Conservation and sustainable use of biodiversity within the sustainable use areas of the State Subsystem of Protected Areas (SEAP) of Ecuador and its buffer zones.

Part I: Project Information

GEF ID
10396

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
- ☐ CBIT
- ☐ NGI

Project Title
Conservation and sustainable use of biodiversity within the sustainable use areas of the State Subsystem of Protected Areas (SEAP) of Ecuador and its buffer zones.

Countries
Ecuador

Agency(ies)
FAO

Other Executing Partner(s)
Ministry of Environment

Executing Partner Type
Government

GEF Focal Area
Biodiversity

Taxonomy
Productive Landscapes, Protected Areas and Landscapes, Biodiversity, Focal Areas, Terrestrial Protected Areas, Agriculture and agrobiodiversity, Mainstreaming, Tourism, Forestry - Including HCVF and REDD+, Sustainable Livelihoods, Sustainable Land Management, Land Degradation, Restoration and Rehabilitation of Degraded Lands, Sustainable Agriculture, Sustainable Fire Management, Sustainable Forest, Sustainable Pasture Management, Transform policy and regulatory environments, Influencing models, Convene multi-stakeholder alliances, Demonstrate innovative approache, Deploy innovative financial instruments, Strengthen institutional capacity and decision-making, Indigenous Peoples, Stakeholders, Consultation, Type of Engagement, Partnership, Information Dissemination, Participation, Behavior change, Communications, Awareness Raising, Financial intermediaries and market facilitators, Private Sector, Beneficiaries, Local Communities, Non-Governmental Organization, Civil Society, Community Based Organization, Women groups, Gender Mainstreaming, Gender Equality, Sex-disaggregated indicators, Participation and leadership, Gender results areas, Capacity Development, Access and control over natural resources, Capacity, Knowledge and Research, Knowledge Exchange, Sustainable Development Goals

Rio Markers

Climate Change Mitigation
Climate Change Mitigation 1

Climate Change Adaptation
Climate Change Adaptation 1

Duration
60 In Months

Agency Fee($)
419,540

Submission Date
10/11/2019

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount($)	Co-Fin Amount($)
BD-2-7	GET	3,091,347	14,844,900
BD-1-1	GET	1,324,863	6,362,100
	Total Project Cost ($)	**4,416,210**	**21,207,000**

B. Indicative Project description summary

Project Objective

Promote the conservation and sustainable use of biodiversity and optimize the livelihoods of local inhabitants through the application of an integrated landscape management approach within the State Subsystem of Protected Areas (SEAP), focused on sustainable use areas within PAs as well as adjacent buffer zones, and to build capacities of decision makers for scaling-up throughout the National System of Protected Areas (SNAP)

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fi Amount($

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fi Amount($
1: Strengthening SEAP Governance for the management of PAs, including their sustainable use areas	Technical Assistance	1.1 Integrated and improved management of protected areas and their *sustainable use areas* *Indicators:* *GEF Core Indicator BD 1.2:* *Protected Areas under improved effective management (METT score[1]):* *Cayambe Coca:* *Project Start: 62.70%* *Project End: 72.70%* *Sangay:* *Project Start: 46.83%* *Project End: 53.17%* [1] Ecuador has an adapted version of the METT that has been used to defined the targets. METT is updated until 2018 http://extwprlegs1.fao.org/docs/pdf/ecu162628.pdf	1.1.1 A SEAP Integrated Information Management System[1] for the management of PAs and their *sustainable use areas*, with a socio-environmental conflict monitoring module, is operational 1.1.2 Standards and technical, operational and legal tools for the management of *sustainable use areas* of the SEAP are in place, within the framework of the new Organic Environmental Law and its regulations 1.1.3 Training program carried out for Ministry of the Environment (MAE) personnel in the effective application of regulations and instruments for the management of *sustainable use areas* in the Cayambe-Coca and Sangay PAs 1.1.4 Information system (of output 1.1.1) implemented in the Cayambe Coca and Sangay Protected Areas, and validated by the communities, technical teams and park rangers [1] Information on the state of biodiversity, tenure, land use, among others.	GET	921,936	4,443,37

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fi Amount($
2: Capacity building to prevent loss of BD in buffer zones adjacent to PAs	Technical Assistance	2.1 Capacities of Decentralized Autonomous Governments (GADs) and local stakeholders strengthened to carry out integrated landscape management in the buffer zones, to prevent loss of BD *Indicators:* *- 5 regulations and tools created that incorporate BD conservation in accordance with PA zoning* *- 2 local territorial coordination committees* *- Level of improvement of capacities of the GADs (% increase from the baseline; to be defined during the PPG and, measured with the Capacity development TT*	2.1.1 Regulations and tools developed for the conservation and sustainable use of BD in the buffer zones of the SEAP, within the local planning framework. 2.1.2 Mechanism for inter-institutional and cross-sectorial coordination at the territorial level between the MAE, Ministry of Agriculture (MAG), GADs and other key stakeholders for dialogue, coordination, and exchange of information between the national, provincial, municipal and parish levels. 2.1.3 Training program carried out for GADs and key stakeholders on regulations for the management of buffer zones	GET	688,100	3,292,13

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fi Amount($
3: Improvement of alternative livelihoods to reduce pressure on ecosystem services and BD in the Cayambe-Coca and Sangay PAs	Technical Assistance	3.1 Agricultural pressures on the Sangay and Cayambe Coca PAs are reduced, leading to improved conservation and restoration of natural resources and ecosystem functions *Indicators:* *GEF Core Indicator BD 4.1* - *8,000 hectares under improved practices in buffer zones* *GEF Core Indicator 11* - *8,200 direct beneficiaries engaged in sustainable use of natural resources (at least 40% women)* 3.2 Livelihoods of the inhabitants of Sangay and Cayambe Coca, in *sustainable use areas* and buffer zones, improve and are more sustainable	3.1.1 Technical assistance and rural extension services of the MAE, MAG and GADs are strengthened to promote BD conservation and sustainable use practices in the buffer zones and sustainable use areas 3.1.2 Environmentally friendly practices implemented with the inhabitants of the sustainable use areas and buffer zones of 2 PAs, in accordance with the approved zoning and standards for different activities (e.g. farm management plans, climate-smart agriculture, agroecology) 3.2.1 Strengthened and articulated incentives for the conservation and use of biodiversity at the local level (including: exemption from local tax payments, non-monetary incentives such as technical assistance, green seals, certification	GET	2,121,178	10,195,51

Project Component	Financing Type	Project Outcomes	Project Outputs	Trust Fund	GEF Amount($)	Co-Fi Amount($
4: Knowledge Management and Monitoring and Evaluation (M&E) based on adaptive management principles, and the delivery of objectively measurable and verifiable results	Technical Assistance	4.1 Project implementation is supported by an M&E strategy based on measurable and verifiable results and adaptive management principles	4.1.1 Mechanisms in place for dissemination and exchange of best practices and lessons for the replication and scaling-up of project outcomes to the SEAP: communication and information strategy; and exchange visits for MAE, GAD and MAG personnel as well as owners / producers in buffer zones. 4.1.2 M&E strategy developed with relevant interest groups that clearly defines expected outcomes and time periods for completion, and provides for confirmation through objectively verifiable indicators and means of verification 4.1.3 Mid Term Review and Final Evaluation carried out with the objective of constructively informing and advising implementation of the project, sustainability considerations, and the application of adaptive measures when necessary.	GET	474,700	2,266,11
				Sub Total ($)	**4,205,914**	**20,197,14**

Project Management Cost (PMC)

	GET	210,296	1,009,857
	Sub Total($)	**210,296**	**1,009,857**
	Total Project Cost($)	**4,416,210**	**21,207,000**

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Government	Ministry of the Environment of Ecuador (MAE)	Public Investment	Recurrent expenditures	1,500,000
Government	Ministry of the Environment of Ecuador	Grant	Investment mobilized	3,250,000
Government	Ministry of Agriculture and Livestock (MAG)	Public Investment	Recurrent expenditures	650,000
Government	Local Governments (provincial and parish) of Imbabura	Public Investment	Recurrent expenditures	250,000
Government	Local Governments (provincial and parish) of Pichincha	Public Investment	Recurrent expenditures	350,000
Government	Local Governments (provincial and parish) of Napo	Public Investment	Recurrent expenditures	1,000,000
Government	Local Governments (provincial and parish) of Sucumbios	Public Investment	Recurrent expenditures	450,000
Government	Local Governments (provincial and parish) of Chimborazo	Public Investment	Recurrent expenditures	400,000
Government	Local Governments (provincial and parish) of Tungurahua	Public Investment	Recurrent expenditures	350,000
Government	Local Governments (provincial and parish) of Morona Santiago	Public Investment	Recurrent expenditures	1,000,000
Government	Local Governments (provincial and parish) of Cañar	Public Investment	Recurrent expenditures	450,000
Government	Local Governments (provincial and parish) of Azuay	Public Investment	Recurrent expenditures	250,000
GEF Agency	FAO	Grant	Investment mobilized	307,000
Private Sector	FIAS	Grant	Investment mobilized	1,500,000
Private Sector	FONAG	Grant	Investment mobilized	350,000

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Private Sector	FONAPA	Grant	Investment mobilized	150,000
Beneficiaries	Beneficiaries	In-kind	Recurrent expenditures	9,000,000
			Total Project Cost($)	**21,207,000**

Describe how any "Investment Mobilized" was identified

During the initial consultation process, farmers and community leaders expressed that their working day is worth USD20. Their estimated contribution in the Project just in meetings and training programs (field farmer's school) is 20 days a year (based on other GEF projects). The project will last 5 years and has an estimated of 8,200 beneficiaries. Actual calculations will add up to USD16 million. This amount does not include the time spent implementing good practices and other assets, such as land. Besides, experience with other projects shows that once a good practice proves to be effective, farmers put more resources into the project. The USD9 million is a conservative estimation that will be revised during the PPG phase.

