

1/1/98

**GEFSEC Project Tracking System**

***Response Due Date: 10/08/98***

**Correspondence Description**

Addressed to: <i>Mr. Kenneth King</i>	Correspondence Date: 10/01/98
Date Received: 10/01/98	Organization: UNDP
From: Rafael Asenjo	

***Assigned To: K. Kumari***

***Status: Open***

Type: Memorandum  
Topic: PDF A: CHILE: Biodiversity Conservation in Salar del Huasco

**Action Instructions**

- For Bilateral meeting
- For information only. No action needed.
- Please handle/respond on behalf of Mr. Kenneth King and provide a copy.
- Please handle/respond on behalf of Mr. Mohamed El-Ashry and provide a copy.
- Please prepare a draft response and return to Program Coordinator
- Please reply directly and provide a copy.
- Please review and/or technical comments

**Special Instructions**

**Information Copies Sent To:**

H. Acquay, A. Merla, M. Ramos, W. Lusigi, M. Cruz, J. Taylor

**Projects File Room Location:**

**Note: A copy/original of the document is being sent directly to your attention.**

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## FACSIMILE TRANSMISSION



**United Nations Development Programme**  
GLOBAL ENVIRONMENT FACILITY (GEF)



**To:** Mr. Kenneth King  
Assistant Chief Executive Officer  
GEF Secretariat

**Date:** 1 October 1998

Mr. Lars Vidaeus, Chief  
Global Environment Div.  
World Bank

Mr. Ahmed Djoghla  
GEF Executive Coordinator  
UNEP, Nairobi, Kenya

**Fax:** 202-522-3240  
202-522-3256  
2542-520-825

**Pages:** (14 including this sheet)

**From:** Rafael Asenjo  
Executive Coordinator

**Subject:** PDF A Funding - Chile: Biodiversity Conservation in Salar del Huasco

Please find attached for your review a PDF Block A request for funding entitled **Chile: Biodiversity Conservation in Salar del Huasco**.

We would appreciate receiving your comments no later than c.o.b. Thursday 8 October 1998.

Thank you.

PM

## PDF A project proposal

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<b>Part 1: ELIGIBILITY</b>	
<b>1. Project Name:</b> Biodiversity Conservation in Salar del Huasco.	<b>2. GEF Implementing Agency:</b> UNDP
<b>3. Country or countries in which the project is being implemented:</b>  Chile	<b>4. Country eligibility:</b> Ratification of the Convention on Biological Diversity on 9 September 1994. Notification of participation in the re-structured GEF on 1 July 1994.
<b>5. GEF Focal area(s) (and cross-cutting issues, as appropriate):</b> Biological Diversity	<b>6. Operational program/Short-term measure:</b>  OP 2: Coastal, marine and wetland ecosystems.
<b>7. Project linkage to national priorities, action plans, and programs:</b>	
<p>The creation of Chile's National System of State Protected Wildlands (Sistema Nacional de Areas Silvestres Protegidas del Estado - SNASPE) was created by Law 18,362. The SNASPE provides for the protection of the 1.9 million hectares of state-owned indigenous forests. The National Forest Corporation (CONAF) of the Ministry of Agriculture is responsible for the administration and supervision of this system, including Virgin Reserves, National Parks, Natural Monuments and National Reserves, and has the ability to control traffic in these areas.</p> <p>This project will promote the conservation of the <i>Salar del Huasco</i> ecosystem as a National Park, National Monument or National Reserve through measures that will permit its inclusion within SNASPE.</p> <p>"An Environmental Policy for Sustainable Development" was approved by the Chilean Government (1998), which gives priority to actions for the conservation of biological diversity, and in particular to those actions which directly involve civil society stakeholders in the resolution and mitigation of environmental problems. As an explicit environmental policy, it calls for the need to promote and secure appropriate civil society participation and relevant stakeholders in the conservation and management of specified areas. This participatory approach is intended to address lack of information and insufficient dissemination regarding specific environmental issues, establish a more transparent decision-making process regarding resource use, the lack of consultations among stakeholders, and their lack of representational and organizational capacity, among others.</p> <p>The Environmental Framework Law (Law No. 19.300, 1994) is Chile's first comprehensive law for managing environmental issues. Its purpose is to address the need to standardize, control and supervise the administration of more than 700 regulatory texts and norms. Some of these are overlapping and many are not enforced, are outdated, and/or have been superceded by new laws. The Environmental Framework Law (EFL) provides the basis for the organization of environmental regulation in Chile. It sets out basic principles of environmental management, including the importance of public participation and environmental education, calls for the coordinated development of environmental standards, and establishes a number of management instruments, such as environmental impact assessment systems and management, prevention and decontamination plants.</p>	

