



Global Environment Facility

GEF

October 29, 1998

Mr. Lars Vidaeus
GEF Executive Coordinator
World Bank
Washington DC 20433

Dear Mr. Vidaeus,

I wish to inform you that the CEO has approved the PDF Block B request for *Bolivia: Achieving the Sustainability of the Bolivian Protected Areas System*, which was discussed in the Bilateral Review Meeting with the World Bank on October 28, 1998.

Please find attached a copy of the project tracking sheet for your records.

Sincerely,

Kenneth King
Assistant Chief Executive Officer

OCT. 2. 1998 5:35PM WORLD BANK - ENVGC 202-522-3256
TO: GEF SECRETARIAT
THE WORLD BANK/IFC/M.I.G.A.

NO. 1297 P. 1/36

OFFICE MEMORANDUM

DATE: October 2, 1998

TO: Mr. Ken King, Assistant Deputy CEO, GEF Secretariat
GEF PROGRAM COORDINATION

FROM: Lars Vidaeus, GEF Executive Coordinator 

EXTENSION: 3-4188

SUBJECT: **PDF Block B Requests**

Please find attached two PDF Block B requests for your review.

1. Bolivia: Achieving the Sustainability of the Bolivian Protected Areas System
2. Colombia: Conservation and Sustainable Use of Biodiversity in the Andes Region

We would appreciate receiving any comments by October 16, 1998, and look forward to reviewing these comments with the GEF Secretariat staff during the following week.

Many thanks

Distribution:

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cc: Messrs./Mmes. Werbrouck (LCC6C), Parker (LCC4C), Lovejoy, Huber, Ruiz, Vergara, Garfield, Isaac (LCSES); Kimes, Castro, Bossard, Maitre (ENV).

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**GLOBAL ENVIRONMENT FACILITY
PROPOSAL FOR PROJECT DEVELOPMENT FUNDS (PDF)
BLOCK B GRANT**

COUNTRY:	Bolivia
GEF Focal Area:	Biodiversity
Project Title:	Achieving the Sustainability of the Bolivian Protected Areas System
Requesting Agency:	World Bank
Executing Agencies:	Ministry of Sustainable Development and Planning
Project Duration:	5 Years
Total Block-B cost:	US\$729,800
PDF Block B Funds requested	US\$300,000
PDF Co-Funding:	
Government of Bolivia	US\$117,000
NGOs	US\$72,000
Bilateral Donors	US\$232,800
Block A Grant Awarded:	No

Tentative Financing Plan (U.S.S):

GEF (PROJECT)	\$10.0
GEF (TRUST FUND CAPITALIZATION)	\$5.0
GOB (FISCAL)	\$2.8
GOB (FONAMA)	\$1.7
GERMANY-GTZ	\$3.0
GERMANY-KFW	\$3.0
HOLLAND (PASNAPH)	\$5.0
NGO	\$14.0
OTHERS (TRUST FUND CAPITALIZATION)	\$20.0
ESTIMATED TOTAL PROJECT COST	US\$64.5

BACKGROUND

Bolivian Biodiversity

1. Bolivia's biota is one of the most diverse in the world, with 2,500 known species of vertebrates and approximately 18,000 vascular plants. These numbers are likely to be higher because Bolivia has been one of the least studied countries in the Neotropics. The importance of Bolivian biodiversity is not only related to the absolute number of species, but also because three out of the five Biogeographic described for South America are present in Bolivia (Amazonian, Andean-Patagonian, and Chacoan). The country's ecology ranges from tropical humid forest to high mountain deserts. Among the most significant

ecosystems are the wetlands comprising the two main Neotropical basins, Amazonian and Paraguay-Paraná, and the world's largest tropical deciduous forest, the Gran Chaco.

2. Due to its geographic location and rugged mountainous terrain, a large area of Bolivia's is still in a nearly pristine condition. Around 48% of the country is still covered by forests. Bolivia is also home to over 3 million indigenous people whose native communities maintain one of the largest reservoirs of genetic resources in the world for Potato, Peanut, Squashes, Peppers, Beans, Quinine, Cacao, Papaw, and Pineapple. Their importance for agriculture, medical sciences, and industry is closely linked to the traditional knowledge accumulated by these cultures. Bolivia is one of the world's major centers for domestication of plants and animals.

