

IMPLEMENTATION COMPLETION REPORT

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GEF Medium-Size Project:
Wetland Priorities for Conservation Action

MAY 15, 2003

Bolivia, Ecuador, Peru and Venezuela Country Managing Unit
Environmentally and Socially Sustainable Development Sector Unit
Latin America and the Caribbean Region
The World Bank Group

IMPLEMENTATION COMPLETION REPORT

ECUADOR

WETLAND PRIORITIES FOR CONSERVATION ACTION PROJECT

GEF-MSP Grant No. TF22267

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Wetland Priorities for Conservation Action-TF22267-EC

Implementation Completion Report

I. Basic Data

1. *Date of Completion Report:* May 14, 2003

2. *Project Title:* Wetland Priorities for Conservation Action Project

3. *GEF Allocation:* US \$ 718,388

4. *Grant Recipient:* Fundación Ecuatoriana de Estudios Ecológicos -EcoCiencia

5. *World Bank Manager/Task Team:* Gabriela Arcos

6. Goals and Objectives:

Goal: To conserve globally significant biodiversity in threatened wetlands.

The project made significant contribution in conserving globally significant biodiversity in wetlands of Ecuador. The activities and recommendations of this project has made it possible for the inclusion of 10 wetlands in to the Ramsar Convention list. Information on features and status of about 150 wetlands has been collected, with priority lines of actions for their conservation and sustainable management. The project identified those wetlands which need immediate intervention to reverse the degradation of these ecosystems. In fact, without this project the deterioration of wetlands of the country would have continued. For example, there were plans to drain some interior coastal wetlands, which did not proceed due to the intervention and recommendations of this project.

EcoCiencia efficiently advanced toward achieving this goal through an integrated process, generating discussion spaces and establishing an active working group aimed at the conservation of wetlands, that was virtually non existing before the project.

Through generating, gathering and disseminating information about the importance of wetlands ecosystems, for human well-being and environmental stability, the project promoted additional wetland sustainable management initiatives that went far beyond the project's expectations.

Objective:

The objective of this project was to promote and support the conservation of wetlands in Ecuador through their identification, characterization, and prioritization. The Project contributed to the conservation of wetlands by producing technical data for a National Wetlands Conservation Action Plan, which has become the basis for future Government action.

The project built upon the experience obtained during the implementation of a pilot project, by expanding the identification, characterization, and supporting the generation of information. The project substantially contributed to the promotion of the importance of wetlands among environmental and decision-making groups.

As further described in this report, the project offered, not only technical information but it also generated a policy and strategic framework for the sustainable management of wetlands,

all of this with direct involvement of key stakeholders, and created national awareness about wetlands and its relevance. The objective was achieved through the implementation of three specific and complementary components discussed further under the Project Impacts section.

7. Financial Information

Although the total amount granted to Fundación EcoCiencia was US \$ US \$ 718,388, the actual amount disbursed was US \$ 716,840. The remaining US \$ 1,548 correspond to ineligible expenditures not covered with GEF funds. This information is detailed under the Financial Management Status section. No changes in the original allocation of grant proceeds took place during the project implementation period.

Due to the unstable political and economical situation that Ecuador went through during the project implementation period, the project's actual cost significantly increased in relation to the original budget. This condition strongly motivated EcoCiencia to seek for additional co-financing, displaying an important effort in allocating fresh resources from other donor to ensure the adequate development of all project activities. The co-financing increased from US \$ 194,500 originally committed to the project to US \$ 636,616, as shown in the table below. Most of the additional co-financing was provided by EcoCiencia and other organizations who supported the project as explained below.

Planned in-kind co-financing from the Government of Ecuador, particularly corresponding to Component 3 (Dissemination of the importance of wetlands), were not mobilized as expected, due to the shortage of budgetary allocations to the Ministry of the Environment. However other sources of co-financing were mobilized during the life of the project. Organizations such as the Comitato Internazionale per lo Sviluppo dei Popoli (CISP), the National Federation of Artesanal Fisheries (FENACOPEC), The Nature Conservancy, the National Army, the Ministry of Tourism, the Galapagos National Park Service, the Presidency's Secretariat of Sustainable Development, the Dutch Cooperation Agency (through the Biodiversity Protection Project), several universities and municipalities, became among the strongest supporters of the project, providing important in-kind and cash contributions.