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
FAO	GET	Ecuador	Biodiversity	BD STAR Allocation	4,416,210	419,540	4,835,750
				Total GEF Resources($)	**4,416,210**	**419,540**	**4,835,750**

E. Project Preparation Grant (PPG)

PPG Amount ($)
150,000

PPG Agency Fee ($)
14,250

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)	Total($)
FAO	GET	Ecuador	Biodiversity	BD STAR Allocation	150,000	14,250	**164,250**
				Total Project Costs($)	**150,000**	**14,250**	**164,250**

Core Indicators

Indicator 1 Terrestrial protected areas created or under improved management for conservation and sustainable use

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
889,715.00	0.00	0.00	0.00

Indicator 1.1 Terrestrial Protected Areas Newly created

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
0.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Indicator 1.2 Terrestrial Protected Areas Under improved Management effectiveness

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)
889,715.00	0.00	0.00	0.00

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)

Name of the Protected Area	WDPA ID	IUCN Category	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)	METT score (Baseline at CEO Endorsement)	METT score (Achieved at MTR)	METT score (Achieved at TE)	
Akula National Park Cayambe Coca NP	**125689** 183	**Select**National Park	486,612.00							
Akula National Park Sangay NP	**125689** 188	**Select**National Park	403,103.00							

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
8000.00	0.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
8,000.00			

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	3,280			
Male	4,920			
Total	8200	0	0	0

Part II. Project Justification

1a. Project Description

a) The global environmental problem, its causes and the barriers that must be resolved

1. The Republic of Ecuador has an area of 283,561 km2 and a population of 14,483,499 inhabitants[1][1]. Ecuador's tropical location and the influence of the Andes mountain range have allowed the development of diverse ecosystems ranging from tropical rainforests in the lowlands of the Amazon region, the Andean páramos (moors), and the dry and tropical forests on the Pacific coast,, constituting a total of 91 ecosystems nationwide. Additionally, 11 of WWF's 200 Global ecosystems are represented in Ecuador[2][2]. These ecosystems are home to an extraordinary biological wealth that makes Ecuador one of the 17 mega-diverse countries in the world with more than 23,000 species registered nationwide[3][3]. This biodiversity (BD) represents an important source of economic and commercial resources especially for communities that depend on natural resources. On the other hand, the country's economy is based primarily on non-renewable resources such as oil and conventional agricultural and fishery activities. These activities represent risks for the country's biological wealth, and make it necessary to find sustainable development alternatives that contribute to protect and conserve BD and ecosystem services.

2. Ecuador has made significant efforts for the conservation of BD. Of the country's 91 recognized ecosystems, 85 are represented in Protected Areas (PAs). The National System of Protected Areas (SNAP) includes 59 PAs covering a total area of 18,408,214 hectares (ha)[4][4]. The SNAP is made up of the State Subsystem of Protected Areas (SEAP), which represents 99.45% of the PA estate, and autonomous decentralized, community and private subsystems that cover the remaining 0.55%. PAs within the SNAP are important providers of ecosystem services, since they give rise to 60% of water for hydroelectric power, 60% of water for agriculture and 50% of water for human consumption. Quito is a notable example as it receives almost its total water supply from the Cayambe Coca National Park. Likewise, almost 24% of the carbon in the biomass of mainland Ecuador is stored in PAs. The PA system also encompasses significant cultural diversity as represented by 26 indigenous nationalities, local communities and Afro-Ecuadorian populations. PAs generate 35% of the country's tourism income. Despite conservation efforts, the National Biodiversity Strategy (ENBPA) 2015-2030 recognizes that at the national level, 17.5% of the species registered in the country are under some threat category, with amphibians being the group with the highest percentage of threatened species (28.5%). Among vertebrates, at least 530 species (not including fish) are under some threat category.

3. Ecuador's PAs are mostly located in rural areas where local populations frequently live in poverty and even extreme poverty. PAs are subject to expansion pressures from communities and private owners outside community boundaries, including the extension of the agricultural frontier into buffer zones and within the PA, and unsustainable or illegal extraction of natural resources (logging, hunting, and fishing). Ecuador experiences a net annual deforestation of approximately 47,497 ha/year (2008-2014 period), part of which is carried out in the zones of influence of the PAs. At the same time, between 1990 and 2014 the agricultural area within PAs increased from 78,923 hectares to 150,877 hectares, representing a growth of 91% and a change in land use that increased from 1.8% to 3.5% the total area of PAs. Environmental deterioration is associated with inadequate land use and inappropriate agricultural and livestock practices. Livestock is an important source of economic resources in many areas, and is carried out within PAs without any control or regulation, resulting is problems with overgrazing, illegal logging of woody species to be used as fodder during the dry season, the burning of shrubs to promote food production, soil erosion in areas trampled by animals, and competition for food and water with wild animals. Additional information on threats in the project's selected protected areas is found in table # 1, below.

4. Ecuador approved the new Organic Law (Code) for the Environment (CODA) that entered into force in April 2018. The CODA defines new scenarios for the management of PAs and the communities within them, including: recognition of the contributions that PAs make to development and their integration into Development and Territorial Organization Plans (PDOT); regularization of land tenure within PAs, thus recognizing the importance for conservation of having a more active participation of inhabitants; recognition that the livelihoods of the inhabitants of PAs must be sustainable and in accordance with the zoning of the areas; and requirements for zoning of PAs to allow them to determine use activities and rules for each of the defined zones. Article 43 of the CODA defines SEAP as the agency responsible for the heritage of the protected areas of the State, which are managed by SEAP on behalf of the Ministry of the Environment (except for El Cajas National Park). SEAP has its own team of PA chiefs and park rangers. The CODA states that the National Environmental Authority (Ministry of the Environment, MAE) will analyse the potential of the SEAP's environmental services to be used sustainably. It should be noted that the declaration of many PAs was carried out in areas where there were already indigenous populations or legal settlements, which has caused conflicts over many years due to the lack of recognition of the rights of these settlers. For this reason, the CODA recognizes this situation for the first time and indicates that private properties whose ownership and title is prior to the declaration of the protected area will have limitations on the use, enjoyment and disposition rights in accordance with the management plan of the protected area and its zoning. The MAE may sign use agreements with the owners that are compatible with the category of the area.

5. CODA issued a regulation on May 21, 2019 that establishes the creation of *sustainable use areas* as one of the zoning categories within protected areas. These zones are different from buffer zones, since they are within protected areas and will be spaces where, given the previous population settlements, it will be possible to carry out sustainable agricultural activities that prevent the expansion of the agricultural frontier within the PA and resulting land degradation and loss of BD. Article 58 of the CODA for the first time creates the official concept of *buffer zones*, and defines them as areas that are linked to the National System of Protected Areas or areas for urban expansion, which are public, private or community properties, whose purpose is to contribute to the conservation and integration of protected areas. In the management plans of each PA, the extent, uses and other characteristics of buffer zones must be defined. Buffer zones are different from sustainable use areas because they are outside protected areas. Activities carried out in buffer zones must contribute to the fulfilment of the objectives of the National System of Protected Areas, within development and territorial planning frameworks. Decentralized Autonomous Governments (GAD) will promote and encourage complementary actions and activities to ensure conservation in these areas. Thus, the recent entry into force of the CODA reconfigures the management of PAs in Ecuador with regard to the recognition of the inhabitants within them, and makes it is necessary to create technical standards,

regulations and guidelines for their effective implementation, especially in regard to buffer zones and sustainable use and what is allowed within them. This is a new condition that currently exists in the country, which allows the promotion of an integrated management of PAs, their sustainable use areas and their buffer zones.

6. As describe in Section D below, Ecuador is carrying out a variety of efforts to promote the effective management of protected areas and their sustainable use areas. However, a number of barriers exist to the effective implementation of the country's efforts to counter anthropogenic pressures on the SEAP, which have been identified as follows:

7. *Barrier 1: Weaknesses of the SEAP governance framework due to inadequate or outdated strategies for an integrated management of sustainable use areas within PAs*

8. Information limitations for SEAP management: The MAE has established the Single Environmental Information System (SUIA)[5][5]; however, this system works mainly as an information repository, which limits its use for territorial management. The system is not integrated to generate reports with updated data, statistics, or basic information collected monthly by park rangers and technicians working in protected areas. Thus, while park rangers prepare monthly reports of incidents, wildlife sighting, conflicts, and other issues that are relevant for PA management, that information is not entered anywhere, so it cannot be used for decision making. There is also no updated information on land tenure or land possession and the few information and studies generated are not systematized. The MAE also has the Biodiversity Information System (SIB)[6][6], which has been developed in modules, and is missing the monitoring and tracking modules. The processes are currently carried out manually from the territory and the information is only accessible through requests, which limits the availability of real-time information that may allow authorities, park rangers and technicians to manage and make decisions.

9. There are no monitoring systems for socio-environmental conflicts[7][7]: PAs in Ecuador experience various conflicts[8][8], however their monitoring is currently limited to reports prepared by park rangers on conflicts addressed and resolved at the local level. If necessary, the reports are sent to the central MAE, but in many cases there is no formal report or information that indicates the resolution of conflicts, and these reports rarely influence decision making regarding PA management. In addition, the process is not socialized with key stakeholders and depends heavily on the historical memory of officials. There are no tools for resolving conflicts in the field or a monitoring system that generates and updates information continuously for effective action and decision-making. Due to this lack of systematized information, MAE cannot predict socio-environmental conflicts in order to have conflict reduction and management mechanisms and homogeneous response forms, and conflicts are resolved on case-by-case basis, which makes them difficult to control. Access to this information would allow the MAE to establish better guidelines for the resolution of socio-environmental conflicts.

10. Outdated and/or uncoordinated regulations and tools: With the new CODA and its regulations, it is necessary to create technical standards, regulations and guidelines for the management of protected areas. The MAE has a Manual for the Operational Management of Protected Areas and technical documents for the zoning of protected areas, and for

the redefinition of the SEAP's management categories. While zoning has been applied in several PAs, as it has been reviewed and applied flaws have been discovered that show that the exact reality of PAs is not being reflected. There is data today that needs to be validated or modified following the inspection visits made by the MAE's technical team. No rules of use have been developed according to the zoning provided in the management plans, and management plan guidelines do not offer in-depth guidance, for example, on how zoning should continue to be implemented in PAs.

11. *Barrier 2: Institutional weaknesses at the territorial level (provincial, municipal, and parish) for planning and the integrated management of buffer zones to prevent the loss of BD.*

12. Absence of regulations for management within buffer zones. The CODA defines for the first time the existence of buffer zones, which fall under the responsibility of the MAG and the GADs at all levels. Based on this, it is now necessary to design and implement plans and regulations that harmonize development and conservation in these areas. In addition, GADs currently implement Development and Territorial Organization Plans (PDOTs) that do not integrate PAs, and it is common for GADs to see PAs as an impediment to provincial development, without recognizing the role PAs can play in development. It is therefore necessary to generate regulations and tools that complement the PDOTs in order to strengthen buffer zone management and to ensure that the PDOTs recognize and consider PAs as generators of development, through tourism, agroecology, organic agriculture, climate-smart agriculture and other activities.

13. Insufficient inter-institutional and cross-sectorial coordination in the territory between different levels of government: There is a concurrent lack of communication and articulation of activities between national and local level stakeholders, with a duplication of efforts in carrying out activities, and poor coordination between ministries and GADs. In the case of PAs, the MAE has influence and decision-making power within the PA, while the Ministry of Agriculture and Livestock (MAG) has responsibility for the buffer zones, but there is no coordination between the two institutions to work together or share their expertise in both areas. The MAE has an office in each province, and on the other hand there are the GADs that have responsibilities within their jurisdictions. A coordination method between offices and GADs in each province is missing. The MAG does not have an influence within the PAs, so it cannot issue good agricultural practice guidelines in sustainable use areas or training to the inhabitants of these areas, who live in remote areas and are not able to access training or benefits associated with the conservation of biodiversity.