Protected Areas in Bolivia and Legal Framework

3. The first protected area of Bolivia, the Parque Nacional Sajama, was created in 1939. However, it was not until 1985 that the Bolivian government designated administrative responsibility for its management to the Forestry Development Center (CDF). In 1992, with the enactment of the National Environment Law (Ley 1333), all management responsibilities for parks and protected areas passed to the newly created National Secretariat for the Environment (Secretaría Nacional del Medio Ambiente, SENMA). As a complement to the new environmental legislation, a National Environmental Fund (Fondo Nacional para el Medio Ambiente, FONAMA) was created in December 1991 and ratified by Law in April 1992. Currently, protected area management is the responsibility of SERNAP (Servicio del Sistema Nacional de Areas Protegidas) within the Viceministry for Environment, Natural Resources, and Forest Development of the Ministry of Sustainable Development and Planning.

4. In 1992, and with support from the World Bank, a GEF project was developed (GEF I) to enhance the recently created SNAP (Sistema Nacional de Areas Protegidas) representing 18 legally established protected areas. At that time, there was a serious lack of both financial and human resources, an undefined management system with few regulations, and inadequate participation of local communities and indigenous populations in protected area and buffer zone management.

The GEF I Project

5. The GEF supported Biodiversity Conservation Project (BCP) was approved in 1992 and received co-funding from the Government of Switzerland, and the GoB. The major components of the BCP were: (i) support for the organization, implementation, and follow up of a National System of Protected Areas (SNAP); (ii) support to 6 existing protected

areas and the establishment of two new areas¹; (iii) alternative management of natural resources in buffer zones; and (iv) administrative support to the project coordination unit in the National Environment Foundation (FONAMA).

6. Specific activities of the BCP included: (i) institutional strengthening of the National Directorate of Biodiversity Conservation (DGB) now called SERNAP; (ii) development of a biodiversity information system; (iii) consolidation of the SNAP via the development and implementation of management plans; (iv) implementation of a program of control and enforcement within the protected areas which make up the SNAP; (v) training for personnel in the DNCB and the protected areas; and (vi) development of rules, regulations, policies and procedures to supervise the SNAP through a coordinated system of law enforcement. In parallel with the BCP, it was expected that a long term funding strategy for the SNAP would be developed, including the establishment of a Fiduciary Fund for Protected Areas, which would, after a certain period, pay recurrent costs.

7. The project achieved most of its objectives. An internal Bank ICR is under preparation. The project's most notable achievements are:

- the SNAP has been strengthened and is based on protection of representative ecoregions;
- trained professionals are in place at headquarters and in the parks;
- infrastructure and equipment are in place for several areas;
- approximately US\$3 million per year is committed by donor agencies to protected area management;
- two new protected areas were established: (i) Parque Nacional y Area Natural de Manejo Integrado K'aaiya del Gran Chaco; and (ii) Parque Nacional y Area Natural de Manejo Integrado Madidi, covering a total of 6.4 million ha;
- management plans were developed for seven priority areas;
- successful decentralization experiences were developed, including the establishment of local management committees (Comite de Gestión) and decentralized management by NGOs;
- the capacity of the GoB to administer the SNAP and to fulfill its other functions was strengthened;
- a Park Guard Training Center has been established with Universidad Autónoma Gabriel René Moreno at its facilities in El Vallecito.

8. In addition to these achievements, the SNAP provided the framework for: (1) development of the Wildlife Management and Germplasm Conservation Program; and (2) a significant increase in protected area coverage. There is considerable concern, however, that this expansion has been too rapid and may be having a negative impact on the areas

¹ The areas supported through the first GEF project were: Carrasco N.P., Amboro N.P., Noel Kempf Mercado N.P., the Beni Biological Station, Eduardo Avaroa F.R., and Ulla Ulla F.R. The two new areas created were: P.N. Kaa-Iya del Gran Chaco and P.N. Madidi.

formally established in 1992. Between 1993 and 1998, the area under the SNAP expanded from 8% to 17% of Bolivia, without a concomitant increase in budget. GEF II intends to address this problem by prioritizing the development of long-term sustainable financing mechanisms to pay for recurring costs, and by strengthening decentralized management of some areas to NGOs and local government. Table 1 below shows how the SNAP evolved over time, and Table 2 highlights coverage by IUCN Category.

