

PANAMA

**SAN LORENZO: EFFECTIVE PROTECTION WITH COMMUNITY
PARTICIPATION**

MEDIUM-SIZE PROJECT BRIEF

CEASPA

May 5, 1999

LIST OF ACRONYMS

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| ACP | Panama Canal Authority |
| AMP | Panama Maritime Authority |
| ANAM | National Environmental Authority |
| ANCON | National Association for the Conservation of Nature |
| APROREMAR | Association for the Promotion of Marine Resources |
| ARI | Interoceanic Regional Authority |
| ASAP | Architects' Strategic Alliance for Panama |
| CEASPA | Panamanian Center for Research and Social Action |
| GEF | Global Environment Facility |
| ICCW | Inter-institutional Committee for the Canal Watershed |
| IFAD | International Fund for Agricultural Development |
| INAC | National Culture Institute |
| INAFORP | National Vocational Training Institute |
| INRENARE | National Renewable Resources Institute |
| IPAT | National Tourism Institute |
| IUCN | World Conservation Union |
| MBC | Mesoamerican Biological Corridor |
| MIDA | Ministry of Agricultural Development |
| MOU | Memorandum of Understanding |
| MSP | Medium-Sized Project |
| NFWF | National Fish and Wildlife Foundation |
| NSF | National Science Foundation |
| PA | Protected Area |
| PAMBC | Panama Atlantic Mesoamerican Biological Corridor Project |
| PCC | Panama Canal Commission |
| PROARCA/CAPAS | Central American Environmental Program/Terrestrial |
| SLPA | San Lorenzo Protected Area |
| SNASP | National System of Protected Areas |
| STRI | Smithsonian Tropical Research Institute |
| TCR | Tourism, Conservation and Research Strategy |
| USAID | United States Agency for International Development |
| USFS | United States Forest Service |
| WWF | World Wildlife Fund |

PROJECT SUMMARY

Project identifiers

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| 1. Project name: San Lorenzo: Effective protection with community participation | 2. GEF Implementing Agency: World Bank |
| 3. Country or countries in which the project is being implemented: Panama | 4. Country eligibility: Panama ratified the Convention on Biological Diversity on January 17th, 1995. |
| 5. GEF focal area(s), and/or cross-cutting issues: Biological Diversity | 6. Operational program/Short-term measure: This proposal falls within Operational Programs No. 3 and 2 (Forest Ecosystems; and Coastal, Marine and Freshwater Ecosystems). |
| 7. Project linkage to national priorities, action plans, and programs The proposed project area is considered a priority area for conservation in the National Environment Strategy and the National Biodiversity Strategy and Action Plan being prepared by the National Environment Authority (ANAM). It constitutes an important biological link of the Panama Atlantic Mesoamerican Biological Corridor (PAMBC) as well as the northernmost section of the north-south biological corridor between the Atlantic and Pacific oceans on the west bank of the Panama Canal. The <i>Regional Plan for the Development of the Interoceanic Region</i> and the <i>General Plan of Use, Conservation and Development of the Canal Area</i> , which became law in July 1997 designated the 12,000 hectare area as a natural protected area. The new government strategy relating to Heritage Tourism has declared the area one of the centerpieces of that strategy, emphasizing conservation and targeted scientific research in critical zones through sustainable tourism investment and use. | |
| 8. GEF national operational focal point and date of country endorsement: National Institute of Renewable Natural Resources (INRENARE, now known as ANAM), July 28, 1998. | |
| 9. Project rationale and objectives: Panama is facing a period of transition, under which, in compliance with the 1977 Canal Treaties, the country is assuming responsibility for managing a large quantity of lands and facilities of the former Canal Zone between 1979 and December 1999. On June 30 1999, the management of the San Lorenzo area will be assumed by the Government of Panama. The project aims to support the effective protection of the San Lorenzo protected area, in collaboration with efforts to contribute to the long-term conservation and sustainable use of biodiversity in the PAMBC; and to strengthen stakeholder support for the protected area of San Lorenzo. The proposed project area (14 000 Ha) includes the protected area and its rural buffer zone at the northern end of the Panama Canal. | Indicators a. Indicators of the state of biodiversity conservation in the protected area of San Lorenzo, and the preservation of its function as a biological corridor. (The design and implementation of these indicators will be coordinated with the PAMBC project.) b. Policy makers' and local stakeholders' decisions are increasingly based on the recognition of the existence and importance of the protected area. |

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| <p>10. Project outcomes:</p> <p>1. Management plan developed and executed with participation of the relevant institutions and interested social sectors. (Total cost: \$1,224,710; GEF: \$231,710)</p> <p>2. Establishment of an appropriate institutional framework for the management of the San Lorenzo Protected Area. (Total cost: \$79,980; GEF: \$49,980)</p> <p>3. Financial mechanisms established to ensure the financial viability of the SLPA. (Total cost: \$86,080; GEF: \$56,080)</p> <p>4. Increased local capacity to use and manage natural resources sustainably. (Total cost: \$587,010; GEF: \$269,010)</p> <p>5. Effective project management and evaluation, both at national level and at two field offices. Co-financed by Government of Panama and CEASPA. (Total: \$248,220; GEF: \$118,220)</p> | <p>Indicators</p> <p>1.a. In the first year of the project, a management plan elaborated in accordance with ANAM technical norms and the first annual operation plan drawn up. Annual operating plans drawn up and implemented during the second and third years of project implementation.</p> <p>1.b. In year 4, management plan revised in accordance with experience.</p> <p>2.a. Entity that will manage the protected area in the medium to long term established and in operation, before project completion.</p> <p>3.a. Percentage of annual protection and management costs generated directly by SLPA financial mechanisms increases annually after year 2.</p> <p>4.a. In four communities, organizations created or strengthened with objectives that include sustainable use and management of resources.</p> <p>4.b. Majority of people in local communities participate in training and education activities on sustainable use and management of resources.</p> <p>4.c. Number of households from the neighboring communities who obtain their livelihood or part of it from sustainable uses of the resources of the area increases.</p> <p>5.a. Project activities implemented in accordance with implementation plan.</p> <p>5.b. Project finances managed with accountability and transparency.</p> |
| <p>11. Project activities to achieve outcomes:</p> <p>1.1. Develop and execute management plans and annual operation plans, that ensure the effective protection of the SLPA, and that establish zoning uses.</p> | <p>Indicators:</p> <p>1.1.a. In year one, a management plan elaborated in accordance with ANAM technical norms, with community participation and the first annual operation plan written up.</p> <p>1.1.b. In years 2 and 3, operating plans drawn up with community participation and implemented, monitored and evaluated, and a revised</p> |