14. GADs have limited capabilities. GADS are driving the creation of PAs within the Decentralized Autonomous Subsystem and are part of the SNAP. They have also promoted the creation of the Conservation and Sustainable Use Areas (ACUS), and the CODA obliges the GADs to coordinate with the MAE in the definition of, and compliance of regulations within, buffer zones. However, GADs have limited technical capacities, which contributes to conflicts in the use of the natural resources, and they need to build their capacities to integrate the buffer zones of the PAs into provincial development, territorial planning, reforms and progress of the environmental and forestry legal and regulatory framework, which makes its implementation and compliance difficult, for a coordination between institutions and with local communities.

15. *Barrier 3: Unsustainable production systems and limited livelihoods opportunities exert and increase pressure on PAs and their ecosystem services.*

16. Uncoordinated technical assistance services at the territory level. The MAG, the local GADs and the MAE carry out extension services through the field staff. Each institution operates in its designated areas (the MAG in buffer zones and the MAE within the PAs) and in the technical areas in which they have expertise, and do not articulate a joint extension work. This results in a missed opportunity to share knowledge that could be a great advantage if MAE and MAG were to work together to support both types of areas and to coordinate with local GADs.

17. Low capacity to implement sustainable practices in agriculture, livestock and tourism, which are the main sources of income for PA inhabitants. Although several projects have generated experiences in rural areas in practices such as agrobiodiversity, climate-smart livestock, management and conservation of natural resources, and the protection of watersheds and springs, these have generally not been applied within PAs, and therefore there are significant information gaps and insufficient experience for their implementation in PAs. At the beneficiary level, there is little recognition of the values and benefits of ecosystem services and the impacts that non-sustainable activities have on them, mainly due to lack of knowledge. This lack of knowledge turns producers into inadvertent agents of destruction who overexploit natural resources due to land scarcity and lack of economic opportunities.

18. Lack of incentives to carry out sustainable productive activities within the PAs: Productive activities within PAs (tourism, crafts, lodging) are limited and not well known. Many PAs also have agricultural production systems (both subsistence and commercial systems), located mainly in their buffer zones. The commercialization of agricultural products mostly takes place within the same zones, where in some cases there is no adequate infrastructure to support marketing and sales. Important limitations include market access, production volume, lack of distribution channels, and few direct buyers of the products who recognize the contribution of local communities to the conservation of PAs. Institutional experience in mechanisms to diversify income, reduce costs and increase sales prices through the joint work between government, local communities and producers is limited and needs to be enhanced.

b) Baseline Scenarios and other associated baseline projects:

Legal Framework

19. Since 2008 the Constitution of Ecuador recognizes the rights of nature as a fundamental element for the protection of biodiversity and ecosystem services, and in this context, Ecuador has developed specific manuals, regulations and legal frameworks for PA management, the inclusion of agro-biodiversity in public policies, the sustainable management of agriculture, climate smart strategies for livestock, the strengthening of sustainable practices that help to reduce pressure on natural resources, and territorial planning, among others. The Ecuadorian State has proposed to have an efficient SEAP management model that meets conservation objectives, takes into account social participation and ensures the sustainable use of environmental goods and services, as well as through the identification of opportunities, capacity building and the promotion of conditions to ensure stable and long-term financing.

20. Organic Law (Code) for the Environment and its regulation: As described in paragraphs 4-5, Ecuador approved a new Organic Law (Code) for the Environment (CODA) that entered into force in April 2018. This new CODA unifies and updates the country's legal environmental framework and seeks to guarantee the right of people to live in a healthy and ecologically balanced environment, as well as to protect the rights of nature recognized by the Ecuadorian Constitution. Among others, the CODA addresses issues such as climate change, protected areas, wildlife, forest heritage, environmental quality, waste management, environmental incentives, coastal marine areas, mangroves, access to genetic resources, biosecurity and biotrade. The CODA defines new scenarios for the management of PAs and the communities within them, including aspects such as the contribution PAs make to development and their integration into Development and Territorial Organization Plans (PDOT); the regularization of land tenure within PAs, thus recognizing the importance for conservation of having a more active participation of inhabitants; the recognition that the livelihoods of the inhabitants of the PAs must be sustainable and in accordance with the zoning of the areas, among others. The approval of the CODA represents an important opportunity to develop integrated territorial management approaches that address both the newly defined sustainable use areas within SEAP's PAs as well as their now legally recognized buffer zones. This also represents an opportunity to build on recent GEF-supported initiatives related to the designation of protected areas and their effective management.

Management of protected areas

21. MAE Management of Protected Areas: The MAE has made significant efforts to implement programs in support of the priorities and requirements of the constitution and the new CODA. In 2015, MAE expenditure's in PAs were around USD 50 million from state funds, or almost 5 times greater than the amount invested 12 years ago. In addition, 33% of the PAs were created in the last 12 years. Through the Green Classroom (*Aula Verde*) program, close to 800 people working in PAs have been trained on issues related to planning, finance, environmental legislation, communication, among others. In addition, MAE has implemented a grant funds mechanism for the financing of community projects in the buffer zones of PAs. In 2018, the Ministry of the Environment, in accordance with its institutional budget, allocated USD 10 million for the SNAP nationwide. (A few sentences earlier it says that MAE spent USD 50 million on PAs in 2015; now it is saying MAE only spent USD 10 million on PAs in 2018?)

22. Support Program for the National System of Protected Areas: This project is executed by MAE and financed by the German cooperation Kreditanstalt für Wiederaufbau (KfW), and contributes with capacity building for the population on biodiversity conservation and livelihood topics, through strengthening of the management and handling of priority areas of the SNAP in co-responsibility with regional and local stakeholders. This project will last until 2019 and has a budget of USD 20.5 million.

23. Sustainable Environmental Investment Fund (FIAS): Effective since 2018, the FIAS replaced the National Environmental Fund (FAN), and it is an investment fund that supports sustainable productive initiatives in buffer zones and the improvement of ecosystem functions. The FIAS supports local organizations, autonomous governments, indigenous and afro-descendant nationalities, and other local stakeholders in environmental management for the development of financing instruments and mechanisms that support conservation, mitigation and adaptation to climate change and sustainable development. Likewise, it seeks to give continuity to the administration of several funds, including the Protected Areas Fund (FAP) and the Socio Bosque fund, to provide economic incentives to communities for the conservation of forests, páramos, and other native plant formations, among others. The FAP, with the returns from a trust fund, provides financing for logistics and administrative staff to more than 40 protected areas of the country. FIAS has a total investment fund of approximately USD 80 million.

Payments for environmental services

24. Water Protection Fund (FONAG): This Fund has a long experience in the conservation areas of water importance and protected areas, with permanent financing from several donations and from the water company of Quito. This fund has flow rate monitoring systems in buffer zones and other biodiversity monitoring systems in which local people, park rangers and academics participate, and represents an important baseline of experiences for this project, especially for components 2 and 3. This fund is mainly active in the Cayambe Coca National Park, which contains the main water catchments for the city of Quito.

25. Environmental Water Protection Fund (FONAG): The experiences gained by this fund in the management of conflicts and relations with local population, businesses and local governments, represents an opportunity to articulate actions in the Sangay National Park where this initiative operates. FONAG's local presence and activities are relevant for local coordination, especially for components 2 and 3.

Sustainable management of natural resources in areas adjacent to PAs

26. Forest and Farm Mechanism (FFF): The FFF focuses on the direct strengthening of forest agricultural producer organizations (OPFA) as the main agents of change to achieve climate-resilient landscapes and better livelihoods. Capacity building for OPFAs occurs in various areas: governance and social organization; access to markets and financing; adaptation/mitigation/resilience to climate change practices; and access to social and cultural services. This initiative will be valid until 2022, and works in different buffer and influence zones, as well as in protected areas. The FFF has funding (USD 50,000) from countries such as Finland, Sweden, Germany and the United States and is operated in Ecuador by FAO and the Ministry of the Environment. The landscape management experiences of the FFF will provide lessons learned in the implementation of this proposal.

27. Environmental Management of Decentralized Autonomous Governments: The regions in which the two PA sites targeted by this project are located have a total of 98 Decentralized Autonomous Governments (GADs) at different levels -- provincial (8), municipal (25) and parish (65). Project activities will be coordinated mainly with the provincial and parish governments that have the competences to foster production, natural resource management and territorial planning, primarily related to components 2 and 3. Both levels of government have environmental and production projects and have local personnel that carry out rural extension and specialized technicians who support communities and producer associations to implement local initiatives. Coordination with GADs carried out in previous GEF projects executed in Ecuador demonstrates that the co-financing provided by the GADs to the implementation of this project is a critical component for the success of locally implemented activities. The GADs will provide technical and rural extension staff time as well as machinery, supplies, tools, and logistics that GADs have in the buffer zones of the protected areas. The project will establish formal cooperation agreements with the GADs.

28. Ministry of Agriculture and Livestock: The Ministry of Agriculture and Livestock (MAG) is responsible for promoting production and improved agricultural systems nationwide. The MAG's technical and extension staff have valuable experience in promoting value chains and the delivery of incentives for sustainable production within the framework of various national programs.

29. Incentive Programs: Ecuador has generated numerous incentive programs in support of sustainable land and resource management. MAE's programs include Socio Bosque, Punto Verde, Ecuadorian Environmental Verification for Cases of Cleaner Production (*P+L*), Ecuadorian Environmental Recognition "Green Point" for Good Environmental Practices (GEPs), Sustainable Forest Management Plan, Tax Exemption for Rural Lands, Tax credit for afforestation and reforestation. MAG programs include: Incentives for animal health (MAGAP-AGROCALIDAD) and incentives for commercial plantations (MAGAP). Unfortunately, these incentive programs do not consider local governments that can articulate conservation actions in coordination with PAs, especially in their buffer zones.

C) Intervention Strategy

30. The Government of Ecuador is requesting GEF support to consolidate the conservation and sustainable and resilient use of the ecosystems of global importance represented in the SEAP, including its sustainable use areas and its buffer zones, to maintain their biological integrity and ecosystem services for current and future generations. The project objective is to promote the conservation and sustainable use of biodiversity and optimize the livelihoods of local inhabitants through the application of an integrated landscape management approach within the State Subsystem of Protected Areas (SEAP), focused on *sustainable use areas* within PAs as well as adjacent buffer zones, and to build capacities of decision makers for scaling-up throughout the National System of Protected Areas (SNAP).

31. The objective will be achieved through the (i) strengthening of national and provincial institutional capacities for the incorporation of PA management in territorial (province, municipality, parish) planning, contributing to a better conservation of high value ecosystems and forested areas, and the adoption and scaling-up of environmentally friendly practices in sustainable use areas and buffer zones, and (ii) capacity building of the inhabitants in the sustainable use areas of the PAs and their buffer zones in the sustainable management of forests and soils that contributes to the conservation and sustainable use of BD and key ecosystem services for sustainable agricultural production, and to access to markets for the sustainable products of the SEAP, thereby increasing income and improving livelihoods. These actions will generate global environmental benefits in terms of reducing pressures on PAs and reducing threats to ecosystem services from land uses and unsustainable practices, and therefore from pressures on ecosystems, with the additional benefit of making them more resilient to the expected impacts of climate change.

