positive accomplishments.

The transparency of all project's actions was guaranteed by UNDP and UNOPS participation together with World Bank's approvals.

One serious limitation on recipient performance was the ongoing unsteadiness of INEFAN and its consequent incapacity to appropriate the project. It was especially difficult to carry out those activities of institutional reinforcement (policies, information systems, institutional, administrative and financial structures)

During the project's life there were four acting directors, four different governments and two full-scale reorganizations.

### **H. Current and Future Operations**

INEFAN expressed to the Bank its interest for a second phase of the GEF Biodiversity Project, in September 1998, sending a preliminary profile of the proposed project with this statement.

The Bank acknowledged the proposal and expressed their will to consider a second phase for the project, with the guarantee that INEFAN would follow GEF and World Bank's requirements. In November 1999, the government submitted a GEF Block B request to prepare the second phase GEF Biodiversity Project. On January 7, 2000, the Bank signed a grant agreement with the Fondo Ambiental Nacional (FAN), which was selected by the Ministry of Environment as the recipient of the preparation grant. Following the Independent Evaluation recommendations and the results of this ICR, the new projects will: (i) strengthen the administration of the NPAS; (ii) continue and expand the successful training program started in the pilot phase; (iii) implement the Strategic Plan for NPAS and protected areas' management plans, converting them into operational plans; (iv) design and apply mechanisms for social participation; (v) increase biodiversity conservation policy and public awareness campaigns; (vi) establish mechanisms and strategies for NPAS long-term financial sustainability; (vii) promote and strengthen private sector participation in the management of the NPAS; (viii) explore and implement methods for obtaining income from environmental services provided by protected areas; and (ix) create legal reforms to implement the new National Strategy for NPAS and the Special Biodiversity Law. The institution's sense of ownership of the project.

## **I. Key Lessons Learned**

### **Government commitment**

Commitment to a course of action should be continuous over the course of changes in government. When an incoming government reestablishes priorities and strategies without building on the success of previous experiences, problems immediately arise.

### **Shared administrative functions, coordination, transparency and information**

For contracting processes, administrative functions must be split amongst various institutions with the PCU as a central unit of monitoring and coordination, with approval in the hands of the governmental institution –INEFAN- and an international institution for processes and payment – UNDP-. Thus, the necessary transparency is achieved, while suspicion from civil society diminishes toward government institutions whose technical and coordinating functions are strengthened.

General planning documents and budget, as well as monitoring and control documents must be known and shared by all intervening parties, and made into public documents. Information must also be covered as widely as possible, to all interested parties in the project. The newsletter "Diálogos" published by the project was a good example of the type of outreach communications to government officials and field staff, NGOs and other individuals and institutions involved in the protection of biodiversity.

Final written reports, studies and publications must be made available to all sectors of the public through specialized libraries and electronic media, CDs, etc. Information can be spread thus, and so illegal business of reproducing unknown works is curtailed. Special care must be taken to protect consultant author rights and the copyrights in the use of software.

A gender policy must also be clearly stated, in such a way as to improve equal opportunity for men and women (of the individual consultants hired by the Project 35% were women). On the other hand, it is of the outmost importance to have interdisciplinary teams.

### **Public Participation**

The adoption of the situational strategic planning as a planning methodology for the PAs and the NSPA was a great step forward for the institution which was not accustomed to consulting communities and asking for their participation. In workshops designed to elicit community participation, problems and solutions were posed by the people themselves. The strengthening of PA support committees, the creation of ecological clubs and park ranger programs for the young, workshops, training events, polls, focus groups, pilot projects and other mechanisms of community encounter helped to define community and PAs problems and served as instruments to acquire information and to gather commitment. This was common to all activities where this methodology could be applied.

Based on the premise that only through public cooperation biodiversity protection is possible, all outreach programs to promote knowledge and involvement -whether through printed materials, radio, or TV as well as distance education and training- took into account popular participation within and around PAs. The role of community participation in conservation should be reinforced and expanded.

### **The Importance of Flexibility in Project Execution**

The original project concept document did not foresee the numerous political changes, new priorities and eventual conflicts that would affect the National System during the life of the project. This lack of foresight was rare as the project took at least three years in its preparation and negotiation, a period when many changes did occur.

It was important to the success of the project that the Bank had enough flexibility to approve changes in the operating plans. As the Bank says in its seventh mission "The majority of activities originally planned have been executed according to the original design, others have been substituted or updated or its sequence has been modified in order to adjust to requisites and/or processes which were not foreseen. In such cases however, the reached objectives have surpassed the original expectations." The Bank also approved differences in expense categories with the necessary flexibility. Even though the differences in categories planned and actually spent are minimal, the results obtained are very important.