| Project Components | Planned in Project Brief | | | Actual | | |
|---|--------------------------|----------------|--|------------------|----------------|------------------------------------|
| | Total Cost | GEF | EcoCiencia Ramsar Ministry of Environment* | Total Cost | GEF | EcoCiencia and other organizations |
| Identification And Characterization of wetlands | 730,850 | 631,975 | 98,875 | 872,703 | 631,975 | 240,728 |
| Participatory process | 91,110 | 37,978 | 53,132 | 349,076 | 37,978 | 311,098 |
| Dissemination of the Importance of wetlands | 90,928 | 48,435 | 42,493 | 133,225 | 48,435 | 84,790 |
| Total | 912,888 | 718,388 | 194,500 | 1,355,004 | 718,388 | 636,616 |

**Includes contributions from the Government of Ecuador and the Ramsar Convention.*

II. Project Impact Analysis

1. Project Impacts

All activities were developed in substantial compliance with the agreed Implementation Plan. As programmed, the project has compiled information on wetlands in the four geographic regions of the country (Coast, Andean, Amazon and Galapagos). The project also managed in ensuring participation of local representatives and stakeholders. These includes small scale fisheries (including their national organization), the Galapagos National Park Service, Ministry of Environment, and several NGOs working in conservation, among others. In terms of disseminating the results of the project, the project surpassed the established targets.

During several regional Ramsar meetings, Ecuador, through this MSP, demonstrated that it is well ahead of other participating countries in having a well developed methodology for identification and characterization of wetlands and in the development of a management plan. The methodology for identification and characterization of wetlands, developed during the pilot phase of this project, has been further refined through application, validation, consultation and feedback from national and international agencies. The methodology has been accepted by the Ramsar Convention as a tool for identification and characterization of wetlands. Regionally, several countries are interested in learning from the methodology developed by Ecociencia.

The social assessments have focused in identifying socio-economic factors which have a bearing in the conservation of Ecuadorian wetlands. The realization that in addition to scientific knowledge, users of wetlands are able to provide local knowledge traditional wetland management and use has improved the knowledge and understanding of these resources.

The impacts of the project went as far as to generate national level policies and legislation proposals that consider wetlands as ecosystems that require special attention and particular management strategies.

The results under each component were as follows:

Identification and characterization of existing wetlands in the country

When EcoCiencia started working on wetlands back in 1996, in spite of the fact that Ecuador was a member of the Ramsar Convention, information on wetlands was almost completely lacking at all levels. The generation of technical information on the status and relevance of Ecuador's wetlands, was a key action in order to sustain any wetlands conservation effort.

The project has covered about 150 wetlands in the four geographic regions of the country (Coast, Andean, Amazon and Galapagos) . The classification and characterization of these wetlands have been completed and the results have been published and disseminated. As part of the inventory of Ecuadorian wetlands, the project also classified land coverage of the identified wetlands and demarcated the influence area of each of the wetlands covered by the inventory work. For the 81 wetlands covered by the MSP, botanical, zoological, limnological and socio-economic evaluation, diagnosis and characterization was conducted. The result of characterization and evaluation are now included in the GIS developed through this project. As part of the field work and to help the characterization of the wetlands, surveys and interviews on zoological and botanical characteristics and samplings of aquatic and terrestrials was conducted.

The impact of the outputs of this components activity has been the acceptance of the results of the project by several ministries and governmental and NGOs and the inclusion of wetlands sustainable management in planning, strategy development and policy crafting.

Implementation of a participatory process to achieve sustainable management of wetlands

The aim of this component was to identify wetlands that need restoration or rehabilitation through an implementation of a participatory process to achieve sustainable wetland management. As part of developing national wetlands through participatory mechanism, the project conducted three regional workshop in which representatives from national and regional institutions participated. The outcome of the workshop, an agreed policy proposal, was officially presented to the Ministry of the Environment, which would be the basis for the preparation of National Wetlands Conservation Action Plan. In addition to the regional workshop, the project also conducted one high-level national workshop on the sustainable management of wetlands to further disseminate the result of the regional workshop. The project also organized several meetings at local levels to ensure that local knowledge are reflected in the crafting of sustainable management and to learn historical management of these wetlands by the local community and more importantly to build consensus in the importance and future management of wetlands. The project in addition to identifying key actors in wetlands use and management, established a working relationship and partnership at all levels – local, regional, national and international.