32. The project strategy is characterized by: 1) driving the creation of the conditions for the implementation of the new CODA at the SEAP level; 2) incorporating the experiences and lessons learned from other GEF projects (see details below and in the coordination section) to implement previously tested local approaches that allow landscape restoration, biodiversity conservation, improving the livelihoods of people, and maintaining ecosystem services; 3) incorporating the inhabitants within the PAs as conservation protagonists for a more efficient management and with fewer conflicts within the PAs and in their direct areas of influence. This differentiates this project from previous ones and makes this the first project for protected areas in Ecuador that combines BD conservation and community participation in buffer zones and sustainable use areas. The inhabitants

in the PAs and buffer zones and their families are in vulnerable conditions, so the project will contribute to poverty reduction, food security, and cultural identity and the preservation of traditional and local knowledge, and the appreciation of natural heritage.

33. *Areas of intervention:* The project will intervene in the Sangay and Cayambe Coca National Parks and their buffer zones, the first located in the Andean region and the second in the Amazon region. These two regions cover 41% and 33% of the total area of the country respectively, and host about 50% of the country's forests, mainly the evergreen forests of the Amazon, the Andean foothills and the Andes,[9][9] and provide important ecosystem services. The main cities of Ecuador are supplied with water generated in the Andean moors and montane forests, while the Amazon region contains the largest water resources in the country[10][10]. Additionally they constitute an important carbon sink, with the Andean region storing 28% of the total carbon in the biomass and 46% of the total carbon, and the Amazon region 58% of the total carbon in the biomass and 36% of the total carbon[11][11]. The Sangay and Cayambe Coca NPs have suffered more rapid degradation processes than other PAs in Ecuador, mainly due to the expansion of agricultural production systems, including livestock and annual, permanent and semi-permanent crops, within the PA boundaries. Between 1990 and 2014, the area of agricultural production in these two parks increased from 22,533 hectares to 38,640 hectares, representing a 71% increase and a change in use over 4.3% of the total area within the two PAs.

34. The criteria for selection of these two sites were: 1) diversity of ecosystems, contemplating various climatic conditions that host endemic and varied biodiversity (both Cayambe Coca and Sangay Parks are Key Areas for Biodiversity[12][12]); 2) representativeness of the pressures on land and resource use experienced by PAs in the two regions; 3) areas of high importance for the provision of environmental services, especially water, with the largest hydropower systems in the country (Coca Codo Sinclair and Paute) relying on these areas for hydropower generation; 4) presence of indigenous communities and settlements within protected areas with rights of use prior to the declaration of the areas; 5) presence of small agricultural producers with high dependence on ecosystem services to sustain their livelihoods; 6) opportunities to start a process of improving livelihoods and environmental conservation.

35. The following table summarizes the main characteristics of the sites:

Table No. 1 - Characterization of the Intervention Sites

Characteristics	Sangay NP	Cayambe Coca NP

Characteristics	Sangay NP	Cayambe Coca NP
Location	Provinces: Chimborazo, Morona Santiago, Cañar, Tungurahua. Andean region occupying high lands and eastern foothills of the eastern mountain range	Provinces: Imbabura, Napo, Pichincha and Sucumbios. Amazon region encompassing the north-eastern sector of the northern Andes and its foothills up to the confluence with the plains of the Sub-Andean and Amazonian Piedmont
Surface:	486,612 ha (Protection area 474,168 ha; Recovery area 26 ha; Sustainable use area 12,343 ha; and Public use, tourism and recreation area 74 ha)	403,103 ha (Protection zone 395.073 ha; Recovery area 854 ha; Sustainable use area 12,493 ha; and Public use, tourism and recreation area 497 ha)
Demographic and cultural aspects	Settlers and Kichwa, Shuar communities and descendants of the Cañari and Puruhá peoples Within the Protected Area there is evidence of the presence of communities and populations in certain areas such as Huangra, Colepato, Culebrillas, Osogoche, Zuñag, among others.	Approximately 20,000 people live in the buffer zone in farming communities and cooperatives. Settlers occupy close to 50,000 hectares within the park. Kichwa and Cofán communities Populations such as El Chaco are within the boundaries of the park.
Environmental characteristics	· From 1,000 to 5,230 masl · Ecosystems that go from the snow and alpine areas (above the moor) to the humid subtropical forests of the upper Amazon basin. · Hosts 3,000 species of flora, 400 of birds, 107 of mammals, 20 of amphibians, 11 of reptiles and 8 of fish. Recent studies have also identified 35 butterfly species in the moor. 586 endemic species, 45% are orchids · Contains important basins that belong to the Pastaza, Santiago, Cañar and Chimbo rivers. · Water supply for local irrigation systems	· From 600 to 5,790 masl · Ecosystems: scrub moorland, swampy moorland, high montane evergreen forest, montane mist forest, low montane evergreen forest, piedmont evergreen forest and high montane wet scrubland · Hosts 100 species of endemic plants, 106 of mammals, 395 of birds, 70 of reptiles, 116 of amphibians · Contains important hydrographic basins that are born in the NP (Aguarico, Quijos, Mira and Esmeraldas rivers) being the most important water reserve in the north of the country.

Characteristics	Sangay NP	Cayambe Coca NP
Main land uses and economic activities	· Livestock · Subsistence crops with some crops for sale (corn, wheat, barley, potatoes, melloco) · Occasional wood extraction for use by owners · Poaching · Community tourism · Fish farming	· Subsistence or commercial agriculture (naranjilla, coffee, corn) · Livestock is the main income item · Subsistence fishing and hunting · Wood extraction as construction material and forest material · Temporary employment in infrastructure works (pipelines, sewerage, hydropower plants, water supply). · Community tourism · Fish farming
Threats to global environmental benefits	· Logging and the extension of the agricultural frontier (extension of pastures and sowing of naranjilla) · Unsustainable use of natural resources (unsustainable agricultural practices, grazing in unfit areas, burning, monocropping of naranjilla) · Soil erosion · Poaching; fishing with inadequate techniques · Presence of unwanted species (dogs, rats, mice, pigs) that can become predators of native species	· Expansion of the agricultural frontier in buffer zones and boundaries of the NP, deforestation, loss of species · Unsustainable use of natural resources (grazing in unfit areas, recurrent burning) · Soil erosion · Soil contamination · Illegal hunting that includes ecosystem indicator species · Isolated and disorderly tourist activities in the PA and buffer zone

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Components and expected outcomes

Component 1: Strengthening SEAP Governance for the management of PAs including their *sustainable use areas*

36. Within component 1, the project seeks to establish the enabling conditions to optimize SEAP management, in particular with regard to the integrated management of sustainable use areas, to obtain global environmental benefits. The expected outcome (1.1.) is the integrated and improved management of protected areas and their sustainable use areas, through the following products:

37. Output 1.1.1 - A SEAP Integrated Information Management System for the management of PAs and their *sustainable use areas**[13]*[13], with a socio-environmental conflict monitoring module, is operational: The project will technically assist the MAE to develop the system, which will be integrated into the SUIA and linked to the SIB, to ensure its sustainability over time. The system will allow the entry of information by PA staff, which will include: baseline data (e.g., land tenure); monthly park ranger reports (incidents, wildlife sighting, biodiversity status in different areas, land uses), cartographic archives that show statistics on territory, and other information relevant to improve territorial management and make decisions on the effective management of the PAs. The system will include a module for participatory monitoring of socio-environmental conflicts, as well as a toolbox for conflict resolution, indicating the steps and stages for resolving, archiving and preserving online the history of this information. The toolbox will be designed and prepared with the participation of technical personnel and park rangers and the communities of the project intervention areas. Experience with the SMART platform will be taken into account in the development of the WCS monitoring system[14][14]. The project will support the development of protocols for the production and structuring of information, and for the collection, systematization and exchange of information between the departments of the MAE linked to the SEAP; it will provide training for the application of the protocols and subsequently these units will be responsible for collecting, systematizing and uploading the information to the system. The system will provide monthly reports and will be accessible to public institution officials, the project technical team, park rangers, technicians working in PAs, directors and the general public. The system's creation will be tested in the selected PAs, those enabling the Ministry of Environment to use it in all the SEAP. Lessons learned from the project will be scaled up by the Ministry of Environment in other PAs from SEAP.

38. Output 1.1.2 - Standards and technical, operational and legal tools for the management of *sustainable use areas* of the SEAP are in place, within the framework of the new Organic Environmental Law and its regulations: The project will assist the MAE in developing technical standards, regulations and guidelines for PAs and their areas of sustainable use, in accordance with the new CODA and its regulations. This will involve detailed identification of on-going processes as well as regulations and instruments that must be developed and for which the project can provide technical support. In terms of zoning and land use typification within the SEAP, the project will support the revision of the Manual for the Operational Management of Protected Areas of Ecuador, and of the "Analysis and proposal for the zoning of protected areas and for the redefinition of the management categories of the Heritage of Natural Areas of Ecuador (SEAP)" and the technical adaptation of these documents will be carried out based on the lessons learned in their application. Technical regulations will also be developed that can be used by types of zoning, for connectivity corridors, for buffer zones, and for the sustainable management of natural landscapes. The project will institutionalize a set of tools for the *sustainable development areas* for the selected PAs, which will be applied in all PAs of SEAP by the Ministry of the Environment, thus enabling scaling up project activities in other PAs.

39. Output 1.1.3 - Training program carried out for Ministry of the Environment (MAE) personnel in the effective application of regulations and instruments for the management of sustainable use areas in the Cayambe-Coca and Sangay PAs: The project will analyse the capacity building needs of technical personnel, area heads, and park rangers, and training priorities will be defined according this analysis.. The project will coordinate with the MAE's Green Classroom Program (Programa Aula Verde)[15][15], and depending on the result of the capacity analysis, will complement existing training plans or develop new plans. These plans will be made available to the Green Classroom Program, which plans to implement educational and communication methodologies prioritizing e-learning. The Green Classroom Program will be available to staff from the Ministry of Environment and park rangers of the whole SEAP, thus allowing training activities to take place for other PAs than the ones selected for the project. In addition, in the intervention sites, the project will complement the e-learning processes with face-to-face training.

40. Output 1.1.4 - Information system implemented in the Cayambe Coca and Sangay Protected Areas, and validated by communities, technical teams, and park rangers: The information system developed under Output 1.1.1 will be tested and implemented at the intervention sites, under the leadership of technical teams and park rangers responsible for each PA and with the communities, who will be trained beforehand, especially on the toolbox for socio-environmental conflicts. The generated reports will be uploaded to the information system and will serve to provide feedback on the design and improvement of the system. The implementation of the system will include the provision of technology to ensure accurate and updated data collection.