TABLE 1: Protected Area Management in Bolivia, 1939-1998

	Aug-39	OCT-85	Oct-91	Jul-93	Jul-98
Legally declared surface in ha.	100.230	5.133.440	7.655.887	8.536.787	19.023.555
% of the total surface of the country legally declared	0,09%	4,67%	6,97%	7,77%	17,32%
Surface in areas with management in ha.	0	135.000	3.580.350	4.295.095	11.597.643
% of the total area of the country in areas with management	0,00%	0,12%	3,26%	3,91%	10,56%
% of the present surface of the SNAP in areas with management	0,00%	0,71%	18,82%	22,58%	60,96%

TABLE 2 – IUCN Categories and Current Coverage of the SNAP

MAIN CATEGORY OF PROTECTED AREA MANAGEMENT	SURFACE IN HECTARES	% OF THE COUNTRY IN THE CATEGORY
National Parks (IUCN I-II)	7,440,919	6.77%
Natural Integrated Management Areas (IUCN III-IV)	6,471,932	5.89%
Indigenous Territories (only those belonging to the SNAP) (IUCN III-IV)	5,110,704	4.65%
TOTALS	19,023,555	17.32%

9. A primary weakness affecting the long-term sustainability of GEF project activities was that the GoB did not succeed in establishing a viable **fiduciary fund** of a sufficient magnitude to fund annual operating costs of the SNAP (approximately US\$5 m/year).

Political meddling undermined the institutional viability of FONAMA, resulting in the failure of the fiduciary fund to obtain adequate financial support from donors, and late in the project, funding delays to parks. Key staff members and many park wardens left their jobs because of payment delays and unstable working conditions, and the SNAP suffered a general decline in credibility. Secondary factors limiting project performance were: (i) lack of clarity in the contracting processes which would build on successes realized throughout the life of the project; (ii) excessive emphasis on central (e.g. La Paz based) programs in the early phase of the project; (iii) failure to develop a comprehensive ecotourism strategy and an entry fee policy; (iv) failure to pass the Biodiversity Law, which would have given the Park wardens and areas themselves a more substantial legal mandate; and (v) failure to plan in a timely fashion for ongoing support after the project ended.

10. Two other areas considered deficient in terms of the original project design were: (i) funding was not provided for publications, and (ii) funding was not provided for the promotion of the SNAP. The former was increased, but was still not sufficient in terms of local participation in protected area management. Promotion of the SNAP is crucial for obtaining political support for conservation at all levels of the population, from policy makers to the public. Experience elsewhere has shown that the participation of local communities and indigenous peoples in biodiversity conservation and park management has three advantages: (i) it is the most cost efficient way of managing conservation; (ii) it ensures long-term sustainability; and (iii) it is the only ethically justifiable approach.

Local communities and indigenous peoples

11. Viewing conservation as a social and economical issue permits an integral analysis of conservation and development. It is related to the right of local people to develop and to have access to those benefits attained by humankind, and to all assuming the responsibility for the results of their actions on other biological beings. These views have been expressed in two of the most important events dealing with protected area management: (i) the IVth World Congress on National Parks and Protected Areas, February 1992; and (ii) the United Nations Conference on the Environment and Development (UNCED), June 1992. More recently, the First Latin American Congress on Park and Protected Area Management, 1997, held in Santa Marta, Colombia, had local participation as one of its main themes of discussion.

12. The inclusion of local populations in protected area management has obvious implications for profit sharing, park guard selection and training, development programs, tourism and all aspects of park management. While this has been an overall guiding principle in policy development for the SNAP, it needs to be better focused. A new Law of Biodiversity Conservation has been proposed which would provide for direct participation of local populations and indigenous peoples through a Management Committee (Comite de Gestión). Passage of the law would provide a much improved legal framework for stakeholder participation.