This project represents an important step towards the implementation of the Chilean environmental policy and an important tool for environmental management under the Environmental Framework Law (1994). In practice, this project will be the first Chilean experience in developing and implementing a plan to manage biologically diverse resources in an area of ecological fragility not included within SNASPE. The main element for the continuity and success of this project will be the establishment of mechanisms for the effective participation of civil society, including the identification of strategic public/private alliances to secure the protection of the unique biodiversity of the *Salar del Huasco*.

**8. Status of GEF operational focal point letter of endorsement:**

**Submitted:**

**Acknowledged:**

**Endorsed:**

1 July, 1998

**9. Project rationale or objectives:**

The *Salar del Huasco* is a high altitude (3,500 metre) salt water wetland of approximately 6,000 and contains an important variety of plant and animal species. It is one of a number salt water wetlands of the Puna, which are the remnants of a Pleistocene sea that was pushed up and isolated in a closed catchment as the Andes grew higher. The *Salar del Huasco* was named one of six Ramsar wetland sites of international importance in December 1996. Its biodiversity is different from other similar ecosystems in the Chilean plateau. The Salar is associated to the Atacama desert (the most arid area of the planet<sup>1</sup>) and experiences extreme aridity (between 100 and 200 mm of precipitation annually).

The *Salar del Huasco* is situated along a route that offers many environmental and social attractions. This includes important ecosystems in different conservation categories, indigenous communities and sites of archaeological, fossil and historical value.

The Salar represents an important staging and nesting site for a number of vulnerable migratory birds, including various varieties of flamingoes (Andean, Chilean and James Flamingo), the Piuquén (*Chloephaga melanoptera*) and the Tagua gigante (*Fulica gigantea*) according to the Red Book of National Forest Corporation (CONAF). The guanaco (*Lama guanicoe*), fox and the suri are endemic to the Andes Region, and are found living in the areas surrounding the Salar. They are listed in the Red Book as vulnerable and endangered.

The Salar also contains important oases (bofedales) of plant species tolerant of wet and saline environments. These oases can be temporary or permanent, and constitute a food source for wild and domestic mammals that live around the Salar. Important plant species are of the genera *Deyeuxia*, *Festuca*, *Werneria*, *Azolla* and *Oxychloe*. The Salar also contains associations of "tolars", which are large areas rich in shrubs, dominated by the genera *Parastrephia*, *Baccharis* and *Fabiana*.

The Salar is also home to two species of freshwater fish: *Trichomycterus aff rivulatus* (endangered) and *Orestias cf. agassi* (vulnerable); and three amphibious species, two of which have conservation problems, namely *Telmatobius aff. Peruvianus* (endangered) and *Bufo spinulosus* (vulnerable).

With regards to potential threats to the Salar, the construction of a road from the Mine *Doña Inés de Collahuasi* to the town *Pozo Almonte* is expected to lead to development towards the plateau with possible unexpected environmental impacts to the *Salar del Huasco* and its biodiversity. It is therefore imperative that development of the area is conducted in a manner equally consistent with the

<sup>1</sup> A.M. Errazuriz et al, (1987), Manual de Geografía de Chile. Editorial Andrés Bello. Pp. 43-44.

ecological characteristics of the Salar. The main concern is that as a result of building the road, there will be an increased use of demand and use of water for human consumption, settlement of small mining companies (one-man operations), illegal hunting, uncontrolled tourism and illegal dumping of industrial and municipal waste.

