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FACSIMILE TRANSMISSION

United Nations Development Programme
GLOBAL ENVIRONMENT FACILITY (GEF)

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From: Emma Torres
Deputy Executive Coordinator

Subject: **PDF Block A Funding - Ecuador Biodiversity Conservation in the Galapagos Archipelago**

Please find attached for your review a PDF Block "A" request for funding entitled ***"Ecuador Biodiversity Conservation in the Galapagos Archipelago".***

We would appreciate receiving your comments no later than c.o.b. on Monday 1 December 1997.

Thank you.

PM

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PROPOSAL FOR PDF BLOCK A GRANT

Part 1: Eligibility

1. **(a) Project title:** Biodiversity Conservation in the Galapagos Archipelago
   (b) Project Identification Number:
   (c) Implementing Agency: UNDP
   (d) IA Focal Point: Lita Paparoni
   (e) Principal Focal Area: Biodiversity
   (f) Cross-cutting issues: Land degradation
   (g) Scope: National
   (h) Country: Ecuador
   (i) Country Endorsement: Letter from the National Focal Point dated November 5,1997
   (j) National Focal Point: Ministry of the Environment

2. **Country Eligibility:** Convention of Biological Diversity (CBD) ratified on April 23rd 1993

3. **Programme Eligibility:**

a) CBD Compliance: Several articles of the CBD will be directly addressed by the final project, however, the main focus will be on Article 8, Conservation *in situ,* and particularly item (h): "means to prevent, control or eradicate....alien species which threaten ecosystems, habitats or species". To a lesser degree the following items of Article 8 will also be addressed: (b):"..develop guidelines for the management of protected areas", (f):"rehabilitate and restore degraded ecosystems to promote the recovery of threatened species", and (i):"regulate and manage processes which have a significant adverse effect on biodiversity". As part of the strategy to address Article 8 (h) the initiative will also indirectly include activities compliant with articles 7(b): "monitoring of components of biodiversity"; 10 (d):"support local populations to develop and implement remedial action in degraded areas where biodiversity has been reduced"; 12(b): "promote and encourage research which contributes to the conservation of biodiversity in developing countries" and 13 (a): "promote understanding on the importance of measures required for conservation of biodiversity".

b. CoP Guidance: decision II/10

Two of the five thematic areas included in the Jakarta Mandate on Marine and Coastal Biodiversity will be addressed in this initiative: marine and coastal protected areas, and alien species. Guidance provided by the Subsidiary Body on the Scientific, Technical and Technological Advice to the CoP and the Meeting of Experts on the Jakarta Mandate will form an integral part of the development of this proposal.

c. GEF Operational Strategy:

This proposal is consistent with the Operational Programme 2 "Coastal, Marine and Freshwater Ecosystems" under the Biodiversity Focal Area. This operational programme includes small islands as it is generally acknowledged that aquatic and terrestrial life are closely related in these ecosystems. Whilst falling within this operational programme, most of the habitats and species under imminent threat from alien species in the Galapagos are largely terrestrial but with high dependence on coastal and/or marine biodiversity. For this reason the proposal will also have

direct links with Operational Programme 1 "Arid and Semi-arid ecosystems" as terrestrial habitats of the Galapagos Archipelago are classified as xeric shrubland (see footnote 1). By including control of mammalian herbivore introduced species, particularly goats, the cross-cutting issue of land degradation will be indirectly addressed by reducing habitat destruction of the xeric shrubland of the larger islands.

4. Policy Framework/Regional and Country Priority

The Galapagos Archipelago forms a separate biogeographical region widely recognised for its global importance not only in terms of endemic species but also for its largely intact, unique, evolutionary processes. It was listed as a World Heritage Site in 1979 and declared an UNESCO International Biosphere Reserve in 1985. More recently a WWF/World Bank publication[1] placed the islands as the highest priority for regional conservation and in 1997 it was included in the WWF Global 200 programme that identifies 232 biogeographical regions as priority for protection of global biodiversity.