To ensure the future sustainable management of Ecuadorian wetlands, the project identified wetlands to be considered for possible inclusion to the Ramsar Conservation list. As part of this component, the main achievement of the project also includes enhancing the importance of wetlands in the national forest and biodiversity law and strategy. Specifically, the project contributed by drafting a section both in the draft forest and biodiversity management laws and a chapter on *sustainable management of wetlands and eco-system approach to biodiversity strategy*. In addition, through the National Wetlands Working Group, the project developed a ten year policy on wetlands which was included in the National Environmental Strategy (2001-2010).

In order to understand the economic and ecological characteristics of wetlands and of the existing relationships between human beings and wetlands, the project has identified socio-economic criteria. Information collection using interview and direct observation was conducted for all the regions. The result of this exercise helped to establish the relationship between wetlands and human socio-economic activities and determine the economic importance of wetlands to the surrounding communities. The activities completed provided important lessons that further illustrate the importance of wetlands as a source of freshwater and other uses including production. Also, the project has improved the knowledge base in traditional management of the resource and the extent of the openness of these resources. Fifty percent of the rice produced in Coastal Ecuador, for example, relies on water from wetlands. This demonstrates the importance of wetlands and the value the communities attach, specially those whose livelihood is strongly linked with these resources.

Dissemination of the importance of wetlands and project results

This component is aimed at creating awareness, enhance understanding of the concept of wetlands and the importance of managing these ecosystems nationally, especially among social actors interested in wetlands.

The project was highly successful in disseminating its findings through different publications. These publications covered information on wetlands related to identification, characterization, evaluation, comparative analysis, recommendation for the conservation and sustainable

management of Ecuadorian wetlands. It has produced: i) three books (on Identification, characterization, evaluation, comparative analysis and recommendation for the conservation of wetlands) on the Ecuadorian wetlands of Guayas and El Oro, ii) three publication of proceedings of the workshop, iii) two poster designed and published, iv) the National Data base on wetlands created and disseminated through CDs, v) a video on Ecuadorian wetlands.

All the publication has been widely distributed with the assistance of several governmental and NGOs. Such massive diffusion of the results has ensured the inclusion of wetlands and their sustainable management in the Government's policies and strategies for the environment sector and sub-sectors. Also, the awareness of the public in the importance of wetlands has provided support to policy makers in the inclusion of wetlands in the Government's biodiversity strategy and other policy proposals. Also, continuous dissemination took place through massive communication media as TV, Radio, and printed press and magazines.

The National Information system on Wetlands is accessible to most stakeholders and planning officials, that was designed to allow an easy access and use and is open and flexible to further updating at local and regional levels.

In addition, the project is using the website of Ecociencia as a means of information dissemination. However, the web page and the contents are much less than the desired level, given that there was no resource allocation from the Grant nor this was part of the original plan. EcoCiencia will continue seeking for additional resources to enhance the amount and quality of the information posted in the web site.

| PROJECT GOAL | Indicators in Project Brief | Revised Indicators | Results |
|---|---|---------------------------|--|
| To conserve Globally significant biodiversity in threatened wetlands; to assist and promote the conservation of wetlands through the identification and characterization of existing wetlands | a) Effective approaches to sustainable wetlands management | No Change | <p>Through a national, participatory process, with the support of the information generated during the project, specific regional strategies were developed for each of the regions (of wetlands in Ecuador. Each strategy is framed on the social, economic and environmental characteristic that surround the wetlands of each region.</p> <p>For some of the more complex type of wetlands as coastal wetlands, the strategy went as far as recommending a national level zoning, discussed and supported by key holders representatives.</p> |
| | b) Updated information exists on features and status of wetlands, with priority lines of actions for their sustainable management | No Change | <p>At the end of the project, key public and private organizations have obtained accurate and updated information on the status of the social, economic and environmental issues surrounding each of the over 150 wetlands (wetlands systems) inventoried for the country.</p> <p>Ecuador has a National Information system on Wetlands, accessible to most stakeholders and planning officials, that was designed to be both, easy to access and to use and that is also open to further up date at local and regional levels.</p> |
| Project outcomes | Indicators in Project Brief | Revised Indicators | Results |
| a) Facilitate economic evaluation of the benefits and functions of wetlands through social research on the existing relationships between people and wetlands. | Rapid economic evaluation used for the characterization of wetlands | No Change | <p>During the project, a socio economic evaluation matrix was developed to be used by the team for gathering and evaluate information on social links between human being and wetlands.</p> <p>The matrixes, developed through a constant process of feedback and specialists consulting, were generated to integrate identified key criteria and variables that at last, allowed to characterize,</p> |