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| <p>1.2. Forest rangers and volunteer park guards trained, and protected area limits demarcated.</p> | <p>management plan established in year 4 based on experience gained.</p> |
| <p>1.3. SLPA infrastructure rehabilitated or constructed for control, administration and information purposes.</p> | <p>1.2.a. 20 protected area personnel and 10 volunteers trained, 10 kms of key boundary area demarcated.</p> |
| <p>1.4 A communication strategy for the SLPA designed and implemented at national and international level.</p> | <p>1.3.a. SLPA headquarters, control posts and visitors' facility established.</p> |
| <p>2.1. Coordination activities with government and non-governmental stakeholders and collaboration agreements negotiated in support of project objectives between CEASPA and civil society groups nationally and internationally.</p> | <p>1.4.a. Communication strategy document prepared. 1.4.b. Communication materials circulated. 1.4.c. Website for the San Lorenzo project established and regularly updated.</p> |
| <p>2.2. Alternative proposals for the institutional entity to manage the SLPA discussed, consensus reached on design and the entity formally established.</p> | <p>2.1.a. Memorandums of Understanding signed between CEASPA and STRI, Panama Audubon Society, and other civil society groups nationally and internationally.</p> |
| <p>3.1. Establishment of a system that generates resources for self-financing of the SLPA.</p> | <p>2.2.a. Entity that will manage the SLPA in the medium to long term established.</p> |
| <p>3.2 Funds in trust and other donations generated for conservation, research and sustainable natural resource use in the proposed project area.</p> | <p>3.1.a. Development of a sustainable income strategy for the SLPA. 3.1.b. Annual income of the SLPA reports.</p> |
| <p>4.1. Participatory rural diagnosis and community mapping in five communities.</p> | <p>3.2.a. Fundraising strategy for SLPA developed. 3.2.b. Amount of funds raised through donations for SLPA.</p> |
| <p>4.2. Training to increase community organization skills for improved sustainable resource use and management.</p> | <p>4.1.a. Reports of participatory rural appraisals. 4.1.b. Five community maps produced.</p> |
| <p>4.3. Environmental education to increase awareness, including training of local promoters.</p> | <p>4.2.a. Training sessions held.</p> |
| <p>4.4. Identification of and support for income-generating activities by local communities.</p> | <p>4.3.a. Workshops held, environmental education materials elaborated. 4.3.b. Local promoters trained.</p> |
| | <p>4.4.a. Workshops held and training carried out for income-generating activities.</p> |

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| 5. Project management and evaluation: | <p>4.4.b. Activities initiated for income generation based on sustainable natural resource use in the proposed project area.</p> <p>5.a. Annual narrative and financial reports and audits 5.b. Mid-term review 5.c. Final evaluation</p> |
| <p>12. Estimated budget</p> <p>Preparation:</p> <p>Block A GEF: US \$25,000 Co-financing: 20,000 Total Preparation 45,000</p> <p>Implementation:</p> <p>GEF: US\$ 725,000 Co-financing 1,501,000 TOTAL Implementation 2,226,000 TOTAL GEF (PDF+MSP) \$750,000</p> | |
| <p>13. Information on project proposer:</p> <p>CEASPA is the Panamanian Center for Research and Social Action. It is a non-governmental organization that specializes in sustainable development. Its main objective is to promote and support national proposals that bring equity to economic growth, participation to democracy and environmental sustainability to development, through citizens' organizations. CEASPA was established in 1977. The Executive Director is Mariela Arce. The staff is composed of 18 full-time persons, of which 10 are technical/program oriented, and 8 are administrative and support staff. The President of the Board of Directors and Legal Representative is Raúl Leis.</p> <p>CEASPA also has 25 Research Associates with specialties including forestry policies and management, national park management, community participation in natural resource management, urban and landscape planning, project formulation and evaluation, legal aspects of natural resource management, and use of geographic information systems for natural resource management.</p> | |
| <p>14. Information on executing agency (if different from project proponent): Same as above</p> | |
| <p>15. Date of original submission of project concept: July 1998</p> | |
| <p>16. Project identification number:</p> | |
| <p>17. Implementing agency contact person: Christine Kimes, Global Environment Coordinator (tel:) 202-473-3689 (fax:) 202-614-0087 (email) ckimes@worldbank.org John Kellenberg, Task Manager (tel:) 202-458-1397 (fax:) 202-522-3132 (email) jkellenberg@worldbank.org</p> | |

18. Project linkage to Implementing Agency program:

The project is consistent with on-going World Bank-implemented projects in Panama, namely the GEF-financed Panama Atlantic Mesoamerican Biological Corridor Project and the World Bank-financed Rural Poverty and Natural Resources Project. Together, the two projects and the GEF Medium-Sized project address the root causes to, and expansion of, the agricultural frontier while enhancing on-site protection of areas of high biodiversity values.

With the funds available under the recently-approved Panama Atlantic Mesoamerican Biological Corridor (PAMBC) project, priority for on-the-ground intervention and action was given to more outlying areas, such as Bocas del Toro, the Comarca of Kuna Yala, as well as portions of the Bayano and Darién regions, rather than to areas closer to the metropolitan region. The reason for omitting the San Lorenzo area was that, at the time of the PAMBC project approval, it was under US administration. There is no geographical overlap between the two proposals.

DETAILED PROJECT DESCRIPTION

I. PROJECT RATIONALE AND OBJECTIVES

Panama is facing a period of transition, under which, in compliance with the 1977 Canal Treaties, the country is assuming responsibility for managing a large quantity of lands and facilities previously managed by the Government of the United States. The San Lorenzo region, situated at the northernmost point of the Panama Canal, yet falling outside of the Panama Canal watershed, is one such area. US management of the San Lorenzo region dates back to 1903; in recent decades, the area has been used for jungle training by the United States Department of Defense. US military training ended in March 1999 and the site reverts to the Government of Panama in mid-1999. This transition signifies increased responsibility on the part of national institutions for the management of the San Lorenzo area, including the natural area and physical infrastructure, while appropriate management structures are designed.