### Project Objective

The purpose of this project is to ensure the conservation of the globally significant biodiversity of the *Salar del Huasco* and its surrounding areas through a participatory programme of environmental management and conservation. This project will also support the identification of alternative livelihoods for local communities inhabiting in the Salar's area of influence (**buffer zone**); provide effective demarcation and zoning of the Salar del Huasco, including the esta

### 10. Expected outcomes:

This project will be implemented over a three-year period, at the end of which:

- a) **The Salar del Huasco and its buffer zone will be zoned and designated as a protected area (National Park, Monument or Reserve).** This will be conducted in accordance to internationally recognized environmental criteria and standards and include the promotion of options for the sustainable use of biodiversity in the protected area's buffer zone;
- b) **A Management Plan for the Salar del Huasco will be developed and under implementation.** The management plan will ensure the conservation of the Salar's biodiversity and include sustainable use activities in its buffer zone. It will be developed in close consultation with and agreed upon by all stakeholders. *The management plan will include, among other items:*
  - Strategic guidelines to promote the conservation and management of the Salar;
  - Actions for the financial sustainability of conservation efforts in the Salar, including eco-tourism guidelines and codes of conduct; revenue-generating strategies and mechanisms to cover recurrent costs and ensure a portion of financial returns to park management; identification and demonstrations of biologically-friendly alternative livelihoods;
  - Definition of measurable indicators against which to monitor and evaluate the implementation of the Plan and the attainment of project objectives. This will include indicators for measuring the impact of biodiversity conservation efforts based on a preliminary ecological baseline assessment;  
A monitoring and evaluation Action Plan to monitor the management's plan performance;
  - The entities and individuals responsible of the execution of the plan and its different components, along with clearly delineated lines of action and responsibilities.
- c) **A eco-tourism strategy and guidelines will be developed and certain components implemented.** This strategy will be developed within the framework of the Management Plan, through the active participation of stakeholders, notably the private sector, local communities and government. The strategy will serve to identify parameters for sustainable nature tourism (e.g. carrying capacity, optimal tourism numbers, codes of conduct, establishment of trails and guideposts, proper demarcation, training of tourism guides, etc.). An activity envisioned for implementation under the project is the establishment of a tourist route or trail, linking tourist "hotspots". This, coupled with an assessment of tourism revenue for self-sustaining conservator,

will be critical in effectively securing the sustainability and viability of conservation efforts in the area.

- d) **Sensibilization of stakeholders.** The implementation of an education and public awareness campaign will facilitate the implementation of the Management Plan by increasing the knowledge and information base of local communities about the *Salar del Huasco's* biological resources and diversity. *This component will include the following:*

Official and non-official educational material targeted to the primary and intermediate school levels for the local communities of Pica;

- Booklets and posters;
- Dissemination of information on appropriate environmental "behavior" and codes of conduct;
- Information dissemination through the local and regional media (radio, television, billboards, as appropriate);
- Training of young monitoring officers.

#### 11. Planned activities to achieve outcomes:

There are four components to this project. The project will be executed over a three year period, and will:

- a) **Identify and carry out the appropriate zoning and demarcation of the *Salar del Huasco* and its surrounding areas (buffer zone) that will permit the conservation its significant biodiversity as a designated protected area.** Through this component, the project will undertake a diagnosis of the biological characteristics of the Salar and its surrounding areas in order to determine the appropriate boundaries of the protected area and its buffer zone (i.e. high vulnerability areas; breeding grounds or migratory stop-overs, etc.) This diagnosis will focus on the fragility of the *Salar del Huasco* ecosystem, its potential threats due to development pressures, cultural and archaeology significance, paleontology, and eco-tourism potential for sustaining conservation efforts.
- b) **Develop and implement a Management Plan for the Salar in close consultation with stakeholders (public/private sector, NGOs, local communities, non-profit organizations, the local government, etc.) and assign responsibilities for its implementation.** The management plan will provide the framework for the development of a tourism strategy. In particular, the implementation of the plan will involve strategic alliances between the public and private sectors.