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| | | | compare and systematize, the economic evaluation of wetlands. |
| b) Identify wetlands that need restoration and rehabilitation through the evaluation of social variables and the environmental characteristics of each wetland. | Prioritized management and rehabilitation actions identified according to the social and environmental characteristics of each wetlands. | No Change | <p>Through the inventory process, the project generated social, economic and environmental evaluation of wetlands. These evaluations were modeled in an integrated system that gave as result a list of the most representative characteristic of each wetland and a national level list of wetlands according to all variable compared and according to their threats and feasibility of conservation and restoration.</p> <p>During the regional workshops, with the participation of key stakeholders, decision makers and representatives of universities and NGOs, specific lists of recommendations were developed, on the base of the existing information on wetlands, to produce a list of priority actions that was published and presented to the Ministry of the Environment.</p> |
| c) Help to increase the number of wetlands included in the “Ramsar Site” list through the presentation of objective information and technical matrices by the National Wetland Workgroup. d) Identify wetlands, proposed through a participatory process, that require protection at the provincial or national level. In addition, the most appropriate management categories will be assigned. This will, in turn, allow pertinent agencies to set priorities of wetland conservation and sustainable management. | A documented list of the those national wetlands that comply with the criteria for inclusion in the Ramsar Convention’s list of wetlands of international importance. | No Change | <p>Together with the list prepared of the most important characteristics of each wetlands, mentioned above, a method of generating comparative results and identify its degree of relevance was developed. This method, developed in direct coordination with the Ramsar Convention, allows to discriminate wetlands according to its degree of representative ness (global, regional, national or local), for each of the different analyzed categories (Social, economic, zoological, botanical and limnological), giving directions on what wetlands need to be preserved and under which criteria.</p> <p>In direct cooperation with local and central government, the project generated a Ramsar data sheet for each of the identified wetlands, this Data sheet is needed by the Ramsar Bureau to evaluate the representative ness of each wetland.</p> <p>With the advice of the project and the local and central interest, 8</p> |

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| | | | new Ramsar sites were presented to the Ramsar Bureau for evaluation. This contributed to the generation of new Ramsar Sites for the first time since Ecuador's signature of the Ramsar Convention in 1991. |
| e) Circulate results of the study at every level within interest groups and stakeholders | At the end of the project, three technical publications containing the project results (including the pilot phase), distributed and sold (at a nominal price) throughout the country, as well as two sets of posters regarding the functions of wetlands and the threats they face, published and distributed through agreements with universities and National Wetland workgroup organizations. | No Change | <p>A total of four technical publications were produced during the project. In addition to that, three other publications were produced with the results of the regional meetings and the policies outputs.</p> <p>The two posters were designed and published as planned but, on addition to these, many other publications were done through the support and several mass media organizations on News papers, radio and TV.</p> <p>Of particular relevance was the development of a dissemination video on the relevance of wetlands that was done, using the video achieves of the project and thanks to the support of the Ramsar Convention and private cooperation.</p> <p>Other product, due to the enormous amount of information generated through the project, was the National Wetlands Data Base that will allow general knowledge of wetlands status for the country.</p> <p>These products were efficiently distributed though the Wetlands Group of the National Biodiversity Working Group, Several Ministries (Environmental, Tourism, Education), Universities and several other GOs and NGOs.</p> |
| Project activities | Indicators in Project Brief | Revised Indicators | Results |
| a) Identification and Characterization of existing wetlands. | Increased wetlands representation within the National System of Protected Areas through the | No Change. | This project achieved this specific activity through several independent approaches. The project first created awareness of the wetlands existing inside protected areas, without recognition or |