The 1997 Land Use Plans for the Interoceanic Region declared that approximately 12,000 hectares of the San Lorenzo area are to be used as a new protected area. This area is considered to be of exceptional biological importance given that:

- it provides an important forest “stepping stone” between the continuous forests of eastern and western Panama;
- as part of an unusually steep rainfall gradient, it presents unique opportunities for scientific study. In Central Panama, rainfall doubles between the Pacific and Atlantic coasts, in a distance of only 70 kilometers. The Pacific coast receives only about 1,600 mm of rain per year, while the Atlantic coastal area of San Lorenzo receives more than 3,000 mm. This makes the area highly conducive to studies of the effects of climate on plant physiology, community ecology and biological diversity, among other subjects, and has been the basis for extensive studies by the Smithsonian Tropical Research Institute (STRI);
- it is the most biologically diverse part of central Panama, partly because wetter forests tend to have higher diversity, and partly because it contains a variety of different habitat types within a small area. The area shows a high rate of endemism of flora compared with the Pacific coast, (54% compared with 25%, according to the recently published results of the Canal Watershed Monitoring Project, financed by the United States Agency for International Development (USAID) and executed by the National Environment Authority (ANAM) and STRI). The area also has higher bird diversity than the Pacific side of the isthmus, with records of more than 450 species. It has been identified as an area of Global Importance for migratory birds, in accordance with BirdLife International criteria and identified as an Important Bird Area in a nation-wide study by the Panama Audubon Society. The proposed project area is legendary for bird watchers, as during the Christmas Bird Counts organized by the Panama Audubon Society, 357 species were reported during one 24-hour period, a record among Audubon Society bird counts held in the Western hemisphere.
- In addition, the area has tapirs and jaguars, both indicators of relatively undisturbed habitats. Along the coastal portion of the proposed project area, four distinct forest types can be found within a distance of 3 km., including mangroves (that is, saltwater wetlands), swamp forest

(that is, freshwater wetlands), lowland humid forest and limestone forest, a type of forest which occurs on well-drained limestone soils and is similar in composition to the dry forest of the Pacific coast, despite the high local rainfall.

Conservation of the proposed project area is considered a priority within the National Environment Strategy and the National Biodiversity Strategy being prepared for the National Environment Authority. This project falls under the GEF Operational Programs No. 3 and 2. Panama ratified the Convention on Biological Diversity on January 17, 1995.

Furthermore, the proposed project area has significant historical value. Fort San Lorenzo, which lies within the proposed project area, was named a World Heritage Site by UNESCO in 1980, together with the colonial fortifications of Portobelo. These Spanish forts were the main line of defense of their conquests in the New World against other European powers and pirates. Construction of Fort San Lorenzo was begun in the late 16th Century in the reign of Felipe II of Spain; the fort defends the mouth of the River Chagres, which was the main route across the isthmus of Panama to the Pacific until the railway was built in 1855. Given its historic importance, the area has been identified as a key component of the heritage tourism strategy being developed by the Government of Panama to link tourism with conservation, scientific research and sustainable natural resource management by local communities.

Along the border of the proposed project area, agricultural colonization and uncoordinated development projects have led to increased deforestation and shrinking wildlife habitats, particularly for migratory birds which travel along the Atlantic coast of Central America. Local government representatives of the nearby community of Achote have, together with national authorities, been seeking a solution to the increased agricultural conversion of forested area both in the proposed project area as well as throughout the former Canal Zone. To date, such conversion has been minimal in the proposed project area, given the regular presence of the U.S. military. However, with their imminent departure, it is feared that the proposed project area may be colonized over the next three to five years, with coastal areas cleared for tourist development. See attached map of the proposed project area.

In order to address these threats, and in coordination with the policies for management of protected areas in the Panama Atlantic Mesoamerican Biological Corridor project, the proposed mid-sized project will support the design of a management structure for the area that will allow for participation by interested parties together with the ANAM, which has the legal responsibility for the National Protected Areas System. These parties will include: STRI; the private sector, and other government of Panama institutions, non-governmental organizations, and representatives of the local communities.

The goal of the proposed project is to support the effective protection of the San Lorenzo protected area in association with efforts to contribute to the long-term conservation and sustainable use of biodiversity in the Mesoamerican Biological Corridor; and to strengthen stakeholder support for the protected area of San Lorenzo. This will be achieved by: (i) developing and executing a management plan with participation from national authorities, local communities, and non-governmental organizations; (ii) contributing to the establishment of an appropriate institutional framework for the management of the new protected area; (iii) establishing financial mechanisms to generate resources for the long-term financial viability of the new protected area; and (iv) developing an education and training program to increase local capacity to use and manage natural resources of the proposed project area sustainably.

II. CURRENT SITUATION

The first proposals for the creation of the San Lorenzo National Park were made in 1991 by the Panama Audubon Society, with technical support from STRI. INRENARE, predecessor of ANAM, incorporated the proposal into national park strategies as a key priority area, but the proposed project area was not formally incorporated into the national system of protected areas as it was still under U.S. control. Throughout the 1990s, various initiatives were carried out to define biological corridors within Panama, which noted the importance of the San Lorenzo area. In 1997, the Regional Plan for Development of the Interoceanic Region and the General Plan for the Use, Conservation and Development of the Canal Area (*Ley 21*) was approved, under which the proposed project area was declared a protected area as a protection forest and protected landscape. In 1998, legislation creating the National Environmental Authority (ANAM) allowed for third party management of protected areas and for public service concessions for tourism facilities to be incorporated into such areas. The Interoceanic Regional Authority (ARI) will have the responsibility for the custody and administration of reverted areas in accordance with Law 21 and will initially provide forest rangers for the San Lorenzo protected area with technical input provided by ANAM.

The institutional transition currently underway, combined with the near-future withdrawal of U.S. military presence in the San Lorenzo project area, has been accompanied by increased cases of illegal logging, increased presence of poachers, and greater expectations of the possibility of using the area for agricultural purposes, particularly by agricultural colonists. These activities are not location specific but rather follow trends in other parts of the country. The particular history of the proposed project area has benefited to some degree from an environmental perspective given that it was off-limits to colonists for decades; on the other hand, it is expected that national trends would apply in the proposed project area once that protection is removed. The project area is to be turned over to the Government of Panama on 30th June 1999, thereby creating a window of opportunity for the proposed medium-sized project to influence expectations and outcomes regarding the use of the proposed project area.

The socio-economic characteristics in the region indicate that to the east of the proposed project area (that is, in the neighboring city of Colon), unemployment is over 20%, urban infrastructure is severely overloaded and in a deteriorated condition, and urban renewal is critical for future development of the region. Recent investments in new ports and projections for a cargo rail connection to Panama will bring new resources to the area. A 1997 study of poverty in Panama indicates that 37.1% of the national population and 27.9% of households live in poverty. 21.6% (14.9% of households) live in extreme poverty. In the rural districts to the west and south of the proposed project area, it is estimated that between 80% and 90% of local inhabitants live in poverty, with typical family incomes of approximately US\$850 per year. More than half the population in that area lacks electricity and drinking water, and the average level of schooling is 4.7 years.

On-going actions to prepare for the transition to Panamanian management of the SLPA include the establishment in January 1999 by the National Environmental Authority of an interinstitutional committee for Follow up and Support for the CEASPA-GEF project. This committee has met regularly and carried out field trips to the project area. Currently the Interoceanic Regional Authority is selecting a consulting firm to draw up an environmental characterization of the San Lorenzo protected area and of the infrastructure in the Fort Sherman area, and is preparing terms of reference for a plan to present to potential investors in the built up area slated for tourism and related development. These studies should be completed in 1999.