At the national level, the importance of the Galapagos was recognised as early as 1934 when the Government of Ecuador (GoE) placed some of the islands under protection and later, in 1959 created the Galapagos National Park covering 97% of the land mass of the archipelago. These early efforts have maintained the Galapagos in almost pristine conditions compared with other tropical archipelagos. However, growing migration (a yearly increase of 5.9% between 1982 and 1990) has set-up a chain reaction of effects that are exerting increasing pressure on the unique biodiversity of the archipelago. These include sewage and solid waste disposal problems, illegal fishing activities, heavy demands on water supplies from expanding tourism activities and a dramatic increase in the introduction of alien (exotic) plant and animal species to the islands. The Ecuadorian Environment Plan recognises this increasing pressure and tags the Galapagos Archipelago for priority action. A range of important, but highly dispersed, conservation activities have been initiated supported through different bi-lateral and NGO sources. The GoE is currently in the process of adopting a more ambitious and co-ordinated approach through a series of new legal and regulatory measures and the definition of an "Environmental Programme for the Protection of the Galapagos Islands" to be implemented through an IDB loan expected to be a total value of 40 million.

5. Nature and Scope of Expected Project

The final project will address significant threats to the unique biodiversity of the Galapagos which are not fully covered by the up-coming, IDB funded, Environmental Programme, nor by the variety of smaller-scale conservation initiatives funded from other sources, including the government funded activities under the GEF/World Bank Project (see Part II Background). Whilst Block A preparatory activities will define the scope of the final project, including the increment and co-financing needed to complement baseline programming, the project is expected to address threats not addressed in the baseline, including the formulation of a programme to control introduced species in the Galapagos Archipelago as a means of conserving globally outstanding marine, coastal and terrestrial biodiversity. As such, Block A funds will be used for undertaking

[1] Dinerstein, E. *et al.* 1995 "A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean". WWF, World Bank

consultations with major stakeholders to further define the proposed project, determine gaps in baseline activities, assess incremental and co-financing requirements, and ensure complementarity with on-going and planned initiatives from other funding sources.

6. **Linkage of Expected Project to IA Programme**
The Ecuadorian UNDP Country Office is currently supporting a range of activities related to the conservation of biodiversity in the Galapagos Archipelago. These include a project which is in the final stages of execution that provides support to the Permanent Commission for the Galapagos (PCG) for the formulation of a Galapagos Tourism Management and Ecological Conservation Plan and a "Marine Resource Reserve Management Plan"; as well as a project that provides support to the Environment Advisory Committee (CAAM) that has included activities to assist the PCG in the definition of the new Galapagos Law presently under review in Congress. UNDP also administers the GEF World Bank funded project to strengthen biodiversity conservation through better developing the Ecuadorian Protected Areas system. This project includes action at the national level to increase the capacity of the Ecuadorian Institute for Forestry, Natural Areas and Wildlife (INEFAN) for protected areas management and some limited action within the Galapagos National Park (see Part II Background).

7. IA Contact Person: Lita Paparoni; Ricardo Moreno

Part II: Information on Grant Activities

Background:

The Galapagos Archipelago, located 960 kilometres due west of the Ecuadorian coastline, consists of 121 oceanic islands, islets and rocks forming a total land area of 7,882 km^2. These are distributed on and around the equatorial line covering an area of 300 km east to west and 450 km north to south, and enclosing a marine area of 38,000 km^2. Thirteen of the islands have land areas of more than 10 km^2 and are characterised by xeric shrubland vegetation; five are permanently inhabited. This, together with biological isolation, both from the mainland and between the different islands, have given rise to exceptionally high rates of terrestrial endemisms for the archipelago as a whole and for individual landmasses, despite the relatively low terrestrial species diversity.

Marine biodiversity is equally unique, with an exceptional variety of marine habitats and remarkable combination of species from temperate, subtropical and tropical zones. Local upwellings give rise to water rich in nutrients that support large populations of micro-organisms and in turn a wide range of marine wildlife including considerable marine mammal populations, fin fish concentrations and an abundance of marine and coastal bird species.