Component 2. Capacity building to prevent loss of BD in buffer zones adjacent to PAs

41. Within Component 2, the project focuses extensively on building capacities to improve the management of buffer zones, where the provincial, municipal and territorial GADs are the competent bodies. Outcome 2.1 is capacities of Decentralized Autonomous Governments (GADs) and local stakeholders strengthened to carry out integrated landscape management in buffer zones to prevent the loss of BD. This outcome will be achieved through the following outputs:

Output 2.1.1 - Regulations and tools developed for the conservation and sustainable use of BD in buffer zones of the SEAP, within the framework of local planning: Similar to component 1, but in the buffer zones, this output will assist the MAE in the development of technical standards, regulations, and guidelines for the establishment of buffer zones, and for the definition of activities that may be carried out in the zones in accordance with the new CODA and its regulations. Priorities for new regulations and guidelines will include: a) establish the limits of intervention (urban, rural) and define different and more strict criteria as their proximity to PAs increases; b) consider factors such as climate change, natural conflicts, land use, resource use, land zoning, and conservation in buffer zone planning; and c) incorporate conservation mechanisms and incentives for the transition to sustainable productive activities. These regulations and tools will remain institutionalized for all buffer zones in the SEAP.

42. Output 2.1.2 - Mechanism for inter-institutional and cross-sectorial coordination at the territorial level between the MAE, MAG, GADs and other key stakeholders for dialogue, coordination and exchange of information among the national, provincial, municipal and parish levels: The project will support the development of two roundtables (each for one selected protected area) for inter-institutional and cross-sectorial coordination at the territorial level, under the leadership of the MAE and with the participation of

the MAG, the GADs of eight provinces (Napo, Sucumbios, Pichincha, Imbabura, Chimborazo, Morona Santiago, Cañar, and Tungurahua), productive sectors and other key stakeholders, to promote dialogue, coordination, and exchange of information between national and local levels (provincial, cantonal, parish) and foster spaces for debate and exchange. This work will be built on existing experiences such as the roundtable on protected areas in the province of Napo[16][16]. These roundtables will carry out a process of analysis of the existing mechanisms for territorial management and will agree on recommendations that will serve as inputs for the work to be carried out by the project regarding the revision and updating of regulations, manuals, PDOT and others tools. The roundtables will be a space for long-term dialogue where institutions and sectors can coordinate and implement joint actions for territorial management, integration of PAs in land use planning, conservation of BD and reduction of land degradation processes in PAs and their buffer zones, and development of sustainable practices and incentives. Lessons learned from the two roundtables will be used by the Ministry of Environment when creating the coordination mechanisms for other buffer zones outside project area.

43. Output 2.1.3 - Training program carried out for GADs and key stakeholders on regulations for the management of buffer zones: Based on the regulations generated in 2.1.1, the project will develop a training program aimed at the GADs and key stakeholders in the eight provinces, to strengthen their capacities to undertake landscape management and to prevent the loss of BD in the buffer zones. Initially, these trainings will include: sustainable management of natural resources, landscape management, integration of PA management within PDOTs, and development of conservation corridors, among other strategies to be implemented in buffer zones. Once tested by the project, the training program will remain available for the Ministry of Environment to be implemented in other buffer zones.

Component 3: Improvement of alternative livelihoods to reduce pressure on ecosystem services and BD in the Cayambe-Coca and Sangay PAs

44. Under Component 3, the project seeks to implement the conservation and sustainable use of BD and encourage sustainable livelihoods in the sustainable use areas and buffer zones of the Sangay and Cayambe Coca national parks, in order to discourage non-sustainable uses of forest resources, reduce deforestation and land degradation, and conserve and restore natural resources and ecosystem functions at selected sites. For this purpose, the project will test the norms, regulations and capacities developed under Components 1 and 2. Component 3 has two outcomes: 3.1 Agricultural pressures on the Sangay and Cayambe Coca parks are reduced, leading to improved conservation and restoration of natural resources and ecosystem functions; and 3.2 Livelihoods of the inhabitants of Sangay and Cayambe Coca, *in sustainable use* areas and buffer zones, improve and are more sustainable. These outcomes will be achieved through the following products:

45. Output 3.1.1 - Technical assistance and rural extension services of the MAE, MAG and GADs are strengthened to promote BD conservation and sustainable use practices in the buffer zones and sustainable use areas: The technical assistance and rural extension services of the MAE, MAG and GADs will be strengthened and articulated to promote environmentally friendly practices and sustainable land management. Based on the manuals of good practices drafted by the MAG and AGROCALIDAD and by other projects[17][17], existing protocols for joint intervention between the MAE and the MAG, the zoning results in each protected area, and the generated rules of use, the project will develop a rural extension program with a focus on protected areas. This program will be under the leadership of MAE, with implementation supported by the MAG and the local

GADs. The program will also incorporate gender and intercultural approaches, consider the territorial visions of indigenous people and settlers, and be adapted to each beneficiary group. Technical assistance and extension staff will be trained to implement the program. Once tested at project sites (output 3.1.2), the program will remain available for the Ministry of Environment to implement in other PAs of the SEAP.

46. Output 3.1.2 - Environmentally friendly practices implemented with the inhabitants of the sustainable use areas and buffer zones of 2 PAs, in accordance with the approved zoning and standards for different types of uses (e.g. farm management plans, climate-smart agriculture, agroecology): A transition process towards more sustainable activities will be promoted both in the buffer zones and the sustainable use areas. This transition may include new activities such as sustainable tourism, as well as activities to transition from current uses to activities with less impact, such as moving from unsustainable agriculture to climate smart or organic agriculture and/or the development of agrobiodiversity systems, or from traditional livestock management to climate-smart livestock and sustainable forest management. In each of these cases, the project will seek to take into account the contribution of traditional knowledge. Guides and manuals for the implementation of these practices will be developed and an awareness and training plan will be developed for the beneficiaries (with a gender and intercultural approach) on relevant issues such as: land uses compatible with the conservation of BD; sustainable practices according to the different activities approved in zoning and usage standards; adoption of practices that will conserve PA ecosystem services and protect important conservation corridors; and incorporation of buffer zones in PA management.

47. Output 3.2.1 - Strengthened and articulated incentives for the conservation and use of biodiversity at the local level (including: exemption from local tax payments, non-monetary incentives such as technical assistance, green seals, certification of origin or collective brands for market access): The project will help strengthen incentives and alternatives for sustainable production (crops, non-forest products, fibres, etc.) in the two PAs. The types of incentives will include *inter alia*: a) exemption from local tax payments (e.g. exemption from property taxes on conservation areas to owners located within the PA); b) non-monetary incentives defined by the GADs, for example: specialized technical assistance for bio-enterprises that can facilitate the delivery of supplies, materials, handle donations, etc.; and c) green or *family and peasant agriculture* (AFC[18][18]) seals, certification of origin[19][19], or collective brands, that facilitate market access for products produced in the PAs and their buffer zones. The project will define along with the GADs the incentives that fall under their responsibility as well as other applicable non-monetary incentives; define an implementation and sustainability strategy; conduct feasibility assessments and long-term extension; and carry out a socialization campaign to promote and facilitate access to these incentives. In the development of these incentives, the project will build on the outcomes obtained by other initiatives, with a focus on using locally available funds that do not depend on international cooperation and come from the state budget. Once created by the project, the incentives will remain to be applied in other PAs of the SEAP.

Component 4: Knowledge Management and Monitoring and Evaluation (M&E) based on adaptive management principles, and the delivery of objectively measurable and verifiable results

Outcome 4.1. Project implementation is supported by an M&E strategy based on measurable and verifiable results and adaptive management principles

48. The activities of Component 4 will lead to results-based implementation, lessons learned and dissemination of good practices, and are meant to ensure that project implementation is supported by an M&E strategy based on measurable and verifiable results and principles of adaptive management and knowledge management. A mechanism for dissemination and exchange of best practices and lessons for the replication and scaling up of results to the SNAP will be developed, which will include: a) a communication and information strategy aimed at stakeholders (GAD, PA managers, park rangers, inhabitants of PAs and their buffer zones, among others), which will include the preparation of information materials, socialization of activities and results, systematization of lessons learned and best practices, and dissemination through various communication media; b) visits and field trips to the selected sites for technical personnel of the MAE, PA managers and park rangers, GAD and MAG staff, and owners and producers who implement good agricultural practices and bio-enterprises; and c) a project website to share experiences continuously, disseminate information,, highlight project outcomes and progress, and facilitate the replication of processes throughout the duration of the project. As the project will rely on the participation of multiple territorial and institutional stakeholders, communication tools will be developed to facilitate the process of integration between the different stakeholders and to foster better communication between the participants. In addition, communication processes will be promoted aimed at national stakeholders and visitors of protected areas and their buffer zones.

49. Likewise, a Project M&E strategy will be developed in partnership with relevant stakeholders that clearly defines the expected results, the expected time frames for their achievement, and their confirmation through objective indicators and means of verification. Annual work plans and corresponding budgets will be developed based on expected results and their respective progress, including the progressive steps and milestones required for measurable achievements. To assist in this process, annual work plans will be articulated with annual progress indicators in a participatory manner for each outcome. A mid-term review and terminal evaluation will be carried out with the purpose of informing and advising on the implementation of the project in a constructive manner, paying attention to sustainability considerations, articulating a coherent “exit strategy” and applying adaptive measures as necessary.

d) Reasoning for the Incremental Cost and Expected Contributions From the Baseline and the GEF:

As described above, baseline interventions for PA management in Ecuador are characterized by being mainly sectorial and poorly integrated for proper territorial management, and production activities have a high dependence on the use of natural resources (water, soil, biodiversity). The project rests on an operational baseline managed by the MAE, MAG, and local GADs, but existing investments in these institutions’ plans and programs are directed to their respective sectors and areas (e.g. MAE in PAs and MAG in buffer zones), and are not coordinated or integrated to achieve greater efficiency and have a greater impact on sustainability. Furthermore, there is currently no initiative aimed at integrating the management of PA sustainable use areas with buffer zones, and in association with local communities and stakeholders. Ecuador’s new CODA defines the need to develop new regulations and tools for its application. Given this situation, in the “no project” scenario, expansion of the agricultural frontier, especially from buffer zones into protected areas by communities settled in these areas, will continue to negatively impact PA ecosystems and increase the risk of a continuous and accelerated loss of global and local benefits affecting the ecosystem services necessary to maintain livelihoods. The project’s starting point is to face these challenges so that by the end of the project, the selected PAs will be managed in the context of an integrated approach that includes PAs, adjacent buffer zones and even broader provincial plans and management, and with the active participation of other institutions, communities, and private partners.

50. Under Component 1, GEF resources (USD 921,936) will contribute to remove barrier # 1 by strengthening the governance framework of SEAP to enable the integrated management of sustainable use areas within PAs. This will include technical assistance to develop the institutional capacities of the MAE, including integrated information management systems of the SEAP and monitoring of socio-environmental conflicts in the PAs; management mechanisms and use of PAs and their buffer zones with community participation; standards and tools developed for the management of the territory in the SEAP; and training for MAE staff nationally and on site. Component 1 is aligned with the following objectives and entry points. In Biodiversity: b) Objective 2: Confront direct drivers to protect habitats and species, BD-2-7 Confront direct drivers to protect habitats and species, improve financial sustainability, management effectiveness, and coverage of ecosystems of the global protected heritage.