13. **Key lessons-learned from the GEF I – IUCN** is undertaking a full and independent evaluation of the GEF I project, and the evaluation team's report is expected to be available by the end of October 1998. The results will play an important role in defining areas to be focussed on during project preparation. Based on the information available to date, the following are key lessons-learned from the GEF I project:

- the need to obtain *GoB commitment* to a course of action and to put in place systems that cannot easily be altered by political interference;
- the need for *simplified approval mechanisms* within the SNAP bureaucracy and a decentralized system of financial management, based on "accountable advances" to the protected areas;
- the importance of ensuring *full public participation* and strengthening the local "park development committees;
- the importance of developing further *co-management models* for the SNAP that rely on non-governmental management of the protected areas;
- the need to *set realistic goals and timeframes* for achieving institutional and financial sustainability of the SNAP;
- the need to focus on a *solid central core* of well run, adequately financed protected areas and to *limit central program costs* to no more than 20% of total system costs.

14. The GOB has taken steps to develop biodiversity conservation as State Policy closely linked to the alleviation of poverty. In 1994, article 171 of the Bolivian Constitution was modified recognizing "the social, economic and cultural rights of indigenous peoples that inhabit the national territory, especially to their communal lands of origin, warranting their use and sustainable management of their natural resources, their identity, values, language and institutions. The State recognizes the legal status of indigenous and farming communities, and of farmers associations and unions". Civil society participation in Bolivia will also be greatly affected by the law of Popular Participation, that divides the country in rural municipalities, and whereby the local communities acquire the right to participate in environmental and natural resource management. This will be greatly facilitated by present bilingual education, through their corresponding languages, for the more than thirty indigenous groups through their corresponding languages.

II. GEF II: PROJECT OBJECTIVES AND DESCRIPTION

15. The general objective of the project is to contribute to the conservation of Bolivia's biodiversity by establishing a reliable basis for sustainability of Bolivia's National System of Protected Areas (SNAP). The proposed project would include four Components:

- I. Development of a Medium and Long-Term Vision for the SNAP (Total Estimated Cost 1.4M/GEF \$0.4M)

16. This component would include the elaboration of strategies and instruments to develop a long term vision of the SNAP and the philosophy of protected area management. This component would include two related activities:

(a) Preparation of a SNAP Master Plan, including an analysis of the need for the establishment of new protected areas and the viability of those already legally declared. Besides including ecoregional and biogeographic parameters in the evaluation (GIS), gap analysis would also include the appropriate anthropological, archeological, landscape, educational, tourism, and management and land tenure considerations. It will also include an analysis of alternatives for the establishment of ecological corridors, including incentives and disincentives for obtaining the involvement of local communities, private investors, and other local regional and national stakeholders. The analysis should also consider aspects of conflict solution; coordination with sector government institutions and particularly the institutional framework for obtaining coordination in conservation actions outside protected areas. Finally, it will also define the relationship of the SNAP with biodiversity conservation broadly defined. The coordination of actions and the most efficient use of, state, NGO, and academic capacities and knowledge will be analyzed so that links are maintained.

(b) Preparation of a 25 year Strategic Development Plan, including administration and financial mechanisms, such as clear norms and procedures for administrative financial autonomy, considering the different ways areas are administered, either directly by the SNAP or through NGOs, scientific-academic organizations or local communities or indigenous organizations. This sub-component would include proposals for human resource and institutional capacity building through training or other means in order to improve the technical capacity of permanent officials, personnel and local institutions involved in protected area management.