The Government of Ecuador (GoE) has taken important steps to conserve this remarkable biodiversity. As early as 1934 some of the islands were placed under protection and in 1959 the Galapagos National Park (NPG) was created. Unlike the majority of archipelagos, this park covers almost the entire area of landmass (97%) with only 3% left for colonisation. Marine biodiversity is also protected through the Marine Resources Reserve, created in 1986, and presently covering an area of 70,000 km^2, including marine areas within 15 nautical miles offshore from the most distant points of the island, making it the second largest marine protected area in the world.

These efforts have resulted in a high level of conservation of the islands as a whole compared to other tropical archipelagos where protected areas represent only a small percentage of the total area and where colonisation has been present over a much longer period. Despite these relatively favourable conditions, over the past decade threats to biodiversity have increased alarmingly, causing UNESCO to consider placing the archipelago on the list of World Heritage Sites in Danger. Whilst extinction at the species level is low, subspecies, communities and population extinction is growing especially amongst terrestrial ecosystems that are particularly vulnerable because of their high rate of endemism.

The single most important threat to terrestrial biodiversity is considered to come from introduced species including rats, goats, and numerous insects and plants that are severely competing with present life forms and disrupting unique evolutionary processes in almost all the larger islands. In the past ten years 100-150 alien species have been introduced compared to 200 in the previous 400 years. Only five years ago the estimated goat population in the archipelago was 5,000. This now stands at 150,000. Whilst the impact of introduced species on marine biodiversity is apparently less, the growing maritime traffic is increasing potential risks of pathogen species introduced through ballast washing, and poor sanitary control at port facilities.

The increase in the introduction of these alien species is directly related to the significant increase in immigration and tourism over recent decades. In 1950 the population of the archipelago was approximately 1,400 and, with a present population of 15,000, has been increasing at a rate of 5.9% yearly since 1980. In addition, the population fluctuates significantly with tourists almost tripling numbers at certain times of the year[2]. In addition to the direct correlation with increased alien species, this population growth induces a chain reaction of effects that further increase pressures on biodiversity. Basic sanitation infrastructure is insufficient for these numbers and untreated effluents from deficient solid waste and sewage collection and disposal is threatening aquatic biodiversity. Potential spillage during transportation of diesel as the islands main form of energy, and uncontrolled fishing of specific species for the international market.

The Ecuadorian Environment Plan of 1994, identified the Galapagos Archipelago as one of five ecosystems that are particularly fragile, and one of 15 areas in the country most seriously threatened and requiring immediate action. A range of small-scale, yet highly valuable conservation initiatives, funded by multi-lateral, bilateral and NGO sources such as USAID, Canada, Spain, WWF, are presently under implementation in the Archipelago. This includes a series of activities under a GEF/World Bank Project that aims to protect biodiversity in the country through strengthening the protected areas system. The original proposal included Galapagos-related activities in the amount of US$ 1.4 million *to be funded entirely by government counterpart resources,* including environmental planning activities, strengthening the infrastructure of the national park and developing a tourism and quarantine plan for the Galapagos. As a result of political and economic crisis in the country only a small portion of these counterpart funds have been made available resulting in only partial implementation of the planned activities in the Galapagos. Activities have been restricted to equipping the NPG with audio-visual material and motorcycles, training children and adolescents as park guides, facilitating the importation of weapons for small-scale projects for control of goat populations and revising the management plan for the Marine Reserve. Together these total approximately US$ 150,000. Planned activities for which government funds have been allocated include US$ 65,000 for control of goat populations in Santiago, and building park administrative buildings in San Cristobal (US$ 100,000). Further resources of approximately US$ 135,000 will be sought from government counterpart funds for interpretation centres and tourist site signs on Santa Cruz. *GEF resources* in the amount of US$120,000 were made available through a separate component of the project to fund the purchase of a second-hand boat to increase control of the marine resource reserve.