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| | identification of clearly defined priority actions addressed to wetlands conservation. | | <p>proper management. Second it recommended and it two cases succeeded, to include wetlands into the National Reserve System, either by expanding its borders or by creating specific reserves.</p> <p>It also recommended the declaration of new Ramsar sites, furnishing the necessary information and the Ramsar Data Sheet to be given to the Ramsar Bureau for its analysis. By this method, 8 new Ramsar Sites have being declares and three others are know on process of declaration.</p> |
| b) Through the National Wetlands Workgroup, implementation of a participatory process that will serve as a basis to prepare a technical report with recommendations on specific wetlands management action. | National Wetlands Group effectively strengthened and with clear lines of action toward sustainable wetland management | No Change | <p>The National Working Group on wetlands was strengthened at various levels. With the cooperation of IUCN, a Virtual National Discussion group was integrated to discuss the projects advances, policies and priorities on wetlands.</p> <p>Since most of the Ecuadorian wetland related stakeholders, lack access to internet on regular bases, an strategy of regional and local workshop was implemented to gather those people and receive their inputs and perspectives.</p> <p>With the National Biodiversity working Group, a National level working group on wetlands was created. With this group efficiently was discussed the documents that at the end gave the national policy proposal in a national level workshop held in Guayaquil.</p> |
| c) Dissemination of the importance of wetlands and of project results. | Three publication with the project results (including the pilot phase) sold at a nominal price, and two posters produced and circulated. | No Change | The publications, the videos and the posters were all efficiently disseminated and EcoCiencia is identified today as an objective source of information on wetlands for the country. |

2. Project Sustainability

Sustainability of project actions has been ensured by the following aspects:

- The Ecuadorian Government, aware of the importance of wetlands and the threats they face, has integrated the category of wetlands within the draft Biodiversity and Forestry Laws as “Special Use Areas”. This, together with the direct participation of representatives of the Directorate of Biodiversity and Protected Areas (DBPA) in this MSP will ensure the inclusion of the results of this project into current and future planning and policy making.
- The DBPA led the preparation of the National Biodiversity Strategy. This process provided the Government of Ecuador with overall policies for sustainable development and has included wetlands as priority ecosystems for conservation and sustainable management. The DBPA has a permanent representative in the National Wetlands Work Group, ensuring an effective interface between MSP activities and the Biodiversity Strategy process.
- The National Wetlands Work Group has been created. Its members are representatives of several social groups who will collaborate in the proclamation of sustainable development policies for these ecosystems and coordinate actions aimed at the dissemination and eventual incorporation of said policies within local, sectional and central governments.
- The methodology that has been implemented through this MSP does not require high level expertise for future application. This will allow its further use in long-term wetland monitoring activities, expected to be carried out by key stakeholders (e.g. DBPA, local communities). This methodology could be easily transferred to stakeholders by training programs to be carried out by future initiatives.

Wetlands that require conservation actions, at a local and national level, have been identified and characterized. For all these wetlands, ecosystemic land planning proposals have been presented to be used as guidelines for future management plans development. Through the social and environmental evaluation of the wetlands, wetlands requiring imminent rehabilitation and restoration actions were identified. For these wetlands, recommendation on actions to be carried out in order to achieve these goals, were provided.

Through a participatory process, that included key stakeholders, policy makers, universities, national planning, managing and research institutions and NGOs, a National Wetlands Policy proposal document was prepared and presented to the Environmental Ministry.

3. Replicability

Through the identification of the socio-economic relationships existing in wetlands, important information on existing and potential products has been collected and included in the reports to facilitate the economic, social and cultural evaluation of wetlands. This instrument has directly helped to promote wetlands conservation and have increase the relevance of these ecosystems among users and policy makers.

The National Data Base on Wetlands was created with the information gathered for national wetlands during the National Wetlands Inventory process. This Data base will help all interested parties to access to complete and updated information on wetlands, which has been made available in order to assess actions towards wetlands conservation.

One of the greatest drawback for conservation is the lack of technical information at the moment of crucial decision-making. Through the project and based on the social and environmental reality of the country, specific wetlands management strategies were developed for each of the five regions/types of wetlands in the country.

In the specific case of coastal wetlands, a national strategy was developed and presented to the FENACOPEC (National Artesanal fisheries organization) and the INP (National fisheries institute). This strategy seeks to create a sense of ownership on wetlands by local communities to increase their level of commitment towards wetlands management and conservation. This strategy is being discussed also at a regional level and a new initiative is being developed at that level.