II. Sustainability of the SNAP (Total Estimated Cost: \$34.5 M/GEF \$9.0 M; of which possible Trust Fund Capitalization is estimated at \$25.0M/GEF \$5.0M)

17. This component lays the groundwork to achieve long-term sustainability of the SNAP. Subcomponents will be developed from the financial mechanisms identified in the 25-Year Strategic Plan. The project will help implement sustainability at three levels:

(a) Financial Sustainability, with 4 sub-components:

- Establishment of a Trust Fund to Finance Recurrent Costs of PA Management. This Fund should be designed according to the relevant international experience and successful cases to date (i.e., Mexico). Particular attention will be paid to the recent GEF Evaluation of Experience with Trust Funds. Attention should be given to the reduction of operating costs and efficient administration of the Fund. Its independence, in technical and administrative matters, as well as a high level of professionalism in execution and inversion, will be important. Whether FONAMA, with modifications, could assume these functions will be analyzed and discussed during implementation.

- **Trust Fund Capitalization.** A potential contribution from the GEF to the fund will be defined during Block-B implementation based on the identification of available co-funding and determination of accurate targets for capitalization. Several bilateral agencies, including those of Germany, the Netherlands, and the United States have expressed a willingness to capitalize the fund pending its proper design and WB/GEF involvement. Initial consultations suggest the possible availability of about \$20.0M in bilateral funds for this purpose. Performance benchmarks to be achieved prior to capitalizing the Trust Fund will be defined during the Block-B preparation process.

Development of market instruments to generate resources for protected area management recurrent costs. The SENMA with input from key protected area management personnel will explore the feasibility of establishing agreements with utility companies on establishing a carbon voucher program. This process should be accompanied, through the appropriate state and academic institutions, by an evaluation of deforestation rates, carbon volumes and sequestering potential of the most likely protected areas and buffer zones. Other sources of possible park revenue will also be evaluated. New possibilities for developing financial agreements for bioprospecting should also be explored. These sources of funding should be developed in close collaboration with traditional, aboriginal and local populations. Their rights to profit sharing should be considered. This should be done in the framework of national policy on genetic resources, cultural and archeological heritage.

- **Decentralization of management and increased local participation.** Management agreements with NGOs and local community based organizations will be initiated. The expansion of the number of areas under delegated administration should reduce administrative costs of the SNAP. Efficient contract drafting and administration monitoring procedures would be developed. The project will incorporate a diagnostic of past and present performance of NGOs and other area administrators. It will also identify new potential partners.

(b) **Social Sustainability.** Achieving the participation and effective involvement of local communities and civil society institutions in conservation and the management of the protected areas is a factor in achieving sustainability. The relationship between local people and a protected area is substantially different from that of the general population. The traditional environmental education approach, while effective for urban populations, is ill suited to address the bread and butter problems of people living within or around a protected area. Their support is critical for the long-term sustainability of an area and is related to the benefits they derive. This component will develop a cost effective publicity and public relations program for the SNAP; promote a more effective functioning of such mechanisms as the Management Committees (Comite de Gestión); develop plans for local and indigenous populations in key protected areas selected by the project; and develop profit-sharing mechanisms with local communities.

(c) **Legal Sustainability, including:**

19. This component has three aims: (i) strengthening the capacity of the protected area and conservation authorities to monitor the state of conservation of biodiversity in Bolivia; (ii) monitoring the impact of the project and investments on biodiversity conservation; and (iii) monitoring the effectiveness of the administration of the SNAP. This component should include the development of the necessary institutional links with appropriate scientific, academic and other organizations, which have already established capacities in biodiversity assessment and monitoring, GIS, and other related fields.

IV. Monitoring and Evaluation (Estimated Total Cost \$4.0M; GEF 1.3M)

18. While the bulk of project activities will develop the basis for long-term sustainability, short and medium term needs will still exist to achieve the effective management of the areas of the SNAP. At the field level, these necessities will include park administration centers, guard lodging, equipment and transportation means, park guard selection, training, and associated recurrent costs (maintenance of buildings and equipment and salaries). At the national level, the project will finance some of the recurrent costs for personnel and day to day operating expenses, not to exceed 10% of total component costs. These costs will be covered primarily through co-financing and GOB own resources. The specific areas and activities to receive GEF support will be defined during project preparation with due attention to global significance and incrementality as defined by the baseline scenario (see paragraph 16).