In recognition of the importance of the Galapagos Archipelago, the growing pressure on its unique biodiversity, and the dispersed nature of on-going conservation initiatives, the GoE is in the process of adopting a more ambitious and co-ordinated approach to protecting this unique heritage. This consists of a three level strategy. The first level started with the amendment of the Constitution to allow a special regime for the Galapagos. this will take the form of a law that includes restrictions regarding indiscriminate migration and illegal fishing, the extension of the marine reserve to 40 km offshore, institutional reorganisation to facilitate administration in the archipelago and clear guidelines for the return of NPG entrance fees to the island and park

[2] 57,000 tourists visited the Galapagos in 1995.

providing a major source of funding for recurrent costs of conservation activities. This law, to be known as the Special Galapagos Regime (Ley de Regimen Especial para Galapagos) is in the final stages of approval in Congress and has been developed with the full participation of a broad range of stakeholders from the Archipelago including the artisan fishing and tourist sectors.

The second level is through the development of a US $ 40 million Environmental Programme for the Protection of the Galapagos Islands, to be funded through an IDB loan. This programme, expected to start in 1998, will include three components of which the first two represent almost 90% of the resources. The first component, marine resources management, will establish an integrated approach to management of Galapagos marine resources focusing on fisheries management and control of marine pollution. The second component, land-use management and environmental sanitation, will include solid waste and sewage management and a small component to support inspection and quarantine activities in maritime and air traffic control. The third component will address institutional co-ordination focusing on financial administration (including alternative systems for cost recovery and fund raising and management of park entrance fees revenue) and conflict prevention and resolution.

Whilst of the utmost importance, this programme does not completely address all the present threats to the island's unique biodiversity, particularly the problem of introduced species, and complementary action would be required if globally important biodiversity is to be conserved. The still relatively low human intervention and numbers of alien species suggests that control and eradication is extremely possible, however, the isolated nature of many of the landmasses and hence difficult access, will incur extensive and incremental costs for such a programme. A recent meeting of international experts estimated that an eradication programme of mammalian introduced species in four islands would have a cost of US$ 8 million.

In recognition of this, and as part of the third level of the strategy, a letter of agreement was recently signed between the GoE and UNDP to develop a programme to conserve biodiversity in the archipelago and to seek GEF resources to cover the incremental costs that such a programme would incur. This programme will complement the IDB initiative by addressing the issue of control of introduced species as the single most important threat to biodiversity not fully covered under this loan. The programme is expected to include a series of on-going and planned initiatives funded through other donors to ensure a co-ordinated programme approach to this complex issue. In order to further develop this co-ordinated approach to the control of introduced species, and to ensure full complementarity with the IDB loan, Block A resources are being sought through this present proposal.

1. Summary Description of the Proposed Project

Objective

The objective of the final project is to conserve the globally outstanding biodiversity of the Galapagos Archipelago, and its unique evolutionary processes, by covering the incremental costs of removal of threats not fully addressed by on-going or planned activities, such as the IDB funded

4. Activities to be financed by the PDF Block A

The Block A resources will be used to conduct initial consultations with a range of stakeholders including national and local government authorities, community representatives, NGO's, private sector, academia and major multi- and bilateral donors. These consultations aim to further detail current threats to biodiversity and particularly assess the relationship between introduced species and degradation trends. They will also include preliminary identification of on-going and planned activities relating these to the threat analysis to identify gaps that need to be covered if globally outstanding biodiversity is to be conserved. Based on the gaps analysis and consultations with donors, preliminary agreement will be obtained on elements to be included in a programme to control introduced species and to cover other outstanding threats if considered necessary. A full evaluation of the resources necessary to complete project preparation will also be undertaken including active pursuit of possibilities of co-funding and or parallel preparatory activities with those donors likely to be involved to some degree in the implementation of the full project.

Consultations will take place in two phases. The first phase will be conducted by a local consultant hired through Block A resources to head this preparatory phase and take responsibility for the day to day project implementation in its early phases. The selected consultant will undertake initial, individual consultations with key stakeholders and donors to fully inform on the focus to be adopted in project preparation, collate information on related on-going activities and guarantee participation in the second more formal round of consultations. The consultant will also be responsible for the preparation of background material for this second round of consultations[3].