Through permanent contact with local governments and other institutions, EcoCiencia has repatriated information and generated several parallel process as the Biotrade initiative in wetlands and the Regional wetlands atlas. Both initiatives are being carried out with the technical assistance form EcoCiencia and are founded on the information gathered during this project.

4. Stakeholder Involvement

The approach to every community took place through their leaders and representatives. Through the organization of local workshops, it was possible to present the project to the community and return the project results and products.

With the purpose of helping in the evaluation of wetlands functions and benefits, conservation policies and identification of sustainable management alternatives, a social assessment was carried out. It consisted of the following steps:

(++)• *Data gathering.* Several data gathering tools were used: gathering of pre-existing information (publications, reports, maps, etc.); surveys of local populations; and interviews to local leaders; indigenous leaders (when indigenous communities are affected), key informants, political leaders, public representatives, and specialists. The data on stakeholders would include: (i) income and livelihood, (ii) income sources and relations to wetlands population, (iii) demographic conditions, (iv) types of communities, (v) land tenure and soil use, (vi) production relations and ways, (vii) marketing, distribution and consumption, (viii) social and political organization, (ix) identification of the eventual presence of indigenous communities; (x) identification of conflicts and possible risks about management and land tenure, (xi) participation procedures on the communities and perception toward the environment and, (xii) cultural and social values.

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(++)• *Data Analysis.* Upon completion of the data gathering process, a diagnosis analysis was performed on the following areas: (i) current sustainable resource management practices and potentially destructive human uses of natural resources; (ii) uncontrolled encroachment of human population into wetlands sites, (iii) poverty in areas surrounding wetlands; (iv) observed and potential conflicts between wetlands conservation authorities and affected groups and communities; (v) design of an indigenous people action plan (when indigenous communities are affected); and (vi) proposal of management and conservation strategies.

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- *Information feedback*: the results of the previous phases were presented for review and discussion with local representatives during *regional workshops* with stakeholders and local representatives to encourage local participation in the design of sustainable management plans.

The project made very important efforts in constantly disseminating its results. Workshops, publications, CDs, videos, posters, articles and frequent interviews and publications on massive media, were instruments used to generate public awareness on wetlands and to achieve information repatriation.

In a national scale process, with representatives of all related organizations such as the FENACOPEC, INOCAR, the Fisheries Institute, Polytechnic Universities, environmental Ministries and local NGOs, EcoCienca has helped to developed a National Coastal Zonal Proposal to be discussed and validated in a participatory process.

Several Agreements have been sign between several governmental and non governmental institutions, that continue to work in promoting the relevance of wetlands and the project outcomes. These agreements continue to generate new initiatives to support wetlands conservation and responsible management throughout the country.

EcoCienca has a strong policy on stakeholder involvement, participation and information repatriation. Especially when working with indigenous groups, EcoCienca took particular care on following the appropriate procedures for approaching these groups, which istarted by signing agreements with the National Confederation of Indigenous Organizations (COFENIAE). This allowed the project to receive an open and continuous collaboration though all the implementation period.

Due to the success and general acceptance of the project, the repatriation process continues even after the project has been closed, thanks to the interest and participation of new projects and organization working now on wetlands and aquatic ecosystems in general. EcoCienca has also opened several dissemination channels on wetlands through the collaboration of mass communicators as radio, television, news papers and several national and international technical publications.

5. Monitoring and Evaluation

During project implementation, EcoCienca applied its internal monitoring and evaluation system for projects, based on the monitoring of timetables, budget and impact indicators. The system included the agreed performance benchmarks. These performance benchmarks provided the basis for disbursement of GEF funds during implementation. This system produced monthly reports, which were used to assess the progress in implementation.

Once a year, an internal general meeting took place. Here, all projects, including this MSP, were evaluated, indicators assessed and, if needed, modifications to activity plans were proposed by EcoCienca's technical staff.

External monitoring took place by the Ministry of the Environment through and the Ramsar Convention, through the review of technical reports and, eventually, site visits. In this sense, the project has closely worked with the Ministry of the Environment and the Ramsar Convention in order to ensure results according to the national goals. Since the political environment in Ecuador is unstable, EcoCienca has tried to help the government to develop a National Wetlands Strategy. The project has followed the National Environmental Strategy and has closely worked with the officials at, to pursue the project according to its original planning and goals, framing it into national priorities.