The project also followed government priorities and eventually changed its focus to encompass areas originally not included. This involved activities such as management plans, investments, etc.

### **NGO's and Universities Participation**

Although the design of the project did not include a specific objective to ask for the participation of NGOs, Universities and others, the PCU opened a channel of participation that could have worked better if implementation mechanisms would have been planned for.

Some public officials were not in agreement with NGOs participation. They perceived certain tasks as belonging exclusively to government, especially those such as the discussion and issuance of NSPA policies. They felt that NGOs received international funds and benefited from them, while their image was not tarnished by the operations of control and management. Resistance was partially overcome by the support of the Executive Direction, but the presence of NGOs was never truly accepted, and that resulted in delays and bureaucratic obstacles in approvals of consultant works.

NGOs' experience benefited the project and has had satisfactory results, including the cases where alliances and consortiums of various NGOs participated as consultants. In these cases participation happened more in terms of former work specialization of each NGO rather than in a complementary fashion.

In the bidding process some NGOs -especially the smaller ones- felt as if they were left out; others thought that the rules such as proposal drafting and presentations, security deposits and others were too hard to follow.

The success of experienced NGOs winning contests, forced the PCU to limit to two (2) contracts the number of contracts allowed to each. This in order to permit wider participation. Administrative capacity is still an NGO weakness, especially in planning and financial matters. Technical assistance in these issues is of paramount importance. These weaknesses were always pointed out during the life of the project, to the point that various WB missions recommended UNDP provide assistance, which was never delivered.

NGOs participation undoubtedly has opened ways for them to participate in other programs related or derived from those executed by the Project.

In the case of universities, they did a very good job in terms of research. The range of their participation should be opened more widely and incentives placed so that they can act in other fields of their expertise and with the support of national external consultants, as were the case of the Wildlife Strategy and the design of buildings.

### **NSPA Expansion**

Throughout the life of the project, the NSPA continued to expand, adding five new (unfinanced) areas, to total 24 (including the Galapagos Marine Reserve) and so representing 18% of the country land area. The Project financed three new areas, drawing away important resources meant to stabilize the core NSPA areas agreed upon under the master plan.

Lessons learned are:

- (i) A solid central core of well run, adequately financed areas with a functioning administrative unit should be in place before considering the addition of new areas to a system. Subsequent new area additions should have a financial management plan in place before they are established.
- (ii) Expansion should proceed within context of the NSPA Plan and with extensive community participation.

### **Infrastructure Development**

An institutional policy must be developed for NSPA civil construction and equipment. It is also important to start all administrative processes at the onset of a project as they take a long time to implement. For visitor Centers/Interpretation, three procedures were chosen: a bidding within the Architectural Association, a direct contract with an architect of the consultant NGO and an agreement with a firm associated with a university. Of the three procedures, the last two were the better modalities, as they were more economical and faster.

Centers must be built, as much as possible inside PAs and not in the peripheral cities. Public officials argue often ---for their comfort--- that in cities one can find public services, land can be obtained easily and areas can be publicized. Although these reasons are important it is necessary to have as a basic premise that at the onset of the planning stage the necessary staff for maintenance and for public service is available for the new facility. In San Lorenzo, Esmeraldas, a building was much needed for control of the Cayapas-Mataje Reserve. The PCU received a request form the institution to buy a piece of land and build a Visitors and Administrative Center. The land was bought and the building designed, but the facility was not built, as the institution never provided the staff. In the Podocarpus National Park the institution insisted on the construction of a guard post and a 50 km. walkway for the control of miners. As no control personnel was assigned to the post, the PCU had to move the post to the city of Zamora. Tourist cabins should not be built in PAs if such facilities exist in the surrounding towns. On the other hand, first priority should be given to the construction of trails, if park rangers are available for control. Finally, before setting off to build any facility it should be clear which type of

administrative mechanism this facility will have, whether state's, rental, consortium, etc., and the conditions and values to be charged.

### **Equipment**

Public officials usually request equipment that they would like to have, but that it is not used regularly in their everyday tasks. Therefore, a detailed study should be performed before any acquisition (whether local or international) and decisions made at the onset of a project to speed up processes which usually take a long time.

Training in the use of the equipment must be included in the purchase conditions and before delivery. Projects should verify that all institutional inventory control registries are done and in order. It is also important to take into account that equipment acquisitions require a special budget for use, maintenance and repair that it is not usually listed in the institutional budgets. Therefore, the project should require that the institution budget m & r for each new item.