The second round of consultations will take the form of a two-step, four day workshop to be held in the Galapagos in December or early January. The first two days will be attended by a maximum of 20 participants selected to represent major interest groups and for their specialised knowledge in the biodiversity of the Galapagos. This group will undertake a participatory "threats analysis" to fully assess the degree of pressures on biodiversity, e.g. tourism (carrying capacities, impacts; fisheries by-catch; marine pollution; habitat destruction and land conversion; and introduced species (terrestrial as well as marine). The second phase of the workshop will involve a broader range of participants, including representatives of current and planned conservation or development related activities in the archipelago. Using the threats analysis as a basis, these participants will specify which aspects are respectively covered by current or programmed baseline initiatives. The final day will be reserved for an analysis of actions required to address baseline gaps, determine corresponding levels of *incremental* and *baseline* financing needed to address them, and reach preliminary agreements regarding the implementation of required actions.

The need to request Block B resources will be fully evaluated based on Block A results.

6. Expected Outputs and Completion Dates.

[3] The extensive studies funded by IDB as part of the pre-feasibility and feasibility stages of the preparation of a loan to fund the Environmental programme for the Protection Galapagos Islands are expected to provide important inputs to the threats analysis workshop.

The major outputs of the Block A grant will be: (a) a participatory analysis of the threats currently affecting biodiversity in the Galapagos; (b) a baseline gaps-analysis identifying additional activities required to conserve this globally significant biodiversity; (c) agreement regarding the elements/components to be included in a programme to cover these gaps, *including a preliminary delineation of what would constitute baseline and incremental financing*, as well as the required modalities to achieve maximum coordination with on-going and planned baseline programmes; and (d) Terms of Reference detailing follow-on preparatory work needed to complete project preparation, i.e. depending on consultations and workshop results, next steps may include directly formulating a GEF proposal; or requesting Block B financing through the delineation and justification of additional work required for full-scale project formulation. This last output (d) will be completed in a maximum of four months after receipt of the Block A resources.

7. Other possible contributors/ donors.

The Ministry of the Environment will contribute staff time, use of materials, equipment and premises as well as supplementary information derived from the preparation of the IDB loan to this preparatory phase. It will also provide transportation costs for staff members to attend the workshop in Galapagos. An estimated cost of US $ 5,000 is made for this contribution.

The Charles Darwin Foundation, an internationally renowned NGO dedicated to conservation of the Galapagos Islands, will also play a major part in the preparatory phases of this programme and is expected to be one of the principal NGOs involved in implementation of the full project (see Part III). This NGO has already mobilised funding for preliminary activities to control introduced species which are expected to be included in the programme approach to be included in the full project. These funds include US$ 200,000 from the PL480 USAID fund to facilitate introduction of the quarantine system and US$ 110,00 from WWF Japan to undertake initial activities for eradication of goats in the Alcedo Volcano in Isabel. Contribution of the Charles Darwin Foundation to the Block A phase, estimated at US$ 10,000, will consist of staff time both in the Secretary General in Quito and in the Scientific Research Station in Galapagos as well as supplementary information through their extensive bibliographic archives.

The *Ecuador UNDP Country Programme* will also be contributing in this first preparatory phase with rescues in the amount of US $ 10,000.

Contribution from a range of other donors for the Block A phase is expected in the form of transportation and per diem costs for participation in the second step of the workshop to be held in Galapagos and may reach up to US$ 5,000 (calculated on the basis of one participant from at least 7 donor agencies).

Part III: Background on the Applicant Institution:

The Ministry of the Environment is the leading proponent of this initiative in their role as the maximum environmental authority in the country and as chair of the Permanent Commission for the Galapagos. The final project will also be co-ordinated by this Ministry, however, due to the programme approach to be adopted, implementation is expected to count with the collaboration of

Environmental Programme for Protection of Galapagos Islands. Whilst preparatory activities will fully define the scope and components of the final project, it is expected to include the design and implementation of a Programme to Control Introduced Species in the Archipelago.