51. Under Component 2, GEF resources (USD 688,100) will address barrier # 2 through the improvement of provincial capacities so that GADs and other local / provincial partners can manage the landscapes within the PAs and their buffer zones. The project will provide technical assistance to improve inter-institutional and cross-sectorial coordination; train GADs and key stakeholders in the provinces; update the PODT with a management approach that integrates the conservation and sustainable use of biodiversity, in accordance with the zoning of PAs; and strengthen and articulate incentives for the conservation and use of biodiversity at the local level. Component 2 is aligned with Objectives 1 and 2 of the Biodiversity focal area and its BD-1-1 and BD-2-7 entry points.

52. Under Component 3, GEF resources (USD 2,121,178) will address barrier # 3 by reducing pressures on Sangay and Cayambe Coca National Parks and improving the livelihoods of the inhabitants within these PAs and their buffer zones. The technical assistance of the project will support the implementation of zoning and land use typification in both parks; the strengthening and articulation of technical assistance and rural extension services; increases in the sustainable use of natural resources by communities, owners and producers through environmentally friendly practices and sustainable land management; the effective participation of communities in the conservation and maintenance of PAs; increased access to markets for sustainable products from PAs; and the improvement of family incomes through the sustainable use of natural resources. Component 3 is aligned with Objectives 1 and 2 of the Biodiversity focal area and its BD-1-1 and BD-2-7 entry points.

53. Finally, Component 4 will have incremental GEF financing (USD 474,700) to carry out project monitoring and evaluation, with the financing of activities to monitor the progress of the project and compliance with indicators, midterm and final external evaluations, and knowledge management for replication and scaling through the systematization of experiences and lessons learned, the preparation of communication and information materials, and the dissemination of the partial and final outcomes and project products.

e) Global Environmental Benefits

54. Global environmental benefits include (i) 889,715 hectares of terrestrial protected areas under improved effective management, including the conservation of globally relevant biodiversity, which include 24,836 hectares of sustainable development areas; (ii) 8,000 hectares of landscape under improved practices, managing biodiversity in productive landscapes; (iii) a total of 897,715 hectares under improved management, reducing the loss and degradation of natural habitats in the wider landscape, and (iv) 8,200 direct beneficiaries of which 40% are women, improving local livelihoods.

55. Conservation benefits of Andean and Amazonian biodiversity species present in the PN Sangay and Cayambe Coca, such as spectacled bear (*Tremarctos ornatus*), jaguar (*Panthera onca*) puma (*Puma concolor*), anteater (*Tamandua mexicana*), condor (*Vultur gryphus*), mountain tapirlobo (*Tapirus pinchaque*), Andean fox (*Lycalopex culpaeus*), macaw (*Ara militaris)*, hairy armadillo (*Priodontes maximus*), Andean cock of the rock (*Rupicola peruvianus*), and others that have been classified into different threat states.

56. Reducing deforestation, restoring land and forests, and sustainable land management practices will generate additional benefits in climate change mitigation and adaptation, increasing the resilience of ecosystems and communities, and reducing their climate and social vulnerability.

f) Innovation, sustainability and scaling up potential

57. Innovation: The project is innovative in that it will contribute to the implementation of the new CODA through the generation of the regulations and instruments contemplated therein for the management of PAs that are in the process of development or do not yet exist. It is also innovative by promoting an integrated management approach for PAs and areas of sustainable use and buffer zones in the SNAP where, until now, various stakeholders have been carrying out interventions based on sectorial approaches and in a compartmentalized manner that have not been effective in reducing pressures on PAs and their ecosystem services. The project approach on the other hand contemplates the development of mechanisms that improve dialogue, coordination and inter-institutional and cross-sectorial coordination; development of management instruments; capacity building of national and provincial stakeholders; the integration of PAs as provincial promoters of development; a transition to sustainable land uses and environmentally friendly and sustainable practices; and the strengthening of value chains and access to markets that recognize and reward efforts at BD conservation and sustainable production in the PAs. This integrated approach will generate lessons for the entire SNAP.

58. Sustainability: The project is aligned with national development goals. Capacity building will contribute to an integrated approach and an environment conducive to institutional and community management. The generation of regulations and management instruments and their official adoption will support sustainability through their institutionalization. The integration of PA management priorities into PDOTs will contribute to their inclusion under a new vision as positive contributors to provincial development. Coordination and articulation mechanisms will ensure the involvement of key stakeholders (institutions, producers, communities, organizations) and contribute to project ownership. The promotion of sustainable practices will contribute to the sustainability of results in the field. Improving market access for products from PAs and buffer zones will contribute to improving the income and livelihoods of producers and their families, ensuring the sustainability of the results for the beneficiaries. Awareness and training actions will contribute to ownership by raising awareness about the value of PAs and their ecosystem services.

59. Potential for replication: The project is proposing a paradigm shift where sustainable use will be legally possible by communities living in protected areas. All PAs of the SEAP will be managed differently than in the past, given the formal creation of the *sustainable development areas* and the buffer zones. For these two zones, through outputs 1.1.2, 1.1.3, 2.1.1, 2.1.3, the project will (i) develop tools and regulations to promote their management under the landscape approach, and (ii) train staff of the Ministry of the Environment and GADs in their effective application. While they will be tested at the selected PAs, these tools and regulations will remain institutionalized at the Ministry of Environment to be scaled up at the rest of the SEAP. On the other hand, the proposed Information System will be the fundamental tool for replicating and scaling up lessons

learned in other protected areas. Supported by the project, protocols for the production and structuring of information, and for the collection, systematization and exchange for the whole SEAP will be developed, and the project will train staff in the application of such protocols, thus creating the enabling environment to collect, systematize and upload the information to the system from other PAs of SEAP.

60. The dissemination and communication strategy will help to demonstrate the effectiveness of project interventions (e.g. conservation and sustainable use of BD, reduced pressures on PAs, and improved production, access to markets, income and livelihoods), thereby facilitating the replication of experiences and lessons. The socialization of results and the exchange of experiences between institutional technicians and park rangers and between communities of different PAs will contribute to the dissemination of the results. Articulation among institutions will allow the extrapolation and dissemination of project actions and results to other areas where the results can be implemented and replicated. The systematization of experiences and lessons learned will help to replicate the results of the project nationally and internationally.

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[1] INEC. Censo 2010. http://www.ecuadorencifras.gob.ec/resultados/

[2] Rainforests of the Chocó; Mountain Forests of the Northern Andes; Napo's Rainforests; Tumbesino and Andean Valleys Dry Forest ; Moors from the Northern Andes; Shrublands of the Galapagos Islands; Mangroves of the Gulf of Panama; Rivers and streams of the High Amazon; Humboldt Current; Gulf of Panama and Galapagos.

[3] 18,198 plant species; 424 of mammals; 558 of amphibians; 450 of reptiles; 1,642 of birds; 1,748 of fish (ENBPA, 2015).

[4] MAE. SNAP 2019. SUIA. http://mapainteractivo.ambiente.gob.ec/portal/ MAE. Areas Protegidas del Ecuador: socio estratégico para el desarrollo. http://suia.ambiente.gob.ec/documents/10179/346525/Areas+Protegidas+del+Ecuador.pdf/390b099f-6f57-4d38-bf17-cea3a138caf5

[5] http://suia.ambiente.gob.ec/

[6] http://sib.ambiente.gob.ec/

[7] A socio-environmental conflict arises when the space that is closely related to the people who inhabit it is invaded, stolen, bought or leased by stakeholders from outside that community, almost always for large-scale commercial or industrial purposes, which causes a series of economic, political, cultural and/or social effects.

[8] Examples: forest extractivism and extension of the agricultural frontier in the Podocarpus National Park, oil production and illegal logging within the Yasuni National Park, illegal land adjudication in the Chacras Ecological Reserve and in Cerro Blanco

[9] Ecuador. Carbono, biodiversidad y servicios ecosistémicos: explorando los beneficios multiples. MAE-UNEP-WCMC. 2011

[10] It covers eight river basins that comprise the Napo, Putumayo, Tigre, Pastaza, Morona, Santiago, Blanco and Zamora rivers

[11] Ecuador. Carbono, biodiversidad y servicios ecosistémicos: explorando los beneficios multiples. MAE-UNEP-WCMC. 2011

[12] http://www.keybiodiversityareas.org/site/factsheet/parque-nacional-sangay-iba-ecuador http://www.keybiodiversityareas.org/site/factsheet/parque-nacional-cayambe-coca-iba-ecuador

[13] Information on the state of biodiversity, tenure, land use, among others.

[14] SMART (Spatial Monitoring and Reporting Tool) is an application designed to facilitate the generation and exchange of useful information between environmental entities for decision-making in the protection of threatened or endangered species. Its scope includes the recording of real-time surveillance data and information exchange to improve the management of a protected area.

[15] MAE's training platform http://areasprotegidas.ambiente.gob.ec/es/content/programa-aula-verde

[16] GEF / FAO Project #4774

[17] Project # 9055 provides for the development of good practice guides and training and technical assistance plans that incorporate BD conservation, sustainable land management and other aspects of environmental interest for livestock, cocoa and coffee in the Amazon

[18] The AFC is recognized by the Ministry of Agriculture as "a productive, agricultural, collection, aquaculture, or forestry modality, which implies a way of life and a cultural reality, which combines economic, environmental, social and cultural functions. It is characterized by: a) Limited access to land and capital; b) The preponderant use of family labor; c) Connection to the market through the sale of primary or processed products, wage labor, purchase of raw materials and consumer goods; and, d) The diversification of income generating activities inside the household "

[19] There are experiences in designation of origin: "Montecristi" for straw hats from the Montecristi canton; "Cacao arriba" that protects dried and fermented cocoa beans of the *Nacional* type or varieties of the *Complejo Nacional* type and "Galapagos Coffee" : protection granted to parchment / gold / roasted / ground coffee.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

See Annex A.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities Yes

Civil Society Organizations Yes

Private Sector Entities Yes

If none of the above,please explain why: No

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

61. The main stakeholder for this project is the Ministry of the Environment (MAE). As the MAE is primarily responsible for the management of protected areas, consultations have been carried out with the MAE staff locally, with park rangers, park technicians and area managers over a one-year period. In addition, as part of the PIF design and adjustment and based on FAO's Free Prior and Informed Consent (FPIC) manual, an initial local consultation process took place in four places: El Chaco and Lumbaqui on October 24th-25th, 2019 (towns in Cayambe Coca) and in Macas and Azogues on October 29th and 30th, 2019 (towns in Sangay's buffer zone). Indigenous communities, local farmers, local governments and members of the private sector were consulted. A total of 133 people (36% women) participated, representing 47 organizations: local communities (68 people), local producers (27), governmental institutions (32), private sector-NGOs (6). 48% of participants belonged to local communities and/or indigenous groups. The indigenous people participating represented the communities of Kiwchas (Cayambe-Coca) and Shuars (Sangay). All these participants have a direct influence in the selected PAs or in their buffer zones.