III. Consolidation and Invigoration of the SNAP (Total Estimated Cost \$24.5M/GEF \$4.3M)

• Internal Norms and Regulations development and analysis. SNAP norms and procedures will be analyzed and revised on the basis of SNAP policy and civil society participation and input into issues such as decentralization. Particular attention should be given to establishing mechanisms that permit each area to be managed with a degree of freedom within SNAP policy. These mechanisms should facilitate monitoring and control by SNAP authorities, but should leave execution to the specific area managers. Norms and procedures will be analyzed and revised for: park guard selection, promotion and training, development program drafting and execution, tourism and all other aspects of park management. One of the main aims of these norms and procedures will be to strengthen accountability, transparency, and professionalism of and within the SNAP.

• General legal framework analysis and development of proposals. This component should aim at attaining coherence within the legal framework concerning the SNAP. Norms to be analyzed will at least include the Law of the Environment, Forestry Law, Wild Life Use Decree, the Water Bill, the Law of Popular Participation, the Law of Decentralization, the Organic Law of Municipalities, the INRA Law, and their relation with the proposed Law of Biodiversity. It should also aim at securing the legal basis for the recommendations, plans, and resulting strategies of components 1 and 2 of the project.

(a) Biodiversity assessment and monitoring.

- *Capacity building in biodiversity assessment and monitoring.* A permanent program on biodiversity monitoring should be established by the academic and scientific institutions. A network linked to the SNAP would provide the information required for biodiversity conservation policymaking and decision taking by government officials and the SNAP. Established GIS capacities in these institutions and others should be taken advantage of. In order not to duplicate efforts this should also be linked to wildlife management and Germplasm conservation.

- *Protected area biodiversity and project impact monitoring.* Well-standardized procedures for biodiversity monitoring by the guards should be routinely applied. Local or international experts and institutions competent in biodiversity and ecological science should assess the reliability of this process and the indicators used. The B Block finances an initial diagnostic, proposes an initial set of indicators and protocols, and elaborates the component in detail.

(b) Evaluation of administration and its performance

- *SNAP administration monitoring.* The SNAP should establish an efficient performance monitoring capacity to analyze its training program, protected area administration, Management Committee functioning, development projects impinging on protected areas, and other matters relative to the SNAP. The SNAP administration will maintain detailed and up to date information on all administrative and financial matters pertaining to the project, other funding, and all the areas of the SNAP.

PROJECT AND INCREMENTAL COSTS

20. Project costs are tentatively estimated at about \$65.0 million (\$40.0 million excluding Trust Fund capitalization). These figures are based on preliminary consultations among donors and the GoB during identification discussions and would be reviewed and finalized during preparation. A tentative financing plan by major component is presented below:

Table 3 -- Estimated project costs (in SUS million)

FINANCING	COMPONENT				Total
	Development of a long term vision	Setting the basis for sustainability	Consolidation and invigoration of the SNAP	Monitoring and evaluation	
GEF	0.4	4.0	4.3	1.3	10.0
GEF (TRUST FUND CAPITALIZATION)	0	5.0	0	0	5.0
GOB (FISCAL)	0.1	0.4	2.1	0.1	2.7
GOB (FONAMA)	0	0	1.7	0	1.7
GERMANY-GTZ	0.4	0.5	1.8	0.3	3.0

GERMANY-KFW	0	0	3.0	0	3.0
HOLLAND (PASNAPH)	0.5	1.0	3.0	0.5	5.0
NGO	0	3.6	8.6	1.8	14.0
OTHERS (TRUST FUND CAPITALIZATION)	0	20.0	0	0	20.0
TOTAL	1.4	34.5	24.5	4.0	64.4

21. Under the baseline scenario, Bolivia would only be able to manage the sub-set of protected areas that received support through the GEF-1 project, and to maintain a basic level of central support to the system. It is unlikely that new capital endowment funds would be forthcoming from the international community under the baseline scenario. Under the GEF Alternative, Bolivia would be able to achieve the following: (i) adequate management of the entire system of PAs; (ii) development of the foundation for long-term sustainability of the SNAP, including the establishment of a viable trust fund; and (iii) greater community and civil society participation in the management of the SNAP. The incremental costs associated with the GEF Alternative scenario are currently estimated at \$15.0 million (assuming capitalization of a trust fund), and will be reviewed and finalized during project preparation.