Activities

The component related to the proposed control programme is likely to include three major subsets of activities. The first, would aim to reduce the rate of alien species introductions to the islands and would include quarantine activities both in the main entry ports (through the IDB loan) and in the protected areas (GEF resources). It would also include: a) pilot projects in organic production of vegetables geared to making each island auto-sufficient and thus eliminating one of the major sources of alien species; and b) capacity building, both in the islands and mainland exit ports, to increase public awareness on the importance of quarantine activities. The second subset of activities under the control programme would address the eradication of key alien species in sites where numbers have reached critical levels, as well as activities to evaluate and test effective eradication and/or control methods for other alien species. The third subset of activities would set up an early detection and alert system to enable cost-effective and efficient intervention for eradication of new alien species. Additional project components addressing threats unattended by current and planned baseline programming would be identified as part of the preparatory work to be conducted with Block A resources.

2. GEF Thematic Area

The principal focus of the final project is conservation of biodiversity in the Galapagos Archipelago and as such will fall under the GEF thematic area of biodiversity. Project activities will address objectives of the Operational Programme No.2 "Coastal, Marine and Freshwater Ecosystems" (see Part I item 3) with linkages to Operational Programme 1 "Arid and semi-arid ecosystems" and the cross-cutting issue of land degradation as it will reduce populations of mammalian alien species that are presently causing habitat destruction and loss of plant and animal species diversity in the xeric shrubland of the larger islands.

3. Expected Global benefits

The Galapagos Archipelago is widely recognised as being of global and regional importance (see Part 1 item 4). It houses outstanding biodiversity with between 5,500 and 6,000 identified terrestrial and marine species and an estimated total of 7,000 to 9,000 species. Both flora and fauna display a remarkably high degree of endemism with numerous communities, ecological interactions and species adaptations unique to the region. Its biological isolation, oceanographic and geological process and relatively lack of human intervention provided conditions for the exceptional adaptive radiation shown by its biota. The study of this biota, and the still largely intact evolutionary processes, have provided enormous inputs to the theory of evolution of species and biogeography particularly in relation to the organisation and distribution of species and communities. The global benefits derived from reducing threats to this biodiversity and unique evolutionary processes are unquestionable.

a series of governmental and non-governmental organisations responsible for the execution of specific components and activities. One of these NGOs is expected to be the Charles Darwin Foundation which has played a crucial role in the conservation of the Archipelago over the last 38 years and which has a 25 year agreement with the GoE to provide scientific information for this purpose. This NGO has played an active role in the preparatory phases of the present proposal and, in order to expedite the implementation of Block A activities, will be charged with the daily responsibilities of Block A execution under the overall guidance of the MMA. In view of this the following section contains information pertaining to both the MMA and the Charles Darwin Foundation

1. Background

1.1. *The Ministry of the Environment* was established in 1996 as the maximum environmental authority in the country and charged with the co-ordination, execution and supervision of policies, programmes and projects of different entities and dependencies in the environmental area.. This Ministry became fully operational in May 1997 when its structure and functions were formally established by the National Secretariat for Administrative Development (SENDA). The main focus to be adopted by the Ministry is the promotion of sustainable development in the country through defining and implementing participatory environmental management geared to this goal.

1.2. The Charles Darwin Foundation for the Galapagos Islands (CDF) is an international, non-profit organisation created in 1959 to promote, facilitate, programme and undertake scientific research to increase knowledge of Galapagos ecosystems and permit an adequate management of the islands natural resources. One of its major aims is to provide the GoE with the knowledge and support necessary to secure the protection of Archipelago's ecosystems and has a current 25 year agreement with the government for this purpose. It has a world-renowned research station on Santa Cruz and co-operates directly with the National Park of Galapagos and the Marine Reserve on environment education activities and terrestrial and marine research.

2. Organisational Structure

2.1. *The Ministry of the Environment* (MMA) is a state authority with two secretariats, the Sustainable Development Secretariat (SDS) and the Environmental Management Secretariat (EMS). The former has two directorates: one for information and education and the other for promoting sustainable development. The latter secretariat also has two directorates, one for renewable natural resources (DRNR) and one for environmental quality (DEQ). These two directorates in turn have a series of departments. The DRNR has two departments: policies and norms and fiscalisation and control. The DEQ has four departments: polices and norms, environmental assessment, sustainable technology; fiscalisation and control.