The Legacy Natural Resources Management Program, funded through the U.S. Department of Defense, is monitoring populations of forest trees and birds in the San Lorenzo area in conjunction with other sites on Barro Colorado Island, in Soberania National Park, and near the Pacific coast. A six-hectare permanent forest plot has been set up in which all trees over 1cm in diameter are mapped, measured, tagged, and identified to species. The plot is periodically recensused in order to obtain information on forest demography, growth, and regeneration. Birds are being monitored at two sites. More than 1,000 individuals have been banded to provide information on demography and population health. This 5-year study is scheduled to end in 1999.

Lastly, USAID is providing support through CEASPA with a brief consultancy on cultural resources in the San Lorenzo area, and one on buffer zone management. Two members of the local communities who took part in a bird watching course, carried out with support from the Panama Audubon Society during project formulation, are currently taking a six-week training course for Guides in Heritage Tourism, sponsored by USAID.

III. EXPECTED PROJECT OUTCOMES

As a result of project activities in the next four years there will be increased institutional capacity to manage the proposed project area, in a coordinated and participatory fashion and there will be increased local benefits from participatory management of the proposed project area, particularly the buffer zones. This will be achieved by developing and executing a management plan with participation by the relevant institutions and interested social sectors, that ensures the effective protection of the protected area of San Lorenzo and that establishes zoning uses. Through project activities an appropriate institutional framework for the management of the San Lorenzo protected area will be established, also a system for generating financial resources to ensure the maintenance of the protected area in the medium to long term. The project will also develop community capacities to ensure local benefits from sustainable use and management of the natural resources of the proposed project area.

Through a process of interinstitutional confidence building and production and dissemination of information concerning the area's biodiversity and unique characteristics, the motivation and capacity to generate medium to long term strategies for the long term effective protection of the SLPA will be created. Local people will be willing to support the SLPA if they are empowered to take part in the decisions that affect them, and if there are genuine benefits for them as a result of the area being managed as a protected area. The change in context will be brought about by a process of education and community organization leading to transformations in awareness and commitment, and training in rights and responsibilities regarding natural resource use, in negotiation and conflict resolution; and a process which leads to improved capacity to generate community improvements and diversified sources of income. This project will focus on the communities in the rural buffer zone to the west and south of the protected area, with activities designed to support diversification of sustainable livelihoods, through increasing local capacities for organization and accessing resources.

IV. ACTIVITIES AND FINANCIAL INPUTS REQUIRED FOR THE PROPOSED MEDIUM-SIZED PROJECT

The proposed MSP would be complementary to planned baseline program activities. In order to achieve project outcomes, the following activities will be implemented (comprising both baseline and MSP activities):

Outcome 1. A management plan developed, approved, and executed with participation of the relevant institutions and interested social sectors. Co-financed by STRI, government of Panama, USAID, US Forest Service and National Fish and Wildlife Foundation. (NB: The STRI contribution is largely in long-term research of the forest canopy.) (Total: US\$1,224,710; GEF: \$231,710)

Activity 1.1. In Year 1, a preliminary management plan will be elaborated by local consultants in accordance with ANAM technical norms, with community participation, and the first annual operation plan written up. Information gaps will be identified in the process. The management plan will include a biological monitoring and evaluation system for use as a management tool. Indicators will be selected based on agreed objectives, and partners identified to ensure the execution of the system. In Years 2 and 3, annual operation plans will be drawn up and reviewed with input from local communities and other interested parties. The original management plan will be reviewed and updated in Year 4, taking into account other project activities, to include the institutional framework for managing the area and the financial sustainability provisions.

(Sub-total: US\$791,500; GEF: US\$96,500 to include US\$46,000 in subcontracts for local consultants and training.)

Activity 1.2: Training activities will be carried out for forest rangers and other personnel of the protected area in addition to volunteer rangers based in the local communities to supplement formal protection efforts. Training will include monitoring and indicators as identified in the management plan. Physical demarcation of some areas, primarily along the western limit of the protected area, will also be carried out, with community participation.

(Sub-total: \$160,000; GEF: US\$55,000 to include US\$30,000 in subcontracts and training.)

Activity 1.3: Infrastructure for the new protected area will be enabled or constructed and maintained in key areas for control, administration and information purposes, both in Fort Sherman and in key points along the boundary. The government of Panama will provide the administrative headquarters and basic control posts. The GEF contribution will be made in the final year, after completion of assessment of infrastructure needs and in accordance with the revised management plan.

(Sub-total: US\$168,000; GEF: US\$35,000 including US\$10,000 in subcontracts.)

Activity 1.4: A communication strategy for the new SLPA will be designed and implemented at local, national and international levels, including regular updating of the Internet website for the proposed project established under the PDF grant. Materials developed will include books, press coverage, the use of posters, photographic exhibits, the organization of festivals, art, dance and puppet workshops. The communication strategy will be used to strengthen community capacity in communication, and to inform and generate public opinion at all

levels concerning the area, that will feed into the policy process. The international media will be targeted to influence policy.

(Sub-total:US\$95,710; GEF: US\$45,710 including US\$15,000 for subcontracts.)

Outcome 2. Establishment of an appropriate institutional framework for the management of the San Lorenzo Protected Area. Co-financed by government of Panama.

(Total: US\$79,980; GEF: US\$49,980)

Activity 2.1: Framework agreements or Memorandums of Understanding for the execution of the project will be signed between CEASPA, ANAM and ARI. Coordination activities with government authorities and other stakeholders will be carried out (meetings, workshops, site visits,) to increase institutional capacity to manage the proposed project area in a coordinated way. CEASPA will negotiate collaboration agreements for mutual support of the project's objectives between CEASPA and STRI, Panama Audubon Society, and other civil society groups, both nationally and internationally.

(Sub-total:US\$38,000; GEF: US\$23,000 which includes US\$3,000 in training.)

Activity 2.2: Proposals for the institutional entity to manage the protected area will be designed and discussed with relevant parties. The entity that will manage the protected area in the medium to long term will be formally established as a result of these discussions and will assume its responsibilities before project completion.

(Sub-total: US\$41,980; GEF: US\$26,980 that includes US\$13,000 for consultants and training.)

Outcome 3. Financial mechanisms established to ensure the financial viability of the SLPA.

(Total:US\$86,080; GEF: US\$56,080)

Activity 3.1: A cost-recovery system that generates resources for self-financing of the SLPA, such as protected area entry fees and other charges for public services concessions, will be established during the life of the project, based on analysis of alternative scenarios. The results will be monitored and evaluated, taking into account experience in management costs and international experience in protected area financing mechanisms. (Sub-total: US\$33,080; GEF: US\$18,080 including \$6,000 for consultants and training.)