62. The project proposal was of interest of participants at all levels. They saw with good eyes and applaud the project's recognition of the role of local people on developing a more inclusive conservation, which will improve regulations that benefit biodiversity conservation and local livelihoods. The proposal was received with high expectations locally, considering the role that protected areas have in providing ecosystem services, especially water regulation. For the communities, water comming from protected areas is key to maintain local productions and drinking water, because most of the water intakes are inside these PAs. Several initiatives of local goverments, NGOs, and communities, which take place around these areas, will be considered during the project design phase, given the landscape approach that is envisioned for the buffer zones.

63. During these initial consultations, participants also recognized the relevance of the project proposal in improving local governance between the protected areas and people who live in/around these areas. They requested that the regulations and tools that will be developed by the project be designed under a participatory approach, as to consider local conditions. In addition, incentives for local communities must include clear mechanisms to improve the connection with local or national markets for their products. It was agreed that the consultation process during the PPG phase should include a broader spectrum of communities, as to design project activities based on local and diverse environmental, social and economical situation.

64. Finally, during these initial consultation processes the multiple stakeholders showed their support to continue the project preparation and agreed to provide information, co-financing and resources during PPG phase. In this context, the role of the MAE is key to coordinate the work with all the stakeholders and improve local articulation processes occurring on these protected areas.

65. Following the initial consultation process carried out during PIF design, numerous stakeholders will be invited to participate in the design of the project. Government institutions will participate in the preparation activities for project design and local stakeholders in the intervention areas will be consulted, taking into account prior consultation procedures and/or Prior, Free and Informed Consent. In accordance with FAO procedures, capacity assessments will be developed jointly with the Office of Capacity Building and by the selected stakeholders according to selection mechanisms. With regard to the use of FAO tools (Collect Earth, SHARP tool) during the project preparation process, this will be done through training provided to a national institution (usually at the local level with a national counterpart) so that the work is carried out by them with FAO's technical support. During the design stage, the Environmental and Social Management Guidelines and the FAO Project Cycle Guidelines will be applied. The following table identifies the key stakeholders that will participate in the project's design and their respective role.

Table N°2 – Actors and roles in the project's preparation and design

Actor	**Interest / Role in the project's preparation and design**
Ministry of the Environment (MAE)	National Environmental Authority, in charge of establishing national policies and legal instruments for the management of forest resources. Project Executing Partner. It will be responsible for convening institutions to participate in the project design processes (thematic meetings, consultation and validation workshops). Leadership in the design of the project components. It will participate in the identification of activities for the improvement of the SNAP governance framework (development of standards and tools for SNAP management, capacity assessment and capacity building needs, information systems, monitoring and evaluation).
Ministry of Agriculture and Cattle (MAG)	Body in charge of promoting sustainable production in the agricultural, livestock, aquaculture, fisheries, and rural development sectors. Will participate in the consultation and information collection processes. It will support the identification of activities related to strengthening value chains, environmentally friendly practices and sustainable land management, strengthening extension services and technical assistance.
Secretariat for Water (SENAGUA)	It is the entity that grants authorization for the use and consumption of water throughout the country, including within protected areas. In addition, it supports the formation of Water Protection Areas in buffer zones of protected areas in coordination with GADs and local communities.
Decentralized Autonomous Governments (GAD) of 8 provinces: Napo, Sucumbios, Pichincha, Imbabura, Chimborazo, Morona Santiago, Cañar, Tungurahua	GADs promote sustainable development in their respective jurisdictions to ensure good living. They are responsible for planning in coordination with public institutions and society stakeholders, and also for provincial development. They formulate land organization plans; and manage provincial environmental policy and international cooperation. They will summon local stakeholders. They will participate in the processes of consultation, information gathering at the provincial level and design of activities in the components of the project at the provincial level (dialogue and coordination mechanism, update of PDOT, sustainable production in their territories, development of incentives, evaluation of capacities and capacity building needs)

Indigenous Peoples' Organizations	Responsible for the management of their lands and territories. They will fulfil the role of facilitating prior consultation processes and/or Prior, Free and Informed Consent in the intervention zones. They will participate in the design of interventions linked to indigenous peoples related to the sustainable use of the BD, sustainable productive practices, development of bio-enterprises, traditional uses. In the Cayambe Coca National Park there are 2 indigenous peoples in the Kichwa Community of Oyacachi in the moorlands, and the Cofán de Sinangoe Community in the lower tropical zone. In Sangay National Park there are Kichwa and Saraguro indigenous peoples in the Andean zone and Shuar in the Amazon zone. These communities are grouped into different second-degree organizations and settled in several small towns within protected areas and in their buffer zones.
Guilds, companies and productive associations	They will participate in consultation and project design processes related to the articulation of production and markets, development of market recognition schemes, strengthening of value chains. Locally, associations of producers and enterprises that run inside and outside protected areas will be identified. Ecotourism operators will also be included especially in the Sangay National Park, where birdwatching is a important activity for local people (identified during the initial consulation process).
Universities, Research Centres	INABIO, IKIAM, National University of Loja, INIAP, ESPOCH, UNACH, other public research institutes have a fundamental role in the generation of information on natural regeneration processes, ecosystem restoration, and sustainable agricultural production, and are present in the buffer zones of the selected pilot areas. In the case of universities, they have a strong participation in community activities to improve their livelihoods and will embody a fundamental contribution in the design and implementation of the project.
NGOs	FONAG FONAPA: These are trust funds with the participation of state entities such as local governments and public water companies that carry out actions in and around protected areas and contribute to ecosystem monitoring, conservation and restoration processes, especially for the maintenance of water flows in sufficient quantity and quality FIAS: This fund maintains a permanent account of protected areas that constitutes a key point for the sustainability of actions inside protected areas and in their buffer zones.

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

66. While in rural communities in Ecuador men may have greater participation in agricultural and livestock activities and women have a greater degree of participation in domestic tasks (although this may vary according to the degree of productive diversification of the colonies), women in the selected areas may devote more time to farm management than men, given that men have found other jobs in other lines of work (such as construction, security, among others). After an initial consultation process for the PIF design (see paragraph 61), it was found that in the Sangay PA women tend to work more in livestock activities than in agriculture, while in the Cayambe-Coca PA women divide their time between agriculture, aquaculture and livestock. The meat and milk farming systems, mainly the latter, require women great dedication of work and time daily. The work of women includes multiple tasks developed by them with livestock, including the sale of milk and cheese making; the agricultural and rearing activities of minor animals for family food security and some surpluses that are sold in local markets or consumed within the farm. They also work in agricultural production of some commercial crops. All these activities are combined with domestic chores.

67. The project will take into account the different roles that men and women have and how their unique and individual contributions can be maximized within the context of the project's strategy and implementation. Given the participation of women in livestock, the design phase will consider lessons learned from project #4775 ***Promotion of Climate-smart Livestock Management Integrating Reversion of Land Degradation and Reduction of Desertification Risks in Vulnerable Provinces***, which designed a Gender Strategy for livestock activities. The deign phase will also include the identification and active participation of women and their organizations (through consultative workshops and during community selection) and will ensure a balanced participation of men and women in planning and implementation activities. The project design activities will include practical measures to guarantee equal access to men and women in all aspects of the design and subsequent development and implementation of the project, as well as measures to ensure that women and youth are beneficiaries of project interventions. Some specific actions to consider will include: i) support for existing women's organizations; ii) promoting and supporting the participation of women in proposals of good practices by selecting them as executors of farm activities; iii) ensuring equal representation of men and women in training and awareness events; iv) development of specific training for women to promote equality in the management, use and conservation of the BD, and to ensure that the needs of both women and men are reflected throughout the project interventions; and v) involving women organized in the M&E of activities at intervention sites and in the dissemination of good practices. In addition, the M&E strategy will consider specific indicators to measure the impact of the project by gender. This will be included in the Project Results Framework.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; Yes

improving women's participation and decision-making; and/or Yes

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

68. The involvement of the private sector will be based on various approaches. A first approach will be to invite the private sector to participate in the feasibility analysis for the development of market recognition schemes for products from PAs and buffer zones that will be carried out in Component 3. This will include analysing the potential of Green and Family and Peasant Agriculture stamps, designation of origin and collective brands, and define their application within the framework of the project. Under Component 3 there will be two work approaches. The first will be joint work with producers and farmers of the intervention zones seeking strategies that boost livelihoods and the improvement of access to economic benefits of local stakeholders, for example bio-commerce, rural entrepreneurship and the search of markets and commercialization of sustainable products from PAs and buffer zones. The private sector will be a key player in the different links of the value chain that are identified and prioritized for work, participating in: a) analysis and identification of market needs, b) design and definition of the supply of products and services from PA and buffer zones, c) development of business models for bio-enterprises as well as inclusive businesses with native communities; and d) development of commercial partnerships that boost the value chain towards a differentiated market that recognizes BD conservation efforts and sustainable production. Potential private sector partners include local suppliers, popular and solidarity economy stakeholders, community associations, collection centres, and supermarkets, among others.[1] The second work approach will include contacting banks and financial institutions to facilitate access to loans and financial assistance to peasant organizations from the intervention sites. BANECUADOR and the National Financial Corporation (Corporación Financiera Nacional) have relevant financial instruments, and private banks will be contacted to promote the adoption of these instruments and expand their coverage.

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[1] Examples of private sector organizations and companies that work on sustainability issues are: Maquita (Social and solidarity economy organization that promotes associativity, sustainable production and fair trade; Camari (supports the development of the popular sectors of the country through training, credit and technical assistance; the Alliance for Entrepreneurship and Innovation in Ecuador; the Ecuadorian Consortium for Social Responsibility; and the Supermaxi supermarket chain.