ELIGIBILITY

22. In June 1992, Bolivia signed the Convention on Biological Diversity (CBD) and ratified it through Law 1580 on 25th July 1994. The project is consistent with the GEF Operational Strategy in that it aims to consolidate conservation efforts in tropical and subtropical forests, montane ecosystems, and large wetland complexes. It is particularly relevant to the in-situ conservation of genetic resources, including medicinal plants and world widely used crops such as squashes, potatoes, and peanuts.

23. The proposed project is consistent with Agenda 21, the Operational Strategy, and the principles of the CBD with regards to: conservation of biodiversity, conservation of tropical forests, reduction of the greenhouse gas emissions, maintenance of genetic resources, empowerment of the principal groups and local participation in environmental management, integral strengthening of the national capacity of establishing processes of sustainable development, and the strengthening of the scientific capacity of the countries of origin of biological diversity. It supports conservation at all three levels of biodiversity (ecosystems, species, and genes).

Coordination With Other Implementing Agencies

24. The project is being developed with input from representatives of civil society, bilateral funding agencies, NGOs and the UNDP, and Block B Grant activities will be fully coordinated with UNDP. The proposed project is fully consistent with the "Guidelines for the Development of a National Conservation Strategy" elaborated with support from the UNDP program RLA/92/G32. In addition to this proposed Phase II WB/GEF project, UNDP is currently working with local NGOs in developing an MSP to examine

establishment of biological corridors in Bolivia. In the future, the GoB and UNDP also contemplate a larger scale initiative to address corridor formation, which would build on the strategic framework/planning exercise to be developed under the current proposed project. The GOB has received technical assistance from UNDP in elaborating the Amazonian Agenda 21, which is providing input into the development of the corridor initiatives.

National Level Support

25. Since June 1992, the GOB has established seven new protected areas. These areas total 10,486,768 hectares, equivalent to 9.55% of the country's surface area. This is an increase of 122.76% over the 8,601,400 established prior to June 1992. The area under management has increased from 3.26% to 11.05% of the country's surface. The present project has been discussed and endorsed by the highest levels of Government, including the Minister of Environment, the Minister of the Presidency, and the GEF focal point (see letter attached).

Justification of PDF Grant

26. The Block B PDF Grant and support from several donors and NGOs/indigenous groups would finance preparation of the project including all project components. The following activities will be undertaken as part of the preparation process:

I. Development of a medium and long term vision of the SNAP

27. Preparation activities will include discussions with SNAP personnel, GOB government officials, co-financing agency representatives, local experts and institutions, and selected community and indigenous organization leaders related to areas within the SNAP. An analysis of the linkages between the SNAP capacities and information needs for the Ministry and other institutions will be undertaken. The preparation team will develop the methodology (including data requirements) for the SNAP Master Plan. This is expected to include (at a minimum): (a) an analysis of the need for the establishment of new protected areas and the viability of those already legally declared; (b) an analysis of geographical alternatives for the establishment ecological corridors; (c) definition of the relationship of the SNAP with biodiversity conservation in general and its relationship to the SERNAP and other governmental instances. The preparation team will also prepare the methodology for undertaking the 25 Year Strategic Development Plan. (Cost of Component: \$ 208,000; PDF: \$58,000).

II. Sustainability of the SNAP

28. Preparation activities related to the establishment of mechanisms to secure long term financial sustainability for protected areas in Bolivia will include: an institutional diagnostic and recommendations on how to structure a viable fiduciary fund, including performance benchmarks to be used for capitalizing the fund; and identification of the most appropriate market instruments and conservation-friendly sustainable uses of biodiversity which could be utilized to generate resources to cover recurrent costs of the parks and to benefit local buffer zone communities/indigenous peoples. Because of its impact on the financial sustainability, through the reduction of operating costs of the SNAP, the preparation team will identify actions to facilitate a broader societal participation in protected area management and SNAP operation. These would at least include mechanisms

to promote: the reduction of conflict in the protected areas; decentralization and participation in protected area management; the use of NGOs and scientific and academic institutions in support of SNAP activities.

29. Preparation activities will be participatory and include consultation and workshops with community leaders, experts and institutions. These will address the following: profit sharing mechanisms for local, indigenous and civil society actors; development plans for local and indigenous populations in key protected areas selected by the project; ways and means to strengthen participation. Appropriate international experience in similar programs should be incorporated into project design. The project should also include activities to promote general public, and selected target group (i.e. decision makers, legislators, etc.) knowledge about gains, benefits, participatory management policy, of the Bolivian SNAP and Bolivian policy on biodiversity conservation, through a publicity and public relations program. This latter component will be based on a proposal presented by FONAMA (Cost of Component: \$210,000; PDF: \$90,000).

III. Consolidation and Invigoration of the SNAP

30. Preparation activities will include a diagnostic study to assess the investment needs of the protected areas to be included under the project in the following categories: park administration centers, guard lodging, equipment and transportation means, park guard selection, training, and recurrent costs. Management necessities over the next 5 years will also be assessed for all the areas of the system, identifying sources and gaps ("gap analysis") of financing. On the basis of this analysis, the project component will be elaborated in detail (Cost of Component: \$208,000; PDF: \$58,000).

IV. Monitoring and Evaluation

31. The preparation team will identify institutional partners for the SNAP with the appropriate technical and scientific capacity in systematic biology, wildlife, floristic, vegetation and ecosystem assessment capacities as well as in GIS. The team would recommend the most cost effective way of linking these capacities to the SNAP Information System and elaborate the project component accordingly. Science experts will provide advice on the design of the monitoring system to ensure that protected area biodiversity, project impacts, and SNAP administration can be effectively monitored (Cost of Component: \$126,800; PDF \$64,000).

V. Report Preparation

32. Preparation activities will also include preparation of the final project document and its presentation and discussion among project stakeholders, including donors, to ensure consensus on the proposed scope, activities, institutional responsibilities, and financing plan. (Cost of component: \$45,000; PDF: \$30,000).

Preparation Costs

33. Preparation activities and planned financing (including GEF PDF Block B resources) are summarized in Table 4 below:

Table 4 – Preparation Activities and Financing Plan						
FINANCING	Development of a long term vision	Setting the basis for sustainability	Consolidation and invigoration of the SNAP	Monitoring and evaluation	Report and presentation	Total
GEF Block B	\$58.000	\$90.000	\$58.000	\$64.000	\$30.000	\$300.000
GERMANY-GTZ	\$20.000	\$60.000	\$100.000	\$14.000	0	\$194.000
PASNAPH (Holland)	\$4.000	\$12.000	\$20.000	\$2.800	0	\$38.800
GOB	\$38.000	\$28.000	\$22.000	\$22.000	\$15.000	\$125.000
NGO	\$20.000	\$20.000	\$8.000	\$24.000	0	\$72.000
Total	\$140.000	\$210.000	\$208.000	\$126.800	\$45.000	\$729.800

Expected Outputs

34. The expected outputs from this PDF Block B Grant will be:

- a) A GEF II Project Proposal to undertake activities to achieve the objectives described above, including confirmed co-financing and a final assessment of incremental costs.
- b) An agreed set of actions and mechanisms to elaborate a long-term vision of the SNAP.
- c) An agreed set of actions and mechanisms to attain the long-term sustainability for the SNAP, including the framework for eventual TF establishment and performance benchmarks for capitalization.
- d) An agreed set of actions and mechanisms to consolidate and invigorate the SNAP, including an investment plan for the project.
- e) The design for a monitoring program for biodiversity conservation, project impact, area management and SNAP functioning.
- f) An agreed set of actions and mechanisms to identify potential institutional, academic, scientific, local, regional and grass root partners to collaborate with the SNAP in project implementation.

Expected Date of Project Preparation Completion

Block B Activities are expected to be completed during the first half of 1999 (target date: March 1999).

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