Activity 3.2: Funds provided in trust and other donations will be mobilized for the purposes of conservation, research and sustainable natural resource use in the proposed project area. A system for institutional development and fundraising for the protected area will be developed.

(Sub-total: US\$53,000; GEF: US\$38,000 that includes US\$18,000 for consultants and training activities.)

Outcome 4. Increased local capacity to use and manage natural resources sustainably .

Co-financed by Government of Panama, *Fundación Natura*, Peace Corps, National Fish and Wildlife Foundation.

(Total: US\$587,010; GEF: US\$269,010)

Activity 4.1: Participatory rural diagnosis and community mapping of use of resources to serve as a baseline for understanding initial socio-economic conditions and to serve as instruments to monitor community changes during project implementation will be undertaken prior to designing the environmental education and training activities.

(Sub-total:US\$40,000; GEF:US\$25,000 to include \$5,000 in local training activities.)

Activity 4.2: Training activities will be carried out to increase community organization skills, with a view to improved sustainable resource use and management and to promote increased ability to access resources from government and non-government sources for community needs. This activity will also include training for local government officials regarding rights and responsibilities regarding the protected area and sustainable natural resource use and management. (Sub-total:US\$170,500; GEF: US\$86,500 that includes \$46,500 in training activities.)

Activity 4.3. Environmental education materials and methodologies will be developed with local communities to improve local environmental conditions, and to promote sustainable use of natural resources in buffer zones as well as in the protected area. Activities will include workshops, sites visits to other protected areas, development of field guides, training of local environmental promoters, establishment of community bulletin boards. (Sub-total:US\$214,600; GEF: US\$95,600 that includes US\$10,000 in consultants and \$46,500 in training activities.)

Activity 4.4: Support for income-generating activities: Identification with local communities of potential income-generating activities related to the protected area, and mobilization of resources, including information, training, co-financing, technical assistance, to initiate them. Such activities are expected to include community-based ecotourism as well as provision of goods and services within the tourism sector and sustainable agro-forestry in the buffer zone of the protected area. (Sub-total:US\$161,010; GEF: US\$61,010 that includes \$10,000 for consultants and US\$10,000 for training activities.)

Project Management and Evaluation

Administrative activities required for project implementation would include project management, project procurement and disbursement, financial audits, internal evaluation, and the provision of support services and equipment to execute project activities. A mid term review will be conducted as well as a final evaluation of the project. The project will also strengthen the management capacity of CEASPA. It includes operational support in three distinct locations, Panama City, headquarters of CEASPA, Fort Sherman Colon, headquarters of the protected area, and in the local community of Achote. Co-financed by Government of Panama and CEASPA. (Total:US\$248,220; GEF: US\$118,220)

V. SUSTAINABILITY ANALYSIS AND RISK ASSESSMENT

Great national and international interest in the future of the project area has been expressed during project formulation, and a willingness to support project objectives in the long term has been generated at the national level. Nonetheless, in general, local communities do not have a history of working with NGO-managed projects, governmental institutions, and community-related extension programs. During project formulation, willingness to discuss the issues, interest in receiving technical assistance, trying new activities and improving educational facilities was expressed. The

key to harnessing this energy is in creating the framework for its expression, which is the underlying motivation and agenda for this project.

The two main sustainability issues concern the institutional framework for management of the protected area, and its financial viability in the medium to long term. The project is designed to address these issues from the start of the four year activity, and resources and activities will be devoted to them during the life of the project (see activities under outcomes 2 and 3). During the project formulation period these issues have been discussed with government authorities, STRI, local civil society and international conservation groups, and alternative scenarios laid out. Panamanian government institutions and STRI have been working with CEASPA in the Follow-up and Support Committee for this project, established by ANAM in January 1999.

The General Law of the Environment, July 1998, contemplates specific provisions regarding concessions for protected area management and income-generating activities within protected areas, and regulations are currently being completed. Consequently, the legal enabling environment for these issues to be handled appropriately already exists. In addition, the investment strategy for the civilian conversion of the Fort Sherman military base conceived under the Tourism with Conservation and Research Strategy (TCR) includes provision for private sector investment, not only in the development of tourism facilities, but also in conservation and in sustainable natural resource management by local communities.

The risk exists, however, that the expected tourist development in the area under the strategy of the TCR does not materialize, which may lead to private sector concessions and developments in the proposed project area which are less conducive to the long term conservation of the area, or do not generate funds for its long term protection. Actions taken by the Project to minimize these risks include the national and communication strategy regarding the importance and extraordinary natural beauty of the area and its other attractions, which will strengthen the government's promotion and marketing strategy in support of TCR for the area, and the management plans that will establish zoning uses.

The proposed project area may be subject to rural-rural migration pressures from the interior provinces of Panama that are overwhelming. There are limitations to the actions to be taken under the project, although they will be addressed by activities with local communities designed to lead to "ownership" of the project's objectives, so that they themselves will become the first line of defense of the protected area, and will also be addressed albeit indirectly through the communication strategy regarding the new protected area and its characteristics. Some of the factors leading to rural migration are being addressed by other World Bank projects in Panama, such as the Rural Poverty and Natural Resources project.

Some local people may fail to identify with the project's objectives and activities and pursue unsustainable activities in the protected areas. Attitudes perceived and expressed by those local people consulted during project preparation included a willingness to respect the protected area with conditions. The project component for community education and activities is designed to overcome this risk by helping to negotiate the conditions and lead to benefits for the local communities through activities of sustainable use; and is also aimed at developing local capacity-building. Project activities to promote inter-institutional coordination and unification of policies and actions by government agencies in the area will be key to success in this area. Education efforts by the Panama Canal Commission on the Canal watershed and environmental security, and education in agroforestry

by the Peace Corps volunteer in the buffer zone, technical assistance to small coffee producers under the CEASPA-*Fundación Natura* project, will all contribute to diminishing this risk.

Project activities in the buffer zone may lead to unrealistic expectations about the prospects for funding, CEASPA's capacity to resolve problems and to dependence on CEASPA once the project ends. Here CEASPA's experience in promoting long term educational and organizational capacity in local groups will be crucial in addressing this risk during the four years, and building up genuine local capacity to organize and negotiate for local needs and interests. The project will work with existing community organizations where possible to assure long-term sustainability of the project.

CEASPA has a proven track record of successful management of projects with a wide variety of financing sources, though it is the first time CEASPA will work with the World Bank and GEF. The project annual budget is equivalent to around 50 percent of CEASPA's annual budget. Recognizing that this MSP represents a jump in level of executive/operational responsibility for CEASPA, project execution has been programmed over 4 years, rather than three, to make annual goals and targets more manageable. CEASPA will receive support for institutional strengthening between 1999 and 2001, that includes components for improving management and information systems, and for institutional sustainability, under a European Union project to promote equal opportunities for women in Panama. That will increase the NGO's management capacity.

The project team and the GEF focal point in Panama are aware of these risks and consider that the design of the project and surrounding context will overall contribute to outweighing the risks. Making the project four years rather than three years will give a greater chance of success.

VI. STAKEHOLDER INVOLVEMENT AND SOCIAL ASSESSMENT

Stakeholder involvement

Stakeholders include the rural communities in the buffer zone of the SLPA, Achiote, Piña, and Escobal, plus smaller communities, totaling around 3000 people, and their local authorities. During project formulation CEASPA has arranged community meetings, with Block A Grant funding, and also participated in more informal meetings with groups of local residents, resulting in expressions of concern and proposals for community participation that have been incorporated into the project design. During project formulation CEASPA also met with representatives of civil society in Colon, and elsewhere, to discuss concerns for public access and use of the new SLPA as a recreational area for the residents of Colon, in a hitherto "off-limits" area.

CEASPA also met with representatives of the scientific and research communities, including STRI to strengthen project design regarding the importance of the area for scientific research and the common interests regarding long term protection and conservation. Throughout the project formulation CEASPA has been in constant contact with the pertinent government authorities, including the National Environment Authority, the Interoceanic Regional Authority, the Panamanian Tourism Institute (IPAT), the National Culture Institute (INAC), which has responsibility for the Fort San Lorenzo World Heritage Site, the Panama Canal Commission (PCC) and the Panama Maritime Authority (AMP). In late December 1998 ANAM convened these institutions, together with STRI, to form the Follow-up and Support Committee for the San Lorenzo project, COMSA-San Lorenzo,

which has held monthly meetings and organized a field trip to the area and will continue to meet throughout the life of the project, as necessary.

CEASPA arranged field trips to the area to assist in the design of the protection system, with project formulation funds, and facilitated field visits with personnel from interested organizations, including USAID and PROARCA/CAPAS personnel, personnel from the National Fish and Wildlife Foundation, Conservation International, from National Audubon Society, international and national reporters, photographers and video makers, managers of nature centers in the USA, leaders of birding tours, architects and planners involved in the Tourism, Conservation and Research Strategy proposals for development of Sherman/San Lorenzo. In addition, meetings have been held with tourist operators and shipping agents who currently organize tours to the area.

The involvement of these stakeholders has led to greater familiarization among decision-makers of the area and complex issues requiring their attention and action, providing a more favorable environment for this project's activities. In many cases the CEASPA-facilitated field trips organized with GEF Block A funds were the first ever visit to the area by government officials and local stakeholders, not only in the case of international visitors. The amount of time and energy devoted to this during project formulation has been a vital component of project preparation, due to the lack of easy access or knowledge of the area due to the current use by the US Department of Defense, and to the fact that the paving of the road to the west coast of Colon province, known as Costa Abajo, took place as recently as 1997.

As a result of CEASPA-organized meetings and visits, private sector tourism representatives, local officials, community leaders in rural and urban areas, and representatives of international organizations have expressed and shown their willingness to support the project activities and to participate within their areas of competence, as have the government institutions involved. Specific examples of commitments include:

- the loan of a house in the buffer zone as support for project activities during project formulation;
- the offer of free accommodation for project staff at an eco-lodge in Colon;
- access to the tourist operations organized for cruise ship passengers;
- the Panama Audubon Society gave a bird watching course for a local community and local NGOs;
- two participants will be sponsored by USAID for a six-week specialized interpretative guide training in April-May 1999;
- the Peace Corps agreed to assign an agroforestry volunteer in the buffer zone for two years, starting April 1999 (in Caño Quebrado), with CEASPA as NGO counterpart;
- offers to organize first aid courses in the local communities by the Red Cross Colon;
- the University of Wales, UK, supported a Master's student thesis on Community Participation in the New Protected Area of San Lorenzo, November 1998-April 1999;
- McGill University assigned two students as interns from January to April 1999 to collect information regarding knowledge, attitudes and behavior regarding the protected area, and will offer more interns in future years;
- National Fish and Wildlife Foundation is encouraging CEASPA to submit a project to support the GEF project;
- USAID Panama is supporting, through PROARCA/CAPAS, CEASPA's request to strengthen Cultural Resources and Buffer zone management input to the management plan for the area.

Social assessment

A number of key issues directly relevant to the project can be drawn from the information gathered during project preparation.

One set of issues refers to sustainable livelihoods in the buffer zone: land use on the one hand and income diversification on the other. Most of the local stakeholders have been contacted during project formulation as noted above. However it has not been possible for CEASPA to meet with all the local landowners during this time, to discuss appropriate land use management in the buffer zone or the eventual use of conservation easements to help ensure the protection and conservation of the area in the long term. The prospects for such discussions are positive, based on initial meetings with some local large landowners, and farmers with relatively smaller holdings in the area.

Diversification of income through activities related to new SLPA is understandably a difficult concept to grasp, as there is nothing to show at present in the area, and little experience anywhere in Panama of the kind of diversification that is contemplated as a possibility within the project design, such as voluntary forest rangers or community-based ecotourism or biodiversity conservation actions combined with local agroforestry activities. Given the generally low educational levels of the population, there is an emphasis in the project design in working with young people and children, in addition to adults. Local monitoring and evaluation to ensure that activities are carried out that are of special interest and/or relevance to communities has been built into project design, combined with sufficient flexibility to allow for allocation of funds to those activities. Results such as to raise the communities above their existing poverty levels, particularly in the case of the corregimientos of Piña and Achote, can only be shown in years beyond the termination of this project.

Another set of issues refers to cultural diversity and expectations. Local communities show a distinct variety of ethnic and cultural origins and expectations, and varying experience of participation in community-based organizations, and knowledge and contact with the national polity. While many adults from Escobal work in urban Colon, and their teenage children attend secondary school there, and the town has electricity, and a regular bus service, in other communities, even though geographically close, subsistence farming is the rule, children do not always finish primary school, and many houses have no drinking water or electricity and the nearest (irregular) bus is a two hour walk away. The local community leaders themselves classify some communities as more "difficult" or "conflictive" to work with than others. Awareness and sensitiveness to these issues will require that design of activities take these variations into account, and that periodic monitoring and evaluation of activities by the project team, in conjunction with local community representatives be carried out, and the work plan modified as necessary.

VII. INCREMENTAL COST ASSESSMENT

Baseline Scenario

In the absence of GEF support, investments in biodiversity conservation in the San Lorenzo area over the 4 year project period would cost an estimated \$1,083,000 and would include the following activities:

(1) **The Tropical Forest Canopy Program**, operated in conjunction with United Nations Environmental Program. This program has installed two large tower construction cranes in tropical forest to allow access to the forest canopy. One crane is in dry forest in Metropolitan Park near Panama City, while the other is in wet forest at Ft. Sherman. The two sites thus allow unique long-term comparative studies on tropical forests in different climatic regimes. Research topics include photosynthesis, carbon exchange, water relations, tree phenology, and diversity of canopy insects. This research program is scheduled to continue during the MSP implementation period at a cost of \$500,000, with funding provided by STRI and NSF for operating costs and in-kind expert assistance.

(2) **The Interoceanic Regional Authority's** expenditures in custody, administration and planning for use of the San Lorenzo area are estimated at \$225,000, including protection measures, environmental characterization of the protected area and study of carrying capacity of the River Chagres and coastal areas, and the initial establishment of the administrative headquarters for the protected area. Other government institutions' resources in the area over the next four years, including the National Environment Authority, are estimated at US\$258,000.

(3) **The Sustainable Rural Development Project** for the provinces of Coclé, Colon and Panama, with US\$12.2 million funding from IFAD, was launched in April 1999 and will continue through 2005. This project will work in the Chagres and Donoso districts of Colon, both part of the Biological Corridor of the Atlantic and which include part of the buffer zone of the San Lorenzo Protected Area. Investments by that project in the proposed project area during the life of the project will help to raise the income and standard of living of the local communities, though will not directly lead to biodiversity conservation. It is estimated that \$100,000 of the project financing falls within the baseline scenario of the proposed medium-sized project, and will support strengthening of outreach programs of the Ministry of Agricultural Development.

In addition, baseline coordination to promote linkages between the above programs and management functions would be carried out by the participating agencies at an estimated cost of \$65,000. Despite these important activities, they would be insufficient to ensure community-based protection of important biodiversity nor to address the threats to biodiversity in the area once the region reverts back to the Republic of Panama in mid-1999 given: (a) the lack of a strategic plan for the long-term conservation in the region; (b) the lack of an institutional framework for conservation management; and (c) minimal involvement of local communities in conservation-related activities.

GEF Alternative

The proposed GEF MSP would be complementary to the baseline activities described above. In addition to baseline activities, it would provide for the development of a management plan executed with the participation of relevant institutions, and would facilitate the establishment of an appropriate institutional framework for the long-term conservation of the area. It would also support the development of financial mechanisms for the effective protection of the area. Lastly, the proposed MSP would contribute to greater awareness of the benefits of biodiversity conservation on the part of neighboring communities and increase local capacity to use and manage the natural resources in a sustainable manner. The result of GEF Alternative activities would be the preservation of the San Lorenzo Protected Area as a functional biological corridor and local participation in the benefits from conservation and sustainable use of the biological resources in the protected area and

its buffer zone. The total estimated cost of the GEF Alternative is \$2,226,000 (baseline + MSP combined). The breakdown by outcome is presented in the Incremental Cost Assessment (see table below), comparing GEF Alternative costs with the Baseline Scenario.

Costs

The difference in costs between the estimated Baseline Scenario (\$1,148,000) and the GEF Alternative (\$2,226,000) results in an incremental cost of \$1,078,000 to generate identified global biodiversity benefits. Because preparation of the Medium-Size Project has led to a leveraging of additional funds, estimated at US\$353,000 (see below), GEF funding of only \$725,000 is being requested as a contribution to total incremental costs.

Leveraged financing, which would not otherwise have been forthcoming, includes: (a) US\$70,000 from the Peace Corps for two volunteers in the area, in agroforestry and environmental education; (b) US\$75,000 from US government agencies including USAID under the Central American Protected Areas Program (PROARCA/CAPAS) and projects in Panama to promote successful conversion and use of the Canal area in accordance with Law 21, and consultancies from the US Forest Service (consultancies agreed in principle); (c) US\$70,000 from the National Fish and Wildlife Foundation under the Partners in Flight program (funding requested); (d) US\$60,000 from Fundación Natura to support activities in the buffer zone to develop local capacities for sustainable resource management, through environmental education and improved management of 50 coffee farms in five local communities (funding being finalized); (e) US\$25,000 from ARI for project offices in Fort Sherman; and (f) \$53,000 in-kind contributions from CEASPA.

Incremental cost assessment summary (US\$)

| ACTIVITIES | Baseline | GEF | Increment | Increment |
|---|------------------|------------------|----------------|----------------|
| | Scenario | Alternative | (GEF) | (leveraged) |
| Expected outcome 1: Management plan approved and under implementation | 873,000 | 1,224,710 | 231,710 | 120,000 |
| Expected outcome 2: Legal/institutional framework in place and operational | 30,000 - | 79,980 | 49,980 | |
| Expected outcome 3: Financial mechanism established and mobilizing funds | 30,000 - | 86,080 | 56,080 | |
| Expected outcome 4: Local capacities developed for sustainable management | 150,000 | 587,010 | 269,010 | 168,000 |
| Project management and evaluation | 65,000 | 248,220 | 118,220 | 65,000 |
| Total | 1,148,000 | 2,226,000 | 725,000 | 353,000 |

VIII. BUDGET

Total cost of the GEF Alternative by expenditure category is presented below. The total GEF contribution for MSP development and implementation amounts to \$750,000 (Block A + MSP).

PROJECT BUDGET

| Component | GEF | Other sources | TOTAL |
|-----------------------|---------|---------------|-----------|
| Personnel | 218,400 | 219,000 | 437,400 |
| Subcontracts | 115,000 | 830,000 | 945,000 |
| Infrastructure | 10,000 | 108,000 | 118,000 |
| Training | 145,000 | 170,000 | 315,000 |
| Equipment | 89,480 | 69,000 | 158,480 |
| Travel | 36,900 | 0 | 36,900 |
| Evaluation mission | 4,000 | 0 | 4,000 |
| Operational costs | 106,220 | 105,000 | 211,220 |
| Project total | 725,000 | 1,501,000 | 2,226,000 |
| GEF total (PDF + MSP) | 750,000 | | |

IX. PROJECT IMPLEMENTATION PLAN

Project life is four years. The first two months of project life, timed from initial receipt of funds, represents the preparatory period for recruitment of staff, procurement of equipment, and establishment of working procedures (accounting and reporting systems). The establishment phase, initiating activities inside the protected area and in the buffer zone, will take place over the following six months, followed by full project implementation over the ensuing thirty two months. The final eight months represent a consolidation phase, in which activities are either completed or preparations are made for post-project continuation as appropriate.

Key actors involved in project management include the government institutions¹, that have been convened by the GEF Focal point, the National Environmental Authority, to form the Follow-up and Support Committee for the GEF-CEASPA-San Lorenzo project, together with STRI. This Committee will meet regularly during project execution to ensure information sharing, participation in the management and annual operational plans for the protected area and to help forward the process of deciding on an appropriate institutional framework for long-term management of the area. CEASPA will be working closely in the area with the Ministry of Education regarding environmental education in schools and with the Ministry of Agricultural Development in the activities identified in the new project of sustainable rural development in the provinces of Coclé, Colón and Panama, to be executed with IFAD support from 1999 to 2005.

¹. ARI, IPAT, INAC, AMP, PCC, and ACP.

X. PUBLIC INVOLVEMENT PLAN

Stakeholder identification

Main local stakeholders include the organized and as yet not organized subsistence farmers and coffee growers, landowners, and local government officials, youth groups, church groups, parent-teacher associations and village health and water committees. In Colon, the stakeholders include representatives of the private sector, and Church organizations, student groups associated with the local university extension, environmental associations, and civic associations. Project activities in the buffer zone are designed to include all local actors, with emphasis on young people and ensuring gender equity where possible. Periodic monitoring and evaluation with participation by local stakeholders is planned to ensure that local concerns and expectations are accommodated as far as possible in project activities. At a national level, stakeholders include environmental groups, and in general members of the Civil Society Assembly. Among the environmental groups, are the Panama Audubon Society, the Grupo Ecologia y Vida from Colon, APROREMAR, Colon, ANCON, Fundación PROMAR, and other members of the National IUCN Committee. The Civil Society Assembly includes the Rotary Club of Colon, the Colon Free Zone Users' Association, the Colon Chamber of Commerce, the Council of University Rectors, the Coordinating group for the Defense of Colon.

International NGOs that may be considered stakeholders in the San Lorenzo protected area include: the National Audubon Society, BirdLife International, the Ecotourism Society, WWF, Conservation International, Flora and Fauna International, and the World Conservation Monitoring Centre.

Stakeholder participation

Understandings related to project implementation will be formalized through the use of MOUs or similar instruments with ANAM, ARI, and STRI and local and international NGOs, ensuring long-term commitment of the relevant agencies and NGOs, beyond personal decisions of temporary Officers. The project is designed to encourage informed participation in the management of the protected area through mechanisms which include: widespread understanding of its importance; greater ability of local stakeholders to undertake sustainable natural resource management activities in the buffer zone; and direct and indirect participation by a wide spectrum of stakeholders in the benefits of the area being part of the national system of protected areas, and a link in the Mesoamerican Biological Corridor.

Social and participation issues

All social development and conservation projects are long term, and this one is no exception. Given the low levels of education in the area, any permanent change in local capacities to improve socio-economic conditions and promote sustainable natural resource use and management will depend on long term strategic alliances and commitments. The project is designed to foster the forging of such long term commitments between the stakeholders involved. A gender focus will be given to all aspects of project implementation to ensure that access to project benefits is equitable from a gender point of view.

Information dissemination and consultation

The communication strategy of the project is designed to include public information regarding the project activities, and will encourage public discussion of decisions which may affect the status of the SLPA and the local people. This strategy includes international communication, as befits an important link in the Mesoamerican Biological Corridor, through regular updating of the Website established for the project, and information to be prepared specially for international media in connection with the hand over of the Panama Canal and the conversion to civil uses of the areas controlled by the US military. The project will develop databases of interested participants and a distribution list for communication regarding project updates, press releases, information on publications, videos and other promotional materials.

XI. MONITORING AND EVALUATION PLAN

Project monitoring and evaluation activities will be supervised by Bank supervision missions. Monitoring activities will include regular reporting on the activities related to each component of the project. Biological monitoring and evaluation of the protected area will be carried out in accordance with the management plans developed as part of project activities. An internal assessment of progress under the project will be conducted annually. A mid term review and a final evaluation will be conducted. Following normal CEASPA practice, project-specific financial audits will be conducted annually as a sub-set of the overall audit for the organization. Project reporting will follow standard World Bank procedures.

XII. PROJECT CHECKLIST

PROJECT ACTIVITY CATEGORIES:

BIODIVERSITY

Protected area zoning/management: X

Buffer zone development: X

• Inventory/monitoring: X

Ecotourism: X

Agro-biodiversity:

Trust fund (s): X

Benefit-sharing:

TECHNICAL CATEGORIES:

Institution building: X

Investments:

Policy advice:

Targeted research:

Technical/management advice: X

Technology transfer:

Awareness/information/training: X

MSP BUDGET BY OUTCOMES AND FINANCIER (US\$)

| OUTCOMES | GEF | Fund.Nat | STRI | ARI | ANAM | CEASPA | Peace Corps | USAID/USFS | NFWF | IFAD | Other GOP | Non-GEF | Total |
|--------------------------|----------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|----------------|----------------|------------------|------------------|
| Expected outcome 1: | 231,710 | | 500,000 | 200,000 | 68,000 | 5,000 | | 100,000 | 40,000 | | 80,000 | 993,000 | 1,224,710 |
| Management plan | | | | | | | | | | | | | |
| Expected outcome 2: | 49,980 | | | | | | | | | | 30,000 | 30,000 | 79,980 |
| Legal/institutional | | | | | | | | | | | | | |
| Expected outcome 3: | 56,080 | | | | | | | | | | 30,000 | 30,000 | 86,080 |
| Financial mechanism | | | | | | | | | | | | | |
| Expected outcome 4: | 269,010 | 60,000 | | | | 8,000 | 70,000 | | 30,000 | 100,000 | 50,000 | 318,000 | 587,010 |
| Local capacities dev'ped | | | | | | | | | | | | | |
| Project well-managed | 118,220 | | 10,000 | 65,000 | 15,000 | 40,000 | | | | | | 65,000 | 248,220 |
| Total | 725,000 | 60,000 | 510,000 | 265,000 | 83,000 | 53,000 | 70,000 | 100,000 | 70,000 | 100,000 | 190,000 | 1,501,000 | 2,226,000 |



República de Panamá
AUTORIDAD NACIONAL DEL AMBIENTE

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Apartado 2016, Panamá

Panamá, 28 de julio de 1998
AG-0204

Señor
KRISTIN ELLIOT
Global Environment Divisions
Environment Department,
The World Bank
Washington, D.C.

Señor Elliot:

Nos dirigimos a usted en relación al proyecto "Protección Efectiva con Participación Comunitaria para la nueva Area Protegida de San Lorenzo, Panamá", presentada a nuestra institución por el Centro de Estudios y Acción Social Panameño (CEASPA).

Luego de un análisis del proyecto le informamos que damos el aval al mismo, en seguimiento a los trámites para su financiamiento por parte del Fondo para el Medio Ambiente Global.

Atentamente,


LIC. MIREI E. ENDARA
Administradora General

MEE/VB/kvch