Building upon the analysis undertaken in component (a), the development of a participatory Management Plan for the Salar will be undertaken through active consultation with stakeholders. The Management Plan will identify specific conservation management actions, indicators for the systematic evaluation of biodiversity conservation activities, identification of viable alternative livelihood options, including nature-based tourism, and designation of responsible actors for the implementation of the management plan. The Management Plan will also identify additional financing sources for its long-term implementation and sustainability. The development of the management plan will include the following:

- Preparation and surveys of opinion polls
- Interviews and consultations with key stakeholders in both the preparation, implementation and evaluation of the Plan

- Working sessions with experts for the preparation of the Plan
- Workshops with local key stakeholders to review drafts of the Plan, and once completed, obtain final concurrence on the final product.

c) **Development of an eco-tourism strategy.** This strategy will be developed in parallel to the development of the Management Plan, and will constitute an integral part of the Plan.

The *Salar del Huasco* has a large variety of tourist and visitation sites. The project would develop a long-term strategy for nature-based tourism development predicated on sound conservation management principles, and during the three years of the project, begin implementation of the strategy. The eco-tourism strategy will be developed through active consultation with all stakeholders, particularly the private sector, local communities and government. This source of revenue, will be used to encourage and secure new investments for the sustainable management and conservation of the Salar biological resources.

d) **Develop and implement public awareness and education campaigns.** The campaign will focus on the environmental characteristics of Salar del Huasco to improve the knowledge and respect by involved stakeholders, in particular the local community of Pica.

This component will be carried out in two phases: The first phase focuses on developing a public awareness campaign and the second one on education. Both are targeted to the local communities of Pica and the users of the Salar. They will include tourists and tourism operators from other local communities, cities within the province and region, and from abroad.

- ◆ **Phase 1 Public Awareness Campaign:** This will involve disseminating information on the management plan to the communities associated with the Salar, and will aim to encourage certain attitudes for the conservation and sustainable use of the Salar's biodiversity. This campaign is intended to facilitate and secure the active participation of users of the Salar in removing anthropogenic threats to the Salar's globally significant biodiversity.
- ◆ **Phase 2 Educational Campaign:** This phase will focus on the development of a long-term educational strategy to create conditions that favor a more sustainable development in the area. This will include developing educational curricula for schools at the primary and intermediate levels in Pica, developing field research programmes, developing a strategy to target education at the non-formal level, providing training to teachers and educators, among others. In particular, the educational campaign will include involving citizens in community actions in the implementation of the management plan and tourism strategy.

**Expected size of project:**

<b>GEF:</b>	US\$ 600,000
<b>Other donors:</b>	US\$ 600,000
<b>Total</b>	US\$ 1,200,000

**12. Stakeholders involved in project:**

The **Center for Development Studies (CED- Centro de Estudios del Desarrollo)** will execute this project. Other institutions will cooperate during the PDF A preparation phase, including the **National Museum of Natural History**, which will provide scientific information on the area and provide expert knowledge regarding the ecological characteristics of the Salar. The **Casa de la**

**Paz (The Peace House)** will provide expertise in promoting participatory processes that involve citizens and in environmental education. Local university may also participate.

Due to the importance of the project, other organizations, both public and private, have expressed interest in participating in project activities in the following areas, including:

- a) **Pica Municipality.** The Municipality will contribute with their offices and equipment, meeting rooms and auditoriums during the preparation of the project and then during its implementation.
- b) **Corporación Nacional Forestal (CONAF)** – National Forest Corporation. It will provide scientific information, its expertise in managing conservation areas. It will also approve the inclusion of the Salar into SNASPE.
- c) **Comisión Nacional del Medio Ambiente (CONAMA)** – National Commission of the Environment. It will facilitate the implementation of the management plan. It will disseminate the results of the project and will provide the legal frame to include the Salar into SNASPE.
- d) **Servicio Nacional de Turismo (SERNATUR)** – National Tourism Service. It will facilitate the design of the tourism strategy for the Salar del Huasco and carry out actions related to tourism activities within the Salar and to the broad promotion of tourism characteristics.
- e) **Community-based organizations of Pica.** These organizations will contribute volunteers, equipment and meeting rooms for the implementation of the PDF A. They will play a major role in facilitating the active participation of local communities in the development, approval and implementation of the project and its various components.
- f) **Department of Protection of Renewable Natural Resources from the Agrarian and Livestock Service.** This public department will provide its knowledge about compliance with Hunting Law and international conventions.
- g) **Mining company Doña Inés de Collahuasi.** This company may provide scientific information about the area. It will also provide logistic support related to transport, accommodations and food during site campaigns that will take place to classify the environment of the Salar and its surrounding areas.

During project implementation, the CED will try to establish partnerships or MoUs with collaborating institutes to secure their long-term participation in project objectives. In the same vein, strategic agreements between public and private institutes, with emphasis on local organizations, will also be sought.

**Part II – INFORMATION ON PDF ACTIVITIES****13. Activities to be financed by the PDF:**

PDF A resources are being requested to formulate a Medium size project brief. Under the PDF A, the following activities are envisioned:

- a) Define specific criteria for the zoning and classification of the *Salar del Huasco* and its surrounding areas, based on a preliminary assessment and scientific information pertaining to the area's ecological characteristics (flora, fauna, fragile areas, archaeology, etc.) and internationally recognized standards for protected areas.
- b) Carry out an assessment of the globally significant biodiversity of the Salar del Huasco and an analysis of the threats to the Salar ecosystem. The latter will include an analysis of the environmental impact potentially arising from the construction of a road from the Mine *Doña Inés de Collahuasi* to the town *Pozo Almonte*.
- c) Conduct a workshop in the community of Pica to discuss project objectives and activities, and to determine priority concerns and expectations. With information from the workshop, prepare an outline of the Management Plan for the Salar del Huasco and the stakeholder participation plan.
- d) Write a project brief and draft project document detailing the four components outlined above. The project brief will be written according to GEF criteria and guidelines. The project brief will:
  - a) clearly detail the principal threats affecting the Salar's biodiversity;
  - b) conduct an analysis of the baseline to determine the extent to which national development plans and programmes in the project area are supportive of biodiversity conservation;
  - c) identify existing gaps in the baseline and the corresponding actions needed to effectively mitigate threats and ensure the effective conservation of the Salar's biodiversity;
  - d) determine whether required actions are incremental in nature and therefore eligible for GEF financing (i.e. activities or measures which cannot be justified on grounds of domestic benefits alone and which are far more likely to generate global benefits as opposed to national or local ones). The project document will also contain a Monitoring and Evaluation strategy.

e)

**14. Expected outputs and completion dates:**

The PDF A will produce the following outputs:

- a) Preliminary identification of internationally recognized criteria for the classification of the *Salar del Huasco* as a protected area.
- b) An assessment of the globally significant biodiversity of the Salar del Huasco and an analysis of the threats to the Salar ecosystem, including an analysis of the environmental impact potentially arising from the construction of a road from the Mine *Doña Inés de Collahuasi* to the town *Pozo Almonte*.
- c) An outline of the Management Plan for the Salar del Huasco.
- d) A Stakeholder participation plan.
- e) Medium-size project brief, in GEF format, including an incremental cost analysis and logical framework.

- f) Medium-size project document in UNDP format.  
g) The PDF A will be used to secure donors to finance the non-GEF component of the medium-size project.

The PDF A will be completed over a period of four months.

**15. Other possible contributors (donors and amounts):**

The CED will contribute with US\$7,000 from its own resources towards the implementation of the PDF A. The Casa de la Paz and Museum of Natural History are expected to each make an in-kind contribution of US\$1,000. The total co-financing amount is equivalent to US\$ 9,000.

**16. Total budget and information on how costs will be met (including the PDF A grant)**

Activities	GEF contribution (US\$)	Casa de la Paz (US\$ eq.)	Museum of Natural History (US\$ eq.)	CED contributor (US\$)
Define the specific criteria for zoning and classification of Salar del Huasco and its surrounding areas	5,000		1,000	2,000
Carry out an assessment of the globally significant biodiversity of the Salar del Huasco and an analysis of the threats to the Salar ecosystem	5,000			
Conduct a workshop in the community of Pica	5,000	1,000		1,000
Prepare the project brief and draft project document	10,000			4,000
<b>Sub-total</b>	<b>25,000</b>	<b>1,000</b>	<b>1,000</b>	<b>7,000</b>
<b>Grand Total</b>				<b>34,000</b>

**Part III. INFORMATION ON THE APPLICANT INSTITUTION**

<p><b>17. Name:</b> Centro de Estudios del Desarrollo, CED</p>	<p><b>18. Date of establishment, membership, and leadership:</b> 10 October 1980. CEO: Mr. Sergio Micco, Executive Director 15 professionals</p>
<p><b>19. Mandate/terms of reference:</b> Non-profit organization, with the mission to applied investigation and promotion of priorities of the civil society.</p>	<p><b>20. Sources of revenue:</b> Projects: US\$367,000 in 1996 and US\$ 305,000 in 1997</p>

**21. Recent activities/programmes, in particular those relevant to the GEF:**

During the last two years the CED has carried out the following programs and projects related to the Environment:

**1997**

- Creation of policies, plans, and programs to support the environment protection in selected communities in Chile: The case of communities of the central coast.  
Management capacity strengthening in four poor communities in Chile: creation of policies, plans, and programs to support the environment protection in Chilean communities affected by international trade agreements.
- Demand and availability of water in Chile and its effects on national security.
- Design and implementation of the master Plan of the national system of environmental management, Peru.
- Environmental fiscal control in Chile (work document under preparation).  
Chilean experiences in the Implementation of the System of Evaluation of Environmental Impact (work document).
- Alternatives for a Sustainable Strategy of the Hydroelectric Sector in Chile.
- Creation of policies, plans, and programs and improvement of the management capacity in a selected community in a Metropolitan Region: the case of Recoleta.

**1996**

- Creation of policies, plans, and programs and improvement of the management capacity in a selected community in a Metropolitan Region: the case of Recoleta.
- Future environment scenarios and agreements of free trade.
- Evaluation of the Cooperation USAID-WRI for the environment.
- Study about the incorporation of the environment evaluation within the community plans in Chile.
- Proposal to manage the land on a sustainable basis for the Metropolitan Region.
- Evaluation of the process of decentralization/regionalization in Chile.
- SERNAM Seminar "Incorporation of policies of equal opportunities in local development".
- Study of the participatory process of the organized community in the Sectional Plan Yungay of the Municipality of Santiago.
- Training programs in land development (rural, urban) for Chilean municipalities.
- Problems and opportunities in Chilean regions.

