

The UNDP/GEF 1996 Project Implementation Review Reporting Format

1. Project Identifiers

Project Number COS/92/G31  
Project Name Conservation of Biodiversity and Sustainable  
Development in La Amistad and Osa Conservation  
Areas  
Region LAC  
Country Costa Rica  
Focal Area Biodiversity  
National  
Implementing  
Agencies National Parks Foundation, National Institute of  
Biodiversity.

Execut. Agency: Ministry of Environment and Energy

Res. Rep.: Hans D. Kurz

Task Manager: María Teresa Torres\Alvaro Ugalde

Entry into Work Program date: 12/91

ProDoc Signature date: 28-May-93 US\$ 8 million

Cofinancing US\$ 0

2. Project design and indicators

Development Objective:

To strengthen the National System of Conservation Areas, as the most effective national policy mechanism to assure long-term viability of habitats and species, and to encourage their sustainable use for development needs.

Immediate Objective:

To establish and consolidate, over a three year period, an integrated mechanism for the conservation of biodiversity in the Osa and Amistad Conservation Areas, based on the implementation of methods and practices of sustainable development, and on the strengthening of a self-financing institutional framework, with technical, managerial and administrative capacity to manage these areas.

The project will concentrate on the following strategic areas:

- a. Institutional strengthening of the National Park Service;
- b. Research on the biodiversity of both conservation areas;

pieces are there, but they have to be integrated and prioritised in actions, including some that require legislative approval.

A key element in this strategy, will be the political willingness to allow entrance fees and other revenues generated by the national parks, to be deposited in the "fideicomisos" or trust funds, which would allow them to use, efficiently, one hundred percent of what they generate through visitation and other sustainable uses. Unless this mechanism is legalised, these revenues will continue to be subjected to government down-sizing policies and restrictions, on top of the usual public sector red tape and lack of flexibility. Both have the protected areas trapped in a very difficult financial and managerial situation.

#### 8. Follow up recommendations.

Apart from the final Tripartite Review, we recommend that some funding be allocated in order to carry out long-term follow-up, for example, over the next five years. Once GEF funds have been allocated to a project, as with such a high investment as in this project, and for such important global objectives, it is inconceivable that we, GEF and UNDP as an Implementing Agency, simply walk away.

It is now clear that the 8 million dollars of the GEF project, on top of all the funds that have been allocated in both Conservation Areas, by the Costa Rican Government and by other donors, are not enough to consolidate, financially and therefore, ecologically, the conservation and sustainable use of the biodiversity of Osa and Amistad.

But the biodiversity and ecosystem functions of Osa and Amistad Conservation Areas, are of critical importance to Costa Rica, to Mesoamerica and to the global community. We recommend then, that a follow up or monitoring mechanism be applied on a sustainable and systematic basis for at least five years. Additional funding has to be sought for this activity. Maybe it can be part of a monitoring program for large and very important GEF projects.

#### 9. Appendix

Tripartite Reports

Community Trust Fund: statutes and regulations.

CD of environmental impact studies

Community consultation on infrastructure

Biodiversity workshop in Osa and other INBio documents

Video of the community consultation in Amistad

- c. Support to sustainable development practices in buffer zones of Osa and the Pacific side of Amistad;
- d. Generation of financial resources via the promotion of eco-tourism and other sustainable uses of biodiversity.

3. Financial Status

Disbursements (US \$ Millions)

FY 1995 1.41

FY 1996 2.14

Cumulative expenditure upto 30 June 1996

3.75

Cumulative expenditure as a percentage of the total project budget

47%

4. Implementation progress ratings:

(75%-100%)                      (50%-75%)                      (25%-50%)                      (0%-25%)

Immediate Objective

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Strategic Areas

- a) -----\*
- b) -----\*
- c) -----\*
- d) -----\*

Summary:

In general terms, progress towards the project's objective is 70%, or satisfactory. While all four strategic areas have made progress, and the model for the conservation and sustainable use of biodiversity is in place, consolidation is still needed.

The strategic areas have developed as follows:

- a) Institutional strengthening of the National Park Service is 70%, satisfactory. Although not fully legalised yet, very innovative changes were made and training activities have been

Social sustainability is being sought via the improvement of services in the communities in the two conservation areas, such as health, schools, roads, energy, water, etc; decentralisation of government jurisdictions to local municipalities, including higher financing; turning the protected areas into permanent attractions; training; stabilisation of the land tenure situation; promotion of activities that provide employment and by increasing credit and support to small business in surrounding communities of national parks.

What work has been done, as part of the project, in identifying the following types of indicators: process indicators (eg stress reduction indicators, such as the amount of disturbance to an area), and status indicators (environmental indicators such as diversity of species etc)?

The project has had no activities with indicators, with the possible exception of its contribution to the on-going biodiversity inventories in both Osa and Amistad, carried out by the National Institute of Biodiversity, in conjunction with the Ministry of Environment, within the System of Conservation Areas. Work on indicators is being done at the national level on sustainable development, with UNDP support.

7. Verbal summary of current project status, problems and issues of importance for further implementation.

Although, the project is now in its final stage, it is indeed a difficult stage for some of the construction sites. For example, the Crestones site in Chirripó National Park, can only be reached by horseback, hiking, or by expensive helicopter. To make things more difficult, hurricane César destroyed the path in several places and the communities at the base lost bridges and roads. In Osa, three construction sites are accessible only by sea, usually under difficult conditions. And, the project zone is usually the most affected one, when hurricanes come near the country in the Caribbean. Several hurricanes are still expected before the end of the current season.

With respect to construction, the best lesson learned from this project is that experience and wisdom are usually far more dependable, sustainable and cost-effective than innovation. And if we follow that principle, this part of the project will also be completed with success.

Another very important issue that should be resolved as part of the project, although there are relatively little funds assigned to do it, is the formulation of the financial strategy for the System of Conservation Areas, specially for protected areas. Although the Ministry of Environment and the National Parks Foundation are working and taking actions on the issue, a coherent and long-term strategy has not been formulated. The

carried out. Both infrastructure and managerial information systems have been designed, but must be built and put in place.

b) Research on biodiversity stands at 90% as highly satisfactory, occurring on schedule and within cost.

c) Support to sustainable production activities in buffer zones rates 70%, satisfactory. The Community Trust Fund has been established and some projects are currently being financed.

d) Generation of financial resources from the sustainable use of biodiversity is unsatisfactory at 40 %, as construction of infrastructure has been hindered.

The delays in infrastructure development have had negative effects on the other strategic areas. They have resulted from three main reasons: (i) a change in Government at the outset of project activities; (ii) two non-governmental organisations which failed to perform satisfactorily and were changed by the implementing agency: one, contracted initially as implementing agency for the entire project, was replaced by FPN and later another was subcontracted for the design of the infrastructure.

This entailed a process of re-design with the corresponding costs incurred. And further delays are expected as a consequence of Hurricane César which hit specially the Amistad section of the project, where roads and numerous bridges were destroyed in areas selected for project buildings and trails.

#### NGO participation:

FUCE (Fundación de Cooperación Estatal)

FUNDAFAC (Fundación de la Facultad de Ingeniería, UCR)

FPN (Fundación de Parques Nacionales)

INBio (Instituto Nacional de Biodiversidad)

FUNDAVI (Fundación para la Investigación de la UCR)

FUDEUR (Fundación para el Desarrollo Urbano-Rural)

#### 5. Overall Performance Rating

It was already clear during the last tri-partite review, in February 1996, that the project could not meet its objectives within the original time-frame. And the effects of Hurricane Cesar, early in August, are sure to delay it even more, at least to the end of 1997 or the beginning of 1998. Since the hurricane, activities have been re-scheduled, but despite adversity the staff optimistic that the project will be successfully completed.

The really important question is, however, to what extent project objectives are likely to become a sustained reality five or ten years later, as it is evident that after completion of the project, the integrated model or mechanism for the conservation and sustainable use of biodiversity, while in place, will

number of people, some directly, because they were inside declared areas, others because the agricultural and hunting frontiers were closed, but everybody, because there was a new institutional presence and new resource user - tourists.

One of the most amazing changes, in Osa for example, is that until only 8 years ago, people saw the park as an impediment to mining, hunting and logging, while today, they don't conceive Osa, without Corcovado National Park. The idea of more sustainable use is beginning to take hold. The idea is to keep the park in good shape and get the money from visitors instead of wood or gold buyers.

Thus, in reviewing the activities financed by the GEF project, there is no question of its impact on the sustainability aspect of using biodiversity. It re-inforces the concept of in-situ conservation, via a sub-regional system of protected areas in each of the two Conservation Areas, with community responsibility and participation; it includes infrastructure specifically designed to increase service quality and attract more eco-visitors; it includes research and inventories, training, management mechanisms for biodiversity, workshops, strategies and even financing mechanisms, to promote sustainable and more environmentally friendly activities.

Consolidation efforts are still needed, as activities harmful to biodiversity are still going on in both Conservation Areas. Examples include deforestation, mining and hunting. Trends are changing, but it is difficult, in this review, to assess the specific project impact on sustainability over the long-term.

What type of arrangements have been established to ensure financial, ecological and social sustainability?

The financial sustainability of project financed activities, is being sought by the government, at the national system level, via mechanisms that affect all conservation areas, such as differential entrance fees to protected areas, endowment funds for protected areas, payment for ecosystem services in water and energy bills, carbon sink projects, chemical prospecting, incentives to natural private forest conservation, etc. Also, by eliminating the dependency on external funds to finance staff and operations, some government financing and some fund-raising will almost certainly be always part of the equation.

Ecological sustainability is being sought via the implementation of national and regional strategies and plans with the participation of the communities, the strengthening of research and restoration programs, the consolidation of a system of biological corridors to link the protected areas among themselves and with protected areas in Nicaragua and Panamá, and by redefining the roles of public agencies to insure better consistency in the application of policies.

certainly need consolidation in both the Osa and Amistad Conservation Areas.

The new mechanism has more elements of sustainability, in all financial, ecological and administrative aspects, than the models previous to the project. While there are fewer resources, including human, they aren't dependent on donors; there are many more additional responsibilities, both geographically and legally, but true inter-institutional co-ordination is expected for the benefit of biodiversity, and the country's regional vision, indispensable for ecological reasons, will be more visible and easier to plan and implement.

It is important to realise, that the Administration of President Figueres, which took office one year after the project was signed, put a strong emphasis on self-financing mechanisms for biodiversity conservation, which, without affecting the project objectives themselves, did affect the mechanism initially conceived by the project.

While the project considered that infrastructure itself (visitor centres, trails, etc), would produce revenues via private mechanisms associated to the National Parks (NGO's, concessions, etc), the new Administration decided to do it via an increase in entrance fees to foreign visitors. Although concessions are still possible, they are much slower to produce revenues, while the increase in entrance fees, from one to seven dollars, has already strengthened considerably and more sustainably, the National Parks Fund, created some two decades ago.

The real challenge now, is how to increase revenues from tourism and other services, such as conservation charges in electricity and water bills, research, chemical prospecting, etc., without detriment to biodiversity and ecosystem services, and how to manage these funds via mechanisms outside of government restrictions and international macroeconomic policies.

Based on our experience, and in close participation with the UNDP Office and the project task managers, in government and non government commissions, discussions and processes, all the elements for success are in place. It is very likely that, within the next five to ten years, Costa Rica will be able to consolidate the model stated in the immediate objective, not only in Osa and Amistad, but also in the rest of the Conservation Areas.

With respect to global benefits, since the beginning of its conservation efforts 26 years ago, Costa Rica has acted under the assumption that global benefits would be best achieved by building a system of protected areas - not an easy or cheap enterprise for a small country, considering the number and diversity of its ecosystems, which contain between 4 and 5 percent of the world's biodiversity.

programme ecosystems: mountain, forest and coastal marine ecosystems, of great value in the Mesoamerican context. Amistad Conservation Area has been listed both as a Biosphere Reserve and a World Heritage Site, and documents to present Osa as a candidate for these international categories are being drafted.

Amistad contains 9 of the twelve life zones present in the country, with climates ranging from tropical to sub-alpine, including forests, mountains and patches of the northern most Paramos characteristic of the Andes, and elevations from around 1000 to 3820 meters. The several protected areas present in Amistad, comprise close to 9 % of the national territory, and together with several indigenous territories and with the Panamanian side of the Park, they conform the biggest protected cluster of mountain and forest ecosystems in Central America. On the other hand, Osa represents one of the richest and most important clusters of protected areas in lowland forests (from sea level to 500 meters) and coastal and marine ecosystems and wetlands. The terrestrial ecosystems include four life zones with 8 vegetation macrotypes and three main aquatic systems. The main marine ecosystems are managed as protected areas.

What consultations to establish stakeholders' support and needs, have been carried out?

The main consultations with the communities have dealt with the construction plans of the project, with strategies for the conservation and management of biodiversity and with the design and development of mechanisms to manage the Community Trust Fund and to select projects for financing. There are documents and a video documenting these consultations.

To what extent have the outcomes of these consultations been incorporated into the activities of the project?

In all instances, including changes in construction within the national parks, the community ideas were taken into consideration and were incorporated into the activities of the project.

What impact has the project had on the sustainable use of biodiversity?

The project, as the provider of tools to support ongoing efforts of government and the communities to conserve and use biodiversity, has had impacts on the sustainable aspects of using biological diversity.

The main message of Osa and Amistad Conservation Areas, and of this GEF project, is that present and future generations are and will be better off, if biodiversity and ecosystems are used sustainably. Gold mining and forest "mining" is what people were doing, and still are to some degree, in Osa and Amistad, until not long ago, when Corcovado, Chirripó, Amistad and other National Parks were borne. These Parks have affected a great

Between 1970 and 1980, Costa Rica, with its own resources, established most of the system components and advanced considerably in land acquisition and protection measures. When during the 80's and 90's the international community joined the effort, the global importance of keeping, improving, restoring and inter-connecting the system was stressed. Canada engaged in the Arenal Conservation Area, AID in the Central Volcanic Range, Sweden in Guanacaste as well as Osa and Amistad, the European Union in Tortuguero, and finally the GEF in Osa and Amistad with their high percentage of the country's biodiversity.

Another vital contribution of Costa Rica towards global conservation objectives, is the living example it presents as a pilot project, not only to protect and use biodiversity, but also to do it from a systems perspective, designing innovative management and financing mechanisms, and promoting a Mesoamerican vision. Most importantly, the country continues to innovate in search of sustainable development, over and above biodiversity concerns, with singular determination.

Although difficult and probably costly, it should be possible to assess the global benefits of one single project like this. But it can only be done by a better inventory of its resources and the establishment of a baseline, assessing the national and local context, recent historical events, the country's investments over the years, the donor's contributions, etc. Ideas concerning methodologies of how to do it would be welcome.

With respect to new technologies and building design, through the present experience the project has re-discovered that old technologies for construction in the tropics are often better and cheaper than more "innovative" concepts presented and discarded, - an interesting lesson for all concerned.

Of interest might also be the mechanisms that Costa Rica is putting into place to manage its biodiversity and natural resources, and its Community Trust Fund created with GEF resources as part of this project. These may include biological inventory mechanisms utilising community "parataxonomists", as well as information systems currently being designed, or research programs elaborated with project funding.

#### 6. Focal Area Questions:

1. What impact has the project had on biodiversity of the following operational programme ecosystems:

- a. mountain ecosystems
- b. forest ecosystems
- d. coastal marine and freshwater ecosystems (including wetlands)

Between both Osa and Amistad Conservation Areas, there are management activities which affect three of the GEF operational