In addition to these Secretariats, the Ministry counts with support from a series of directorates directly responsible to the Minster including planning, administration, legal, national external affairs and social communication. The Ministry also has five regional dependencies (North Coast, Central and South Coast, Southern Highlands, Northern Amazon and Southern Amazon) and two institutions under direct supervision. These are the Institute for Eco-development of the

Ecuadorian Amazon Region (ECORAE) and the Ecuadorian Institute for Forestry, Natural Areas and Wildlife (INEFAN). This latter institution was created in 1992 and charged with defining actions, policies, planning and control of natural areas and state wildlife, conservation and rational exploration of existing forestry and natural resources and promotion and co-ordination of scientific investigation. INEFAN is the focal point for the implementation of the CBD in the country and maintains responsibility, at the operational level, for protected area management and biodiversity conservation of natural areas under the supervision of the MMA. The Galapagos National Park Directorate of INEFAN is responsible for the execution of activities in the park.

2.2. *The Charles Darwin Foundation* has four organisational levels: the normative, directive, executive and operative. The maximum level of authority is the normative level consisting of a 25 member General Assembly. This Assembly defines policies, elects the foundation's president and three vice presidents (one Ecuadorian, one European and one North American), selects honorary members, and approves reports and plans submitted by the Board of Directors. This Board constitutes the directive level and comprises the president, three vice presidents, 11 principal and 5 subsidiary members elected by the General Assembly. The principal members include, six Ecuadorians, one Belgian, two representatives from non-Ecuadorian member institutions and two members, citizens of countries other than Belgium and Ecuador. The subsidiary members are 2 Ecuadorian citizens and 3 citizens from other countries. The Board of Directors provides mechanisms to fulfil the decisions of the General Assembly, directs and co-ordinates the foundation's programmes, approves plans and budgets and nominates the Secretary General and the Director of the Scientific Research Station. The executive level is comprised by the president, the three vice presidents and the Secretary General and is responsible for the execution of policies and plans adopted by the General Assembly and Board of Directors. The Secretary General, located in Quito is the administrative unit of the organisation and is responsible for the daily activities of the CDF. Finally, the operational level is represented by the well-known Charles Darwin Scientific Station located in Santa Cruz.

3. Leadership

3.1 *The Ministry of the Environment* is headed by the Minster of the Environment, Flor de Maria Valverde as part of GoE cabinet led by the President of Ecuador, Fabian Alarcon. The Minister also presides over the Permanent Commission for the Galapagos.

3.2 *The Charles Darwin Foundation* is headed by a President (Jorge Anhazer) with a two year term (renewable once) and three vice-presidents: Oscar Gordillo (Ecuador), Howard Snell (North America) and Ole Hamann from Europe. The Secretary General is Fernando Espinoza.

4. Membership

4.1. *The Ministry of the Environment* n.a.
4.2. *The Charles Darwin Foundation* has three groups of members. The first group are those that form part of the General Assembly (maximum 25) including founder members, representatives of national and international organisations accepted by the General Assembly and individuals (Ecuadorian and foreign) personally nominated by the General Assembly. The second group are

honorary members (individual or institutional) selected for their contribution (services or funding) to the conservation of the Galapagos Islands. The third group are constituent members that donated a minimum annual amount to the foundation. Total membership is currently approximately 90.

5. Recent Programmes

5.1. *The Ministry of the Environment* is presently executing a wide range of projects including the US$ 15 million Environmental Management technical assistance project, commonly known as PATRA. This project will strengthen institutional capacities for environmental management focusing on the key sectors of hydrocarbon exploitation, industrial and urban development and in particular the Amazon region and the Gulf of Guayaquil. It will also provide general institutional strengthening activities for the MMA and consolidate the National Environmental Plan, design and implement a National Environmental Information System and consolidate a National System of Environmental Impact Assessment. A further project, executed through INEFAN, is GEF/ World Bank Project "Master Plan for the Protection of Biodiversity in Ecuador Through the Strengthening of the National System of Protected Areas". This US$ 9.11 million project has undertaken activities at the national level to strengthen institutional capacities for protected area management as well as a series of activities in individual protected areas and their buffer-zones. The original proposal also included some *government funded* activities in the Galapagos, however, not all these resources have been made available due to the political and economic crises of the past year (see Part II Background).

5.2. *The Charles Darwin Foundation* has three main substantive lines of action. The first is research and monitoring including threatened and introduced terrestrial species, marine resources, tourism related impacts, alternative agriculture and livestock practices and socio-economic issues. The second is training, including NPG guides and administrative staff , university grants and specialised meetings and congresses. The third area is education and information including support to primary education in the islands, public awareness activities and educational and visitor centres. In addition to these activities, executed directly by FCD, resources from this organisation are channelled to the Galapagos National Park to cover operational costs and implement specific conservation activities.

6. Publications

6.1. The Ministry of the Environment: These include "The Ecuadorian Ministry of the Environment: Challenge and Task of all Ecuadorians -Towards a Sustainable development and a series of documents published through the GEF project. In addition to these publications, the institutions that preceded the MMA have published a wide range of documents related to the Galapagos in general and the management of the NPG and the marine reserve.

6.2. *The Charles Darwin Foundation* has published over 500 scientific reports related to the biodiversity of the Galapagos Archipelago as well as the annual "Galapagos News" publications (funded through GoE, UNESCO, IUCN) that include more generalised information on the Galapagos islands and their natural resources.

7. Annual Budget and Sources of Revenue

7.1. The Ministry of the Environment: Budgetary sources come internationally funded programmes and government sources. The 1997 budget is approximately US$ 4 million. The budget for next year is expected to be double this value.

7.2. *The Charles Darwin Foundation* counts with funds from a variety of sources. Approximately 80% comes from donations including an approximate annual number of 5,000 individual donors, mainly from the United States and Europe, that channel donations directly or through international organisations such as WWF, Frankfurt Zoological Society, Smithsonian Institute and the San Diego Zoological Society. In addition a small number of annual donations come from governmental institutions such as the Max Plank Institute, the Royal Society (UK) and the Smithsonian Institute as well as specific funds or in kind support for projects through bilateral aid particularly Spain, Japan, Switzerland, UK, US-AID and multi-lateral agencies such as CEE, UNDP and UNESCO. A second source of resources comes from a Galapagos Trust Fund in Europe presided by Prince Henry of Luxembourg and the Darwin Scientific Foundation (DSF) with a US$ 1.6 million Trust Fund. Finally the Charles Darwin Foundation Inc. was set up in 1992 to administer a "Friends of the Galapagos" campaign in North to provide additional funds. The annual CDF budget last year was US$ 2.5 million of which 80% was channelled directly to the activities of the Scientific Research Station.

8. Block A Budget :

The total cost for Block A preparatory work is estimated at approximately US$ 65,000 of which US$ 25,000 are being requested from GEF. Co-funding resources in the amount of US$ 20,000 will be made available by the UNDP Ecuadorian Country Programme (US$ 10,000) and US-AID (US$ 10,000). In kind contributions in the amount of US$ 20,000 will be made available from the the GoE (US$ 5,000), Charles Darwin Foundation (US$10,000), and the donors (US$ 5,000) that attend the second-stage of the workshop (see section Part II, item 7).

Expenditure Category	GEF	UNDP	Other	Total
1. Initial consultations and preparation of background material for workshop	4,000	1,000	7,000	12,000
2. Workshop				
Stage 1: Threats analysis	12,000	4,000	2,000	18,000
Stage 2: Gaps Analysis & initial agreement on the elements/components of the full project, including preliminary delineation of IC and baseline financing needs	1,000	2,000	6,000	9,000
3. Evaluation of additional analysis & consultations required for preparation of full project	3,000	1,000	3,000	7,000
4. Definition of detailed ToRs for further project preparation activities and identification of funding possibilities	5,000	2,000	12,000	19,000
Total	**25,000**	**10,000**	**30,000**	**65,000**