Ecuador possesses most of the needed technical information on social, economic and environmental variables, that will help the country to develop a realistic and operational National Wetlands Strategy. The methodology developed through the project will allow the design of monitoring protocols at the national and local level. This methodology has been validated by the Ramsar Convention. Specific wetlands monitoring strategies have been developed for several areas, as the Galapagos Archipelagos, that require special attention for wetlands conservation.

The great amount of information that the project generated has been organized into the recently established Ecuadorian Wetlands Information system, and will strategically complement the operation of the Government's Environmental Information System (SIAM).

6. Special Project Circumstances

The country's political instability made the project team deal with seven different Ministers of the Environment, each one with a different agenda and priorities. The discussion about the establishment of a National Wetlands Strategy was reinitiated with each change in administration. EcoCiencia's determination to accomplish the project objectives, helped to overcome this obstacle.

The project also suffered from inflation and the "dollarization" of the economy. Cost estimates made before the change in the currency were made obsolete due to the high inflation the country experienced. This problem was overcome through EcoCiencia's active solicitation for assistance from other donors to pick the additional cost. As a result the project implementation has successfully dealt with the unforeseen inflation and the associated cost rise.

For the amount of resources allocated through this MSP for identification and characterization of wetlands, it has created tangible results. The awareness of the population in the importance of wetlands has created a momentum where in some areas pilot projects has started to be implemented in cooperation with international donors.

The work done by the project and the dissemination the results on the status of conservation of wetlands, has motivated serious discussions and analysis within the Government and NGO community. As a result of the wide dissemination of its results and activities, the awareness level in wetlands is at a higher level than at the start of this project as exemplified by increased press coverage and the increasing government and NGO interest shown through requests for information from the MSP.

This project also provided relevant information and supported the definition of conservation strategies for wetlands located inside protected areas. This was an important input in the preparation of management strategies for those protected areas that will be included in the full-size Protected Areas GEF Project recently approved.

7. Institutional Capacity / Partner Assessments

The project strengthened the National Wetlands Work Group (NWWG), created during the Pilot Phase with users, administrators and other people interested in this type of ecosystem. Through a national-scale participatory process, it generated the information needed by the NWWG to design guidelines that will establish the basis for the National Wetlands Conservation Action Plan. It also strengthened stakeholder capacity to sustainably manage the country's wetlands through the planned participatory process and information dissemination activities.

This project confirmed that participatory approaches are essential to ensure commitment at the national level to conserve wetlands. The MSP was successful in bringing-in stakeholders, even those who were suspicious of the project objective, such as small scale fisheries (artisanal fisheries) whose initial reaction was resistance to the project. As a result of continuous dialogue, the fisheries, as represented by their national association, are frequent participants in workshops and meetings on wetlands and have showed a shift in their position towards the sustainable use of the resource.

In terms of resource leverage, the MSP has benefited from other donors in financing small activities, such as publication. Further, due to the involvement of GEF, other donors, such as Italian development cooperation, have considered to finance additional activities related to wetlands conservation and its sustainable management.

The importance of EcoCiencia as an environmental institution specialized in wetlands identification, conservation and management is enhanced. Evidently this was the result of the GEF involvement which enhanced the standing of EcoCiencia. It is now clear that the Ministry of Environment relies heavily on input of this MSP in factors dealing with wetlands as demonstrated in the preparation of the draft forest and biodiversity laws and the chapter on “*Sustainable Management of Wetlands and Eco-systems Approach in Biodiversity*” which was included in the Biodiversity Strategy.

Organizations as the Ministry of the Environment, the National Fisheries Institute (INP) and key holders and technical organizations, constantly showed interest and commented the project results, giving new inputs on how the project would best fit national requirements and objectives. As a general case, the project received constant support and all their products and recommendations were for general acceptance and use.