5. Risks

Indicate risks, including climate change, potential social and environmental risks that might prevent the Project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the Project design (table format acceptable)

Table Nº 3 – Risks, Probability of Occurrence and Mitigation Measures

Potential Risks	Probability	Mitigation Measures

Potential Risks	Probability	Mitigation Measures
Insufficient will and commitment of institutional stakeholders for inter-institutional and cross-sectorial coordination (MAE, MAG, GAD, others), and continued lack of clarity in roles and responsibilities, problems of duplication of efforts, lack of coordination and complementarity, resulting in delays in the implementation of project activities	Medium	The signing of inter-institutional coordination agreements between the institutions participating the project's implementation will be promoted with adequate identification and definition of responsibilities between the institutions. The project will support institutions in the development of an environment conducive to inter-institutional and cross-sectorial coordination through: a) mechanisms for dialogue, coordination and information exchange; b) participation of stakeholders at all levels; and c) capacity building on issues such as integrated territory management within SNAP, will serve to reinforce coordination since the implementation of the approach in the field requires optimizing collaboration.
Zoning and classification of land use in PAs could result in restrictions on current land uses and economic activities resulting in opportunity costs for small producers and indigenous communities and/or conflicts with them	Medium	Zoning will be implemented with the participation of the MAE, GAD and beneficiaries. From the start of project implementation, relevant stakeholders will be informed of the progress, and the outcomes will be widely socialized. The project will seek to initiate a process of adequate transition of activities according to the results of zoning, and to provide alternatives to land use that support the conservation of BD and reduced land degradation, as well as promote new activities that improve the livelihoods of the populations that live in the PAs and buffer zones. To support this process, the project will provide assistance for capacity building, development of technical regulations for sustainable use, guides and manuals of environmentally friendly practices and sustainable land management, technical assistance for the implementation of alternatives with less impact and good practices. Incentives will be developed (tax exemption, technical assistance and training, provision of raw materials, market access schemes) that will be disseminated among the beneficiaries to facilitate access to them and promote the transition to sustainable practices within the framework of the adopted zoning. The project will also support the dissemination of existing financial services in support of the adoption of good practices for the transition.
Resistance of owners, producers and communities to adopt good environmentally friendly practices and sustainable land management	Low	During these initial consultation processes the multiple stakeholders showed their support to continue the project preparation and agreed to provide information, co-financing and resources during PPG phase, given the project's recognition of the role of local people on developing a more inclusive conservation. Dialogue mechanisms with the participation of beneficiaries will contribute to raising awareness about the need for sustainable interventions in the PA and its buffer zones. Raising awareness and training of beneficiaries to improve their understanding of the importance of ecosystem services and the need to adopt sustainable uses and practices and how this can improve their livelihoods will contribute to ownership. The promotion of production and articulation with markets and the search for differentiated prices for products from the PAs/buffer zones will contribute to interest producers through an improvement in income and means of sustenance.
Risks due to the effects of climate change on key ecosystems in PAs / buffer zones and on agricultural production.	Low	Capacity building at national and local levels aimed at both institutional technicians and inhabitants of PAs / buffer zones will include the issue of climate change effects on PAs and their ecosystems to improve understanding of vulnerability and risks. This will facilitate the integration of these issues into various project activities, such as the development of technical standards for sustainable use, and the updating of the PDOTs. The selection of sustainable productive practices will include climate-smart practices that favour adaptation to climate change. Adoption in the field of sustainable practices (e.g. climate-smart livestock, agroecology, agroforestry, efficient water management, forest restoration, etc.) will contribute to adaptation to climate variability.

6. Coordination

Outline the institutional structure of the project including monitoring and evaluation coordination at the project level. Describe possible coordination with other relevant GEF-financed projects and other initiatives.

69. The project will be implemented by FAO and executed by the Ministry of Environment (MAE). MAE is the main Project Partner with the responsibility of ensuring overall coordination of project execution, as well as coordination and collaboration with the institutions participating in the project, local community organizations, and other entities participating in the project. During the project design phase, potential project execution partners will be evaluated.

70. The organizational structure of the project will consist of: 1) a National Project Steering Committee: composed of MAE (Minister and/or his delegate), FAO (Country Representative or his delegate), with the main functions of guiding the implementation of the project, verifying and approving the annual operational plan, approving financial and technical reports, and providing strategic guidance to the overall execution of the project; 2) a Project Management Committee that will support technical and administrative management, inter-institutional articulation and the M&E of the project, and it is composed of a represented by the Undersecretariat of Natural Heritage and the GEF Focal Point of the Ministry of Environment; 3) a Project Management Unit (PMU) responsible for the day-to-day management of the project and for ensuring the coordination and execution of the project through the effective implementation of the annual work plans; the PMU will be composed of a Project Coordinator, an Administrative Assistant, an M&E Specialist, and technical specialists with expertise in project issues, including aspects of participation and gender; and 4) at the local level, zonal technical execution units will be established, integrated by the main local stakeholders that have a direct relationship with the execution of the project in the territory (GAD technicians on site, beneficiaries' representatives, and others to be determined); these units will be responsible for the orientation and validation of activities in the field.

71. Coordination with other GEF projects and other initiatives: The GEF has financed several projects whose experiences and lessons will be integrated into the design of the proposed project for application in PAs and their buffer zones, while generating experiences at the level of PAs that can be replicated to the rest of the SNAP. These include the following:

3829 - The SNAP Financial Sustainability Program in relation to sustainable management of PAs, is executed by the Ministry of the Environment of Ecuador (MAE), with technical assistance of the United Nations Development Program (UNDP) and financing from the GEF. The project is focused on working in protected areas and buffer zones to improve the financial sustainability of the SNAP and improve livelihoods, through a process of identification and creation of profiles of socio-productive projects in PAs that integrate sustainable agricultural practices.

3266 - Chimborazo Natural Resources Management Project: This project will contribute with experiences in participation in the planning and sustainable management of natural resources in PAs. This project was executed by the Ministry of Environment in conjunction with local GADs and financed by the GEF.

4777 - Incorporation of the use and conservation of agrobiodiversity in public policies through integrated strategies and in situ and ex situ implementation in three high Andean provinces project: This project focused on the integration of agro-biodiversity practices into policies, agricultural systems and capacity building, resulting in experiences in agro-biodiversity and its conservation and sustainable use. The project was executed by the Ministry of Agriculture and Livestock and financed by the GEF.

4731 - Promotion of landscape approaches in the SNAP to improve the conservation of globally threatened fauna: The contribution of this project is related to plans for the sustainable use of wildlife in protected areas and regulations for the use of land that protect key ecosystems of wildlife dispersal.

72. Additionally, regional and global projects were executed:

1918 - Conservation of the biodiversity of the moor in the northern and central Andes: This project contributes with experiences in management plans and sustainable use of moors; the implementation of initiatives necessary to create an enabling environment to improve the livelihoods of the inhabitants of the moorland based on the conservation and sustainable use of the natural resources of the ecosystem.

5797 - Ensure land tenure rights to communities dependent on the forest landscape. This project generated lessons learned about improving the way in which the land and forest tenure reforms are understood, communicated, and used so that relevant stakeholders can support decisions that support tenure security, livelihoods and sustainable forest management.

74. In addition, the project will coordinate with the following GEF projects currently under execution for the exchange of information and replication and scaling of experiences at the PA level:

4775 - Promotion of Climate-smart Livestock Management Integrating Reversion of Land Degradation and Reduction of Desertification Risks in Vulnerable Provinces: This project works on the improvement of livelihoods related to livestock and implementation of the livestock space zoning methodology in the project's zones of intervention, and is developing practices for climate-intelligent animal raising that can be replicated in the intervention zones. Its budget is USD 3,856,060 and will be valid until 2020.

9369 - Implementation of the Strategic Plan of the Network of the Marine and Continental Coastal Protected Areas of Ecuador: This project has developed guidelines to avoid conflicts with project beneficiaries, a legal framework for sustainable tourism, and an analysis of connectivity between mangroves and their inhabitants. Its budget is USD 5,813,303 and its validity is until 2021.

9055 - Integrated management of multi-use landscapes of high conservation value in the Amazon: This project plans to develop guides, manuals and training plans for sustainable production of livestock, coffee and cocoa; participatory monitoring systems; and integration of the landscape approach in PDOTs. Its budget is USD 12,462,550 and its duration will be until 2021.

7. Consistency with National Priorities

Is the Project consistent with the National Strategies and plans or reports and assesments under relevant conventions

Yes

If yes, which ones and how: NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc

73. The project is aligned with the *2017-2021 National Development Plan*. *A Lifetime (Toda una Vida)*, in particular with Axis 1: Rights for All During a Lifetime, whose objectives are to *guarantee the rights of nature for current and future generations* (Objective 3), and Axis 2: Economy at the Service of Society, whose Objective 6 is to *develop productive capacities and the environment to achieve food sovereignty and rural Good Living.* The project is part of the new CODA, which aims to guarantee the right of people to live in a healthy and ecologically balanced environment, as well as protect the rights of nature for the realization of good living. It is consistent with the National Biodiversity Strategy and its Action Plan, in particular with its strategic objectives *1: Incorporate biodiversity, associated goods and ecosystem services, in the management of public policies; 2: Reduce the pressures and inappropriate use of biodiversity to levels that ensure its conservation; 3: Distribute the benefits of biodiversity and associated ecosystem services fairly and equitably, including gender and intercultural specificities; and 4: Strengthen the management of national knowledge and capabilities that promote innovation in the sustainable use of biodiversity and ecosystem services*. The project is aligned with the objectives of the National System of Protected Areas whose objectives are: *1) To conserve the biological diversity and genetic resources contained in the SNAP; 2) Provide alternatives for the sustainable use of natural resources and the provision of environmental goods and services; and 3) Contribute to the improvement of the population's quality of life.*

74. The project is aligned with the objectives of the Convention on Biological Diversity, of which Ecuador is a signatory. The project's intervention seeks to contribute to the achievement of the Aichi goals 1, 2, 5, 7, 11, and 14, set by the CBD and represented in Ecuador's 2015-2030 National Biodiversity Strategy.

75. At the local level, the project is aligned with the Development and Territorial Organization Plans (PDOT) of the provinces of Napo, Sucumbios, Pichincha, Imbabura, Chimborazo, Morona Santiago, Cañar, and Tungurahua, which set objectives and improvement programs for the quality of life of their populations, socio-economic development that does not undermine the environment, and respect for the socio-cultural particularities of the peoples and nationalities that inhabit the provinces.

76. Additionally, the project is in compliance with FAO's Strategic Objectives: SO2: *Make agriculture, forestry and fisheries more productive and sustainable* and SO4: *Promote integrating and efficient agricultural and food systems.* At the regional level with the Regional Initiative 2: *Family farming and inclusive food systems for sustainable rural development* and the Regional Initiative 3: *Sustainable use of natural resources, adaptation to climate change and disaster risk management.* Finally, it agrees with the 2018-

2021 FAO National Priorities Framework in Ecuador, within Priorities 2: *Agriculture and rural development by strengthening farmers' access to rural assets and services for innovation, incorporating rights, gender and territory approaches, facilitating the transition to sustainable productive and agri-food systems, in a context of climate change* and 3*: Sustainable natural resources management and resilience to risk through the consolidation of public policy*

8. Knowledge Management

Outline the Knowledge management approach for the Project, including, if any, plans for the Project to learn from other relevant Projects and initiatives, to assess and document in a user-friendly form, and share these experiences and expertise with relevant stakeholders.

77. The project will strengthen existing institutional capacities in Ecuador for PA management, implementing the landscape approach in the *sustainable development areas* as well as the buffer zones. Learning experiences are expected to be replicated across the SEAP by the Ministry of Environment through the Green Classroom Program, which is the MAE's training platform. At the local level, the Project is designed to enhance the capacity of local authorities and communities to access new knowledge to implement environmentally friendly practices in the *sustainable use areas* and buffer zones, in order to reduce the pressures on key ecosystems. These capacities will be sustained through the SEAP Information System (output 1.1.1.) and the strengthened mechanism for inter-institutional and cross-sectorial coordination at the territorial level (output 2.1.2).

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Ms. Maria Belen Duran	Analyst	Ministry of Environment	10/11/2019

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place

Zoning in the Cayambe Coca National Park

Zoning in Sangay National Park