**Part IV. INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY**

**22. Project identification number:**

**23. Implementing Agency contact person:** Lita Paparoni

**24. Project linkage to Implementing Agency program(s):**

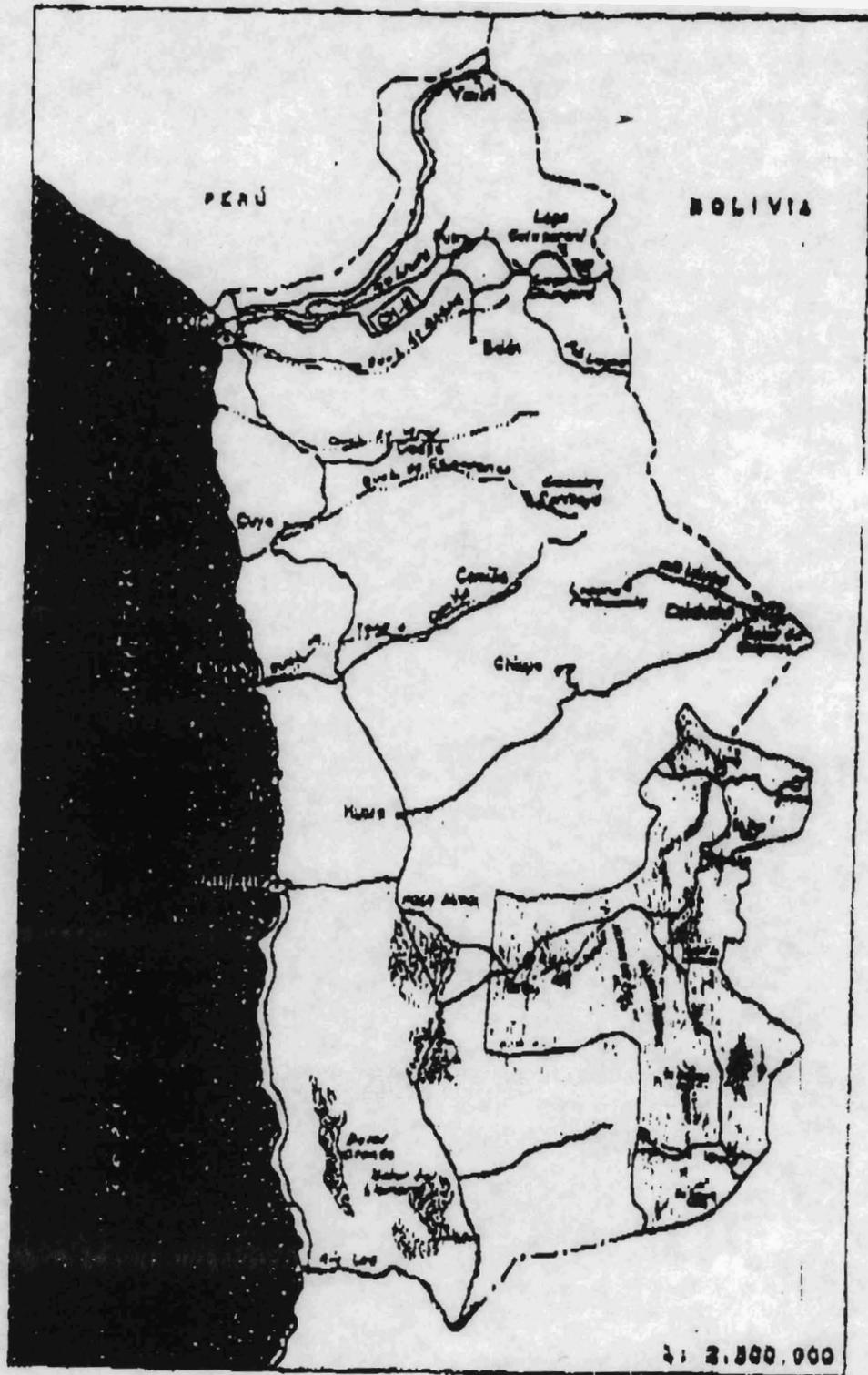


Figura N° 1: Mapa de la Región de Tarapacá

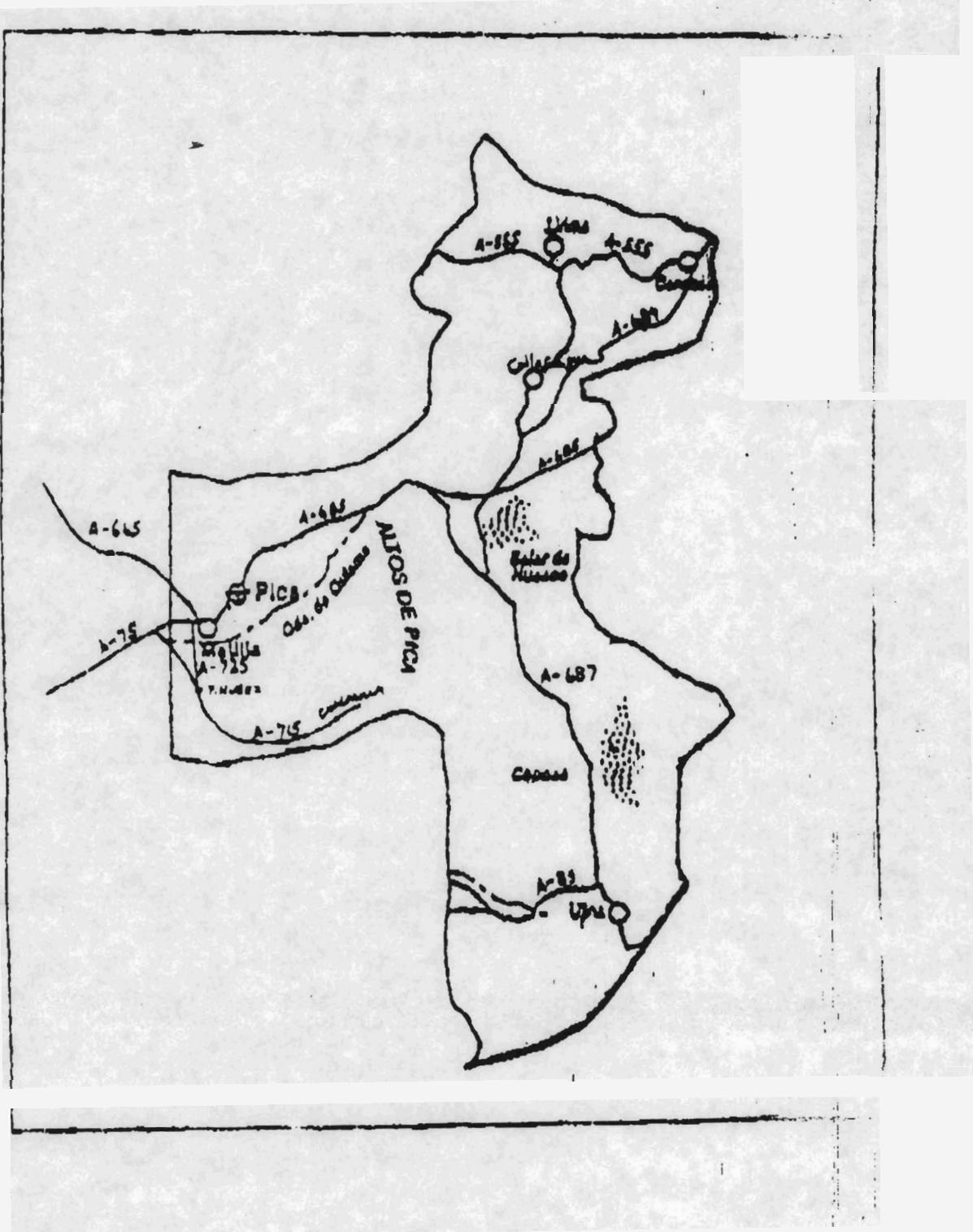


Figura N° 2 Mapa de la Comuna de Pica

FROM RAFAEL ASENJO UNDP GEF

SEP. -24' 98 (THU) 16:51

SEP. -24' 98 (THU) 16:43

22/09/1998 04:22

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UNION NACIONAL

SANTIAGO

7 JUL 1998

D.E. N° 982887

Señor:  
 Carlos del Castillo  
 Representante Residente  
 Programa de Naciones Unidas para el Desarrollo  
 Av. Dag Hammarskjöld, 324  
 Vitacura

Ref: Proyecto: "Asegurando la protección de la diversidad biológica en el Salar de Huasco, I Región de Tarapacá."

Estimado Señor del Castillo:

Por la presente me refiero a la solicitud del señor Sergio Micón A., Director Ejecutivo del Centro de Estudios del Desarrollo (CED) para el financiamiento del proyecto arriba mencionado. Como Director Ejecutivo de CONAMA, punto focal para Chile del Fondo para el Medio Ambiente Mundial, apruebo su solicitud. Este proyecto ha sido discutido y aprobado en Comité Técnico de CONAMA.

Solicita a Ud. realizar las gestiones necesarias para la presentación formal de este proyecto al estado Fondo para el Medio Ambiente Mundial (FMAM).

Sin otro particular, lo saluda atentamente,

*Rodrigo España Baraona*  
 RODRIGO ESPAÑA BARAONA  
 Director Ejecutivo  
 Comisión Nacional del Medio Ambiente

RFB/CK/nj