III. Summary of Main Lessons Learned

- It was important for the success of the project, to keep a low profile, helping the Ministry of the Environment, local governments and NGOs and local and national social organizations, to maintain their leading role without seeing the project as competition or interfering with their work. By keeping a low profile, EcoCiencia is now seen as an important source of information and expertise on wetlands management.
- Participatory approaches were essential to ensure commitment at the national and local levels to conserve wetlands. The project was successful in bringing-in relevant stakeholders, As a result of continuous dialogue with different sectors and participation participants in workshops and meetings on wetland, there is a clear shift towards the sustainable use of wetlands.
- Working at a national level, the project had to deal with different organizations and points of view. In order to better work with different sectors of the civil society, EcoCiencia developed multiple strategies and methodologies of approach and collaboration. The adoption of this strategies has further strengthened the relations between EcoCiencia and the civil society.
- A successful implementation of a project strongly relies in the consolidation of a good technical team. The project team was constantly committed to their work, even beyond their duties. A constant process of evaluation and recognition of the work of each team member was important to enhance performance.
- The socio-economic characteristic of wetlands are particular of each system and can change according to the geographical location and the cultural characteristic of the local communities. For this reason, conservation strategies for wetlands should not be developed only at the national level, but also at the local level. As an example, wetlands are used differently in the highlands compared to the coastal regions and even within the

coastal region, wetlands are used differently at different sites, depending on the predominant social and economic activities developed.

- At a regional and international level, many policies are proposed without considering the particular characteristic of the country or region within the country in which the project is implemented. As a conclusion, a good policy and regulatory framework must consider the national reality and its characteristics.
- Working with the World Bank was a new experience, thus the need of adopting several internal procedures, including modification in the accounting and administrative policies. These modifications helped EcoCiencia to strengthened its accounting policies and to establish new accounting procedures that have improved the efficiency in the administration of funds provided by international donors.

IV. Financial Management Status

Audit reports covering the periods from March 1, 1999 to December 31, 1999 and from January 1, 2000 to December 31, 2000.

The audit report was prepared in accordance with the Grant Agreement requirements. The auditors issued qualified opinions on the project's financial statements and their Statements of Special Account (SA) for both periods. The qualifications arose for the following reasons:

- Ineligible cost of US \$ 824 paid during FY99
- SA funds used to pay for value added tax (IVA) during FY99 and FY00
- SA funds transferred during FY99 and FY00 to long-term investments not stipulated in the Grant Agreement
- Lack of supporting documentation for expenditures totaling US \$ 1,548 paid during FY00

All of these issues were discussed with the project team during a financial management mission carried out in January 2001. During the mission, the project team agreed to correct these deficiencies in FY01. This was further evidenced in the audit reports where the auditors included management's comments confirming the dates that the corrections have been implemented during FY01. Formal confirmation of these corrections were made in the FY01 audit report.

Laws and regulations. The auditors noted instances of non compliance with the Grant Agreement, all related to the qualifications already mentioned.

Internal controls. The auditors found several reportable conditions related to the internal controls otherwise known as the policies and procedures used and followed by the project to ensure the transparency in managing the grant funds and the reliability in the financial information presented in their statements. These conditions included a lack of standard chart of accounts, lack of procedures for maintaining safeguards and reporting on assets purchased with project funds, unclear procedures for the documentation requirements of expenditures paid, and an inadequate budget monitoring system. Based on comments issued in both reports, project management took specific steps to correct these weaknesses.

Audit report covering from January 1, 2001 to December 31, 2001.

The audit report was prepared in accordance with the Grant Agreement requirements, however the financial management specialist suggested that terms of reference should be submitted to LCOAA for clearance and ensure that Bank's guidelines are followed. The auditors issued qualified opinions on the Special Account Statement and Compliance with

applicable laws and regulations. According to the audit report, there were ineligible expenditures corresponding to tax payments.

Compliance. In general terms, the auditors found that EcoCiencia and the Project complied with the terms of the Grant Agreement and the applicable laws and regulations, however there was an in compliance of clause 3.2 of the agreement.

Internal Controls. Internal controls have been evaluated as satisfactory, nevertheless the auditors issues some recommendations that required attention from the project team:

- The audit report should have been submitted by April 30, 2002, however it was sent on September 16, 2002.
- Immediate replenishment of funds used to pay taxes is necessary.

Funds used to cover taxes were reimbursed to the Special Account. The final report will be submitted before the agreed deadline.

Final Audit Report: will cover the period from January 1, 2002 to November 15, 2002. Will be submitted to the Bank no later than May 30, 2003.