

**United Nations Development Programme**

**GLOBAL ENVIRONMENT FACILITY**

**Countries:** Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru and Venezuela

**Project Title:** *Action for a Sustainable Amazonia*

**Executing Agency at the Regional Level:** *Pro Tempore Secretariat of the Amazon Cooperation Treaty*

**Coordinating Agencies at the National Level:** Ministry of Sustainable Development and Environment (Bolivia), Ministry of the Environment (Colombia), Ministry of Environment and Renewable Natural Resources (Venezuela), National Board for Amazonian Legal Affairs (CONAMAZ) (Brazil), Sub-Secretariat for Environment of the Ministry of Energy and Mines (Ecuador), National Institute of Natural Resources (Peru), and Guyana Natural Resources Agency.

**GEF Priority Areas:** Biodiversity and Climate Change

**Proposed GEF Funding:** US\$ 3.8 million

**Project Summary:**

The objectives of this project are to

- a) engage all interested ACT Member Countries in the discussion and research on sustainable development for the Amazonia; and
- b) assist in developing the capacity of local institutions to lead the Amazon countries toward sustainability.

Three sets of activities form the core of this project: national policy analyses and consultations through participatory dialogue and case studies, regional technical task forces, and capacity building for sustainable development. Key governmental regional institutions led by the Amazon Cooperation Treaty will be strengthened in the field of information collection, analysis, policy study, and dissemination. The series of analyses, with ample participation, on regional and national policy studies and task force reports will be synthesized into a major report entitled Bases for Action for the Amazonia to be published in 1997. Consensus among a diverse array of stakeholder groups will be furthered throughout the course of the project for implementation of the report's findings.

The project differs from the ongoing GEF regional project (RLA/92/G31/G32/G33) in its much broader participation and consensus-building approach, focus on policy and institutional opportunities and obstacles to promote sustainable forest use (including components addressing trade and infrastructure policy), and strengthening of local and regional capacity to develop appropriate policies and better-advise decision makers.

It is important to note that this project, in which so many national and regional institutions have substantially contributed, can be crucial to carry out actions foreseen by countries parties to the Amazon Cooperation Treaty with regard to the recent Tarapoto Proposal for Criteria and Indicators for Sustainability of Amazonian Forests. This proposal is a landmark in joint efforts by the ACT countries to lay down a set of criteria that will lead to sound national policies on sustainable development of Amazonia.

#### **Strategic importance of the project:**

The countries of the Amazon Basin (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela) are confronted by serious challenges of alleviating poverty, meeting agricultural production goals, creating employment, satisfying domestic needs for basic raw materials (including forest products), and satisfying the energy demands of their growing economies.

Each of these countries has experienced a shift in legislation and institutional structures designed to promote sustainable development in the region. In practice, this shift has meant greater concern with environmental and social factors in development planning, and recognition that emphasis on short-term needs can greatly reduce the options for achieving long-term development goals.

At the same time, however, senior policy makers in many of the Amazon countries recognize that they lack a long-term development strategy for sustainable development of the Amazon region as a whole and there is a need to strengthen its institutions, both at national and regional levels.

The various indicators of the growing receptivity among senior policy makers, civil society and development agencies worldwide to explore possibilities of seeking alternative directions for meeting the needs of the Amazon countries justify renewed effort to promote revision of perspectives and strategies for the region.

Aware of their needs, Amazon countries have just concluded a workshop which opens bright and long-lasting perspectives for fulfilling those precise shortages.

On February 25, 1995, at a meeting in Tarapoto in the Peruvian Amazon, hosted by the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty, the representatives of the Foreign Ministries of the Amazon countries recommended that their governments adopt an agenda-setting proposal for a new framework for guiding the implementation of sustainable development in Amazonia. The "Tarapoto Proposal" (See Appendix 1) recognizes the commitments made by the Amazon countries to implement the agreements adopted at UNCED (United Nations Conference for the Environment Development, Rio de Janeiro, 1992) and establishes a framework for decision makers in the region to promote such policy objectives as conservation of forest cover and biological diversity, sustainable forest production, and development of institutional capacity to promote sustainable development in Amazonia.

Given these circumstances, the Project will focus on supporting follow-up activities to the "Tarapoto Proposal" at the national and regional levels with a view to presenting for consideration, through the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty, policies and institutional arrangements needed to reduce biodiversity loss and deforestation and promote sustainable development in the Amazon Basin. A component of the project is reinforcing the capacity of the *Pro Tempore* Secretariat at the regional level.

#### **Global Environmental Benefits:**

The Amazon Basin is one of the world's most important regions in terms of its biodiversity and role in global water and carbon cycles. About 80% of Amazonia's 7.25 million square kilometers was originally covered by forest, approximately 10% of which has been deforested. Continuing deforestation and forest degradation threatens Amazonia's biodiversity. It is estimated that more than 50% of the world's biodiversity is found in Amazonia. Specifically, the region is home to 20-50% of vascular plant and arthropod species, as well as over 2,000 species of freshwater fish, of which 90% are endemic (three times as high as the nearest competing river system, the Zaire Basin). Brazil, Colombia, Ecuador, Peru and Venezuela are among the top 15 countries for endemic higher vertebrate species (mammals, birds, and amphibians).

Amazonia is also a storehouse of global stored carbon in the form of biomass, and recent calculations have shown that deforestation in the region accounts for a small percentage of greenhouse gas emissions worldwide.

Although there has recently been a decrease in deforestation rates (especially in the Brazilian Amazon), the threat continues, and is particularly acute in the frontier zones where local rates of forest and biodiversity loss are extremely high, hence the critical need to invest in capacity building in the area of policy development and reform throughout the region.

#### **Relationship with National Priorities:**

This project is designed to reinforce and help meet the priorities of each of the Amazon countries as already identified under the framework of the Amazon Cooperation Treaty and its six Special Commissions.

The activities have been developed and planned through a partnership of national authorities, senior policy makers, grassroots groups, indigenous peoples' organizations, research and teaching institutions, business community leaders, conservation and social development NGOs, and others from each of the eight nations of the Amazon Cooperation Treaty (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela).

The priority and urgency of the initiative were emphasized at the Tarapoto workshop where the Amazon Cooperation Treaty countries called for immediate international technical and financial assistance through the Treaty mechanism to support national debate and analysis of policy to promote sustainability. They also called for national and regional capacity building to assess progress toward sustainability through implementation of the criteria and indicators agreed to in Tarapoto.

#### **Regional Synergies:**

The countries of the Amazon have recognized the need for cooperation to promote harmonious and equitable development (led by Brazil, the Amazon Cooperation Treaty was signed in 1978). Now such cooperation is needed more than ever, with current moves for trade liberalization and delicate issues of access to biogenetic resources, among others.

This project seeks to maximize exchange of ideas and experiences between institutions in the Amazon countries, and, through strengthening of key regional bodies, contribute to the process of regional harmonization and integration. As such, it builds upon various other initiatives of the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty.

Several major initiatives are being implemented to reduce deforestation rates and promote sustainability in Amazonia, including the Group of Seven (G7) Pilot Program for the Conservation of the Brazilian Rain Forest, national forestry action programs in various countries, and hundreds of projects underway at the national and local levels in each country.

#### **Transparency and Participation:**

The project has a highly participatory approach, involving partnerships at both the regional and national levels in Amazonia to achieve wide input into overall project development and implementation. It is designed as to involve competent government institutions, senior policy makers, grassroots groups, indigenous peoples' organizations, research and teaching institutions, business community leaders, NGOs, and others. Each Member Country shall be responsible for determining which entities will take part in the process.

#### **Promoting Innovation:**

This project complements and builds upon such on-going initiatives in the region, and the project seeks to promote innovation in several ways:

- \* The project is regional, working with partners and issues in all of the Amazon countries.
- \* The project has been predominantly a local effort with international institutions playing only a catalytic role since its inception.
- \* A diversity of interest groups are participating in the design and execution of the project.
- \* The project will promote actions based upon rigorous research of the opportunities for and obstacles to sustainable forest ecosystem management.
- \* The project includes research and action at local, national, and international levels.
- \* The project does not compete with, but rather complements and draws upon the strengths of, other initiatives in Amazonia.
- \* An wide outreach spreading strategy, both at regional and international levels, will begin early in the project in order to inform on its objectives and aims.
- \* The project strategically responds to the need for immediate follow-up oriented towards the

adoption of criteria and indicators on the Amazon ecosystem sustainability , which lays basis for a new, original and comprehensive approach to sustainable development in the Amazon Region.

**Complementarity and Follow-up to Existing GEF Regional Project:**

Implementation of this project complements other initiatives which are currently in process, thus contributing to reinforce their overall efficacy. This proposal complements other ongoing projects in the following ways:

- \* Promotes broader participation, seeking consensus among the various stakeholders on what steps should be taken and how.
- \* Focuses on policy, identifying the present obstacles, opportunities, and needed reforms, in the broader scheme of policies which affect sustainability attainment.
- \* Includes in-depth research in some key complementary issues including sustainability assessment, trade policy, and infrastructure.
- \* Provides assistance in policy implementation, for example, the sustainability assessment component will contribute to implementation of zoning legislation.
- \* Contributes to strengthening the institutional capacities, particularly in the areas of local policy research and provision of information to policy makers.
- \* Contributes to strengthening the regional institutions in policy analysis capacity, sustainability assessment, intersectorial analysis, and other ways which complement the institutional strengthening components of the currently funded project.
- \* Complements other GEF funded regional projects, such as the RLA/92/G31/G32/G33.

**Sustainability:**

Because the project builds upon existing processes and initiatives and includes a broad participation and shared ownership, it is highly likely that the activities which the project stimulates will continue following the end of formal GEF support.

**III. PROJECT DESCRIPTION**

**A. History of the Project**

In 1992, the Ecuadorian *Pro Tempore* Secretariat of the Amazon Cooperation Treaty invited technical experts from many institutions to participate in an effort to prepare a proposal for harmonization of forest policy at the regional level in Amazonia. Representatives from all of the TCA member countries

participated and a proposal was developed and published in 1993.<sup>1</sup> In addition, the SPT-TCA has published various reports with the objective of promoting a more informed and rational debate at the regional and national levels about Amazonia, the challenges it faces, and how the challenges might be addressed.

Building upon the past work of the SPT-TCA, a series of informal, one-on-one consultations were initiated with institutions and individuals in all of the Amazon countries with the objective of beginning to identify key obstacles to increasing the sustainability of forest ecosystem management in the region. A wide range of interest groups was consulted including government policy makers, grassroots and research NGOs, indigenous peoples organizations, indigenous leaders, research and teaching institutions, advocacy groups, private sector industry federations, and donor and development agencies.

There seemed to be general agreement in the consultation process on many of the basic obstacles, such as problems with current policies and institutional structures, but there had been little agreement or success in developing means to address the problems.

The design and workplan for this project reflects the input received during the numerous consultations held in the region, and reviews from many individuals throughout the region. In addition, a planning workshop was held to bring together representatives from a range of interest groups from the Amazon countries to discuss and modify the draft workplan and to consider whether sufficient common interest existed to warrant program implementation. The workshop was organized with the local sponsorship of the Association of Amazonian Universities (UNAMAZ) and the FAO Project in Support of the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty, and international sponsorship from the World Resources Institute (WRI), the Center for International Forest Research (CIFOR), the German Federal Ministry for Economic Cooperation (BMZ), and the United States Forest Service (USFS).

The workshop, held in Santa Cruz de la Sierra, Bolivia in March 1994, marked the end of the project planning phase and the initiation of policy research, capacity building, and outreach activities. The workshop's Final Report is attached hereto as Annex 2.

The Regional Workshop to define Criteria and Indicators of Sustainability for Amazonian Forests in which senior representatives of Bolivia, Brazil, Colombia, Peru, Suriname and Venezuela agreed to a proposal for periodic assessment of their progress toward sustainability (described in the "Tarapoto Proposal" -- See Appendix 1), has set the ground for an intense and fruitful process of consultations and debate with far-reaching goals. The agreement established a basis upon which to develop capacity building, information dissemination, research and policy review to promote sustainable forest use at the national and regional levels.

## **B. Background**

The Amazon Basin is one of the world's most important regions in terms of its biodiversity and role in global carbon and water cycles. Regionally, it is an area that begs for multi-national and multi-stakeholder cooperative agreements to establish settlement patterns and resource use, as well as social and economic policies that are in the common interest. Locally, the region features complex policy issues,

---

<sup>1</sup>Propuesta de Políticas y Estrategias Regionales para el Aprovechamiento Sustentable de los Recursos Forestales de la Amazonia. SPT-TCA, 1993

including land tenure, rights of indigenous communities, and regulation of access to and benefits from genetic resources. At the same time, the countries of the Amazon Basin are confronted by serious challenges of poverty, meeting agricultural production goals, creating employment, satisfying domestic needs for basic raw materials (including forest products), and satisfying the energy demands of their growing economies.

Amazonia is estimated to be the home to approximately 22 million people, over 70% of which live in or on the edge of poverty. Demands for energy, food and industrial wood are large and growing, and take a heavy toll on the region's natural resources, in particular forests.

Considering small increases in per capita consumption and projected population growth, it is projected that national demand in the Amazon countries for industrial wood products will almost double between 1990 and 2015. This projection does not factor in policy makers' stated goals of increasing exports.

Demand for agricultural and farming products will also increase. Agricultural and farming commodities currently account for one third of export earnings for the economies of the Amazon countries. If exports are to be maintained, the growing population fed, and policy makers' goals to reduce basic food imports realized, a significant increase in the agricultural and farming sector productivity will be required.

Pressures outside the region and the creation of opportunities in Amazonia, albeit short-lived, have encouraged human migration to the Amazonian territories. The expansion of oil exploration in Ecuador, penetration roads in Peru and Colombia, and mining activities in Guyana have all facilitated unplanned colonization. In Brazil, incentives programs and occupation policies have also driven colonization. Much of the "problem" now faced "in" Amazonia can therefore be traced back to forces outside the region. This is particularly clear in the Andean countries which have witnessed a flood of migration to the Amazon frontier due to land scarcity and declining fertility in the Sierra.

Poverty, inadequate education levels and lack of technologies stand distinctly among adverse structural conditions which prevent efficient use of natural resources.

The economic and social pressures have resulted in the deforestation of large areas of native forest, converting them into relatively unproductive agricultural land and pasture which are often abandoned after a few years. Furthermore, the less favored sectors of the region are demanding for alternative development strategies to meet their needs.

Of the 7.25 million square kilometers of Amazonia, about 80% was historically covered by forest and the rest by other vegetation types such as natural savannas. While the actual amount deforested is debated and the percentage of which varies according to the definition method used, it is generally admitted that nearly 10% has been deforested. It is estimated that approximately 64% of the deforestation registered during the 1980s was due to conversion to agriculture and pasture, 20% to forestry activities, and 16% to other uses such as mining and hydroelectricity generation.

These activities, implemented to meet agricultural, forestry and energy needs of the Amazon region, as well as expand exports, have not produced the results expected, particularly in the forestry sector. Basically, appropriate forest management systems have not been implemented at all. Wood extraction and processing are extremely wasteful; a recent ITTO study for Ecuador measured wastage rates of up to 70% of the useable timber. Typically less than 10% of the useable timber is harvested due to market constraints, and in the process 40% of the standing trees are damaged due to use of inappropriate felling

techniques and equipment far inferior to those which could be employed given more training and investment. In addition, due to the high profits captured in this poorly regulated industry, logging companies have a strong incentive to exploit relatively isolated and previously inaccessible sites, especially where the most valuable export species are abundant. Access roads have facilitated the movement of colonists into these areas to establish shifting cultivation. Further, many of these areas have been purchased by larger land owners for extensive cattle ranching.

Over the past five to ten years there has been a shift in all of the Amazon countries with respect to legislation and institutional structures designed to promote "sustainable development" in the region. In practice, this shift has meant greater concern with environmental and social factors in development planning, as well as the recognition that emphasis on short-term needs can greatly reduce the options needed for achieving long-term development goals.

In Bolivia, the treatment of the environmental issue is characterized by the implementation of institutions which are responsible for environmental management and whose activities are enclosed within the lines and national policies identified by the Central Government, for which purpose the Ministry of Sustainable Development and Environment, recently created, presents actions for harmonizing the socioeconomic development with the preservation of natural resources, in order to generate sustainability capacity and raise the living standard of the population, as a legacy for future generations.

In this sense, the approved environmental legislation includes a series of provisions which governs natural resources use and management, in areas such as Environment, under Law 1333, which synthesizes and organizes the use of the parts which form the environment by introducing the concept of "integral management" thereof within the concept of sustainable development.

Said Law's Regulation considers aspects of Environmental Management, Prevention and Environmental Control, Atmosphere Contamination, Hydric Contamination and Activities with Hazardous Substances, which aspects are complemented by specific laws on Biodiversity, Wildlife, Forestation, National Parks, Hunting and Fishing, as well as by complementary actions, such as the Plan for Soil Use and the Territorial Regulation Program.

In Brazil, the actions of the Federal Government in the area of Environment are defined and implemented by the Ministry of Environment, Hydric Resources and Amazonian Legal Affairs, which has consolidated national priorities in the "Integrated National Policy for Amazonian Legal Affairs". The major objective of said policy is to raise the living standard of the population thanks to sustainable economic growth, to fully use natural and cultural potentials, to deepen the subject and to better distribute wealth. To this effect, institutional strengthening is vital, at local level, as well as the definition of integrating actions, at regional level. Brazilian 1988 Constitution recognizes the importance to include the environmental issue on the discussions on development and the country's environmental legislation is very comprehensive in terms of protection and conservation of natural resources.

The G-7 is financing a pilot program in the Brazilian Amazonia to reduce deforestation, including projects to strengthen extraction reserves, indigenous areas, national forests, research centers, the Ministry of Environment, Hydric Resources and Amazonian Legal Affairs and the statutory organisms on Environment. Loans are being granted by the World Bank to the States of Rondonia and Mato Grosso for agricultural and farming development, preservation of forest resources and strengthening of local institutions.

The Government of Colombia has also restructured its administration, by creating an Environmental Ministry and simplifying the relationship between national and local governments for the formulation of environmental policies. Presently, no forest concessions in the Amazon Region are being offered by the Government of Colombia. The Colombian 1989 Constitution took a significant step in providing the transformation of approximately half of the national Amazon territory into semiautonomous indigenous areas.

Within this context, the government's institutions and regulating mechanisms have been reinforced by its broad social policy, aimed at attaining sustainable development of the environment by encouraging crop substitution programs and the preservation of the ecosystem. Additionally, an environmental legislation has been incorporated for exploration and exploitation activities of mineral resources and oil, which policies require the cooperation of multilateral and financing organisms.

In Ecuador, a national project on environmental planning was implemented in order to develop a plan to reduce the environmental impact of the country's development activities. This effort shall be led by a recently created environmental agency, which shall be responsible for identifying development limitations in Amazonia and promoting promissory alternate uses of the soil.

In Guyana, the administration has committed itself to restructuring, by giving the highest possible priority to the area of the environment. This has manifested itself in the formation of a National Environmental Protection Agency, which would be guided by a National Environment Action Plan. An integral part of that plan is the sustainable use of the country's natural resources, particularly its forestry and bio-diversity resources. Legislatively, Guyana is in the process of considering a comprehensive package of legislation on the environment which would, in large measure, correct the present legislative deficiencies which exist in the area of the environment.

In Peru, the Political Constitution as approved by the 1993 National Referendum, provides under Chapter II, Article 69, that the State shall promote sustainable development of the Amazon Region with an appropriate legislation. The use and preservation of the resources which make up the national ecosystem are conveniently regulated by a series of specialized provisions. Moreover, the Central Government, Regional Governments and the civil society entities jointly collaborate in this task. The national environment policy is established by the State through the National Environment Council - CONAM. Natural resources, both renewable and non-renewable, are considered as the Nation's patrimony. The State has sovereignty on the use of its resources and must promote the conservation of biological diversity and natural protected areas.

The National Institute of Natural Resources -INRENA- in accordance with its applicable regulations, is responsible for acting as National Coordinator of the Regional Project "Action for a Sustainable Amazonia".

The Government of Venezuela has established a number of legal and institutional changes since 1989 in order to implement a unique policy for the State of Amazonas. This includes the establishment of an Autonomous Service for the Environmental Development of the Territory of Amazonas, which has created an innovative working relationship with the State's population, being greatly indigenous. Additionally, it has established the Amazon Environmental Research Center "Alexander von Humboldt" and has declared the world's largest biosphere reserve, which comprises 49% of the State (8,9 million hectares) and is jointly managed by its indigenous inhabitants.

Over the past five to ten years there has been a shift in all of the Amazon countries with respect to legislation and institutional structures designed to promote "sustainable development" in the region. In practice, this shift has meant greater concern with environmental and social factors in development planning, as well as the recognition that emphasis on short-term needs can greatly reduce the options needed for achieving long-term development goals.

In addition to these many governmental initiatives, there has been a multiplication of grassroots initiatives to promote more sustainable resource use in the region.\* These efforts are being established by local associations, indigenous communities, rural unions, small and large private business, and many other non-governmental groups, as well as by local government agencies, often at the municipal level.

The various indicators of the growing receptivity among senior policy makers, civil society, and development agencies worldwide to explore possibilities of seeking alternative directions for meeting the needs of the Amazon countries justify renewed effort to promote revision of perspectives and strategies for the region. The countries are, however, in the process of developing long-term development and conservation strategies for their national Amazon territories. The long-term planning, accompanied by investment in appropriate activities, institutional strengthening, and training, shall contribute to stop environmental degradation, reduce poverty indexes and, most importantly, promote the identification process of joint work for sustainable development.

Recent studies have shown that there is significant potential for implementing economic development based upon the use of forest resources in Amazonia compatible with conservation of the resource base.\* However, the wider implementation of promising resource management systems require appropriate policies and laws. These shall contribute on a short-term basis to the decision-adoption process and, on a long-term basis, to alleviate natural degradation, as well as to encourage investment by means of appropriate mechanisms in alternate production systems and the necessary support institutions.

### C. Project Objectives

The objectives of this project are to:

— Engage all ACT Member Countries interested in discussion on sustainable development for the Amazonia.

— Help develop the capacity of local, national and regional institutions to lead the Amazon countries toward sustainability.

---

\* The Pro Tempore Secretariat of the Amazon Cooperation Treaty is in the process of publishing a ground-breaking series of technical reports with inventories and analyses of projects and investments in each of the eight national Amazon territories. These reports document the tremendous array of initiatives underway.

\* See for example, *Seminário Internacional sobre Meio Ambiente, Pobreza e Desenvolvimento da Amazonia (SIMDAMAZONIA)*. Governo do Estado do Pará & Secretaria de Estado de Ciência, Tecnologia e Meio Ambiente, 1992, and A. Anderson (Ed.), *Alternatives to Deforestation: Steps toward sustainable use of the Amazon Rain Forest*. Colombia University Press, New York, 1990

Prepare for implementation of specific actions identified as priorities to promote sustainability in Amazonia.

Provide the Amazon countries with financial and technical support for immediate follow-up of the criteria and indicators on sustainability of the Amazon Forest, as contained in the "Talapoto Proposal."

#### **D. Activity Description**

Three sets of activities now form the core of this project: national consultations and policy reviews, regional task forces, and capacity building for sustainable development. These activities are described below.

##### **a. National Consultations and Policy Reviews**

Two sets of activities are proposed in each country:

First, assessment of the legal framework for environmental management and suggestions for its updating; and

Second, identification of initiatives and affairs of national priority through case studies based upon specific information on each location, collected through local participation, which will help to verify and illustrate the particular topics which are considered of priority.

As a reference, the work methodology for each country could be as follows:

The national policy reviews will be implemented by the national-level coordinating agency. The National Coordinator will also:

- 1) facilitate and encourage the participation of other governmental and non-governmental institutions to collaborate in the overall execution of the project and review project materials;
- 2) develop and implement a national outreach strategy to disseminate the activities and products of the project; and,
- 3) convene a National Group composed of institutions to be determined by the Government of each Member Country.

##### **b. Regional Task Forces**

The national policy reviews will be augmented and complemented by the work of three regional task forces (each with 8-12 expert members), which will examine, on a case by case basis and according to national priorities, strategically chosen and technically complex topics, as well as those of common interest to all Amazon countries. The task forces will be led by technical experts from the Amazon countries.

The three task forces will focus on:

## **1. Development of a sustainability assessment method**

The primary objective of this task force is to develop an easy-to-use tool or set of tools for assessing the contribution of local initiatives to sustainable development. The tool will be presented in the form of an easy-to-use manual, and published in English, Spanish, and Portuguese.

Work of the task force will include reviewing existing tools, and developing a new decision-making tool that will integrate ecological, economic, and social criteria and can be used to establish principles and guidelines to orient future investments. The method will cover the whole project cycle, uniting ex-ante and ex-post analysis to provide guidance to local planners, project designers, governmental officials, and others on how to determine whether or not a proposal for conservation, forestry, agricultural, livestock, infrastructure, or other project holds promise for ecological, social/cultural, and economic sustainability, and how to plan projects accordingly.

## **2. Trade policy and sustainability.**

As the hemisphere moves ever closer to complete removal of trade barriers an area that has received relatively little local attention is the relation between shifts in trade policy and efforts to implement Agenda 21 and related sustainability objectives. The task force will explore the potential implications of the creation of ecologically-oriented mechanisms of labelling exports of the ACT Member Countries, as well as the implications of environmental policies, norms and regulations of OCDE countries. Moreover, it will review the environmental and commercial impact on the Amazonia of the commercial provisions contained in the Multilateral Environmental Agreements (AAM).

## **3. Infrastructure development.**

This task force will develop a series of policy recommendations aimed at maximizing the benefits and minimizing the negative impacts of infrastructure development, particularly highway construction.

Policy analysis will draw upon experiences in Amazonia and other parts of the world to identify a set of measures and formulate the policy recommendations and minimal institutional needs for their implementation.

## **C. Capacity Building for Sustainable Development**

A specially important objective of this project is to strengthen the capacity of regional institutions to develop and implement policies for sustainable management of forest ecosystems in the Amazonia.

### ***Pro Tempore* Secretariat of the Amazon Cooperation Treaty**

The institutional capacity of key institutions, such as State entities and the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty and its Special Commissions of the Amazon Region, including their own projects, activities and networks, will be strengthened, among others, through the following actions:

- 1) active participation in all stages of project development;
- 2) oversight of execution of case studies including case study design, use of field tools, analysis, compilation, and presentation of the results;
- 3) participation in a developing network of groups in different Amazon countries working together to implement the project; and,
- 4) greater harmonization, or at least compatibility of approach and understanding, between different groups.

As the lead project implementing agency, the *Pro Tempore* Secretariat will be strengthened in such key areas as policy analysis, data collection and storage, outreach, dissemination of results and information, and project design.

#### **Other Institutions**

Under the coordination of the *Pro Tempore* Secretariat, specific activities have been designed to strengthen the capacities of other institutions in particular areas. These are described below.

#### **Association of Amazonian Universities (UNAMAZ)**

UNAMAZ has traditionally not been a strong player in policy debates on key Amazon issues. Through its participation in project management, the institution will become more aware of the importance of the policy dialogue and debate. A process of debate among UNAMAZ members, including a regional workshop, will be promoted to redesign regional research and teaching policies such that they better address key policy issues.

#### **Amazonian Business Coordination for Sustainable Development**

For Latin America as a whole and some of the region's countries (Colombia, Bolivia and Brazil), there are well-formed business associations whose members promote investment in more sustainable enterprises. At the regional level of Amazonia, however, there has not yet been a coordinated effort among business leaders to promote a more responsible set of business policies for sustainable development.

A regional workshop for business leaders in Iquitos, Peru (co-hosted by Peru's National Chamber of Commerce) will be convened with the following objectives:

To illustrate, through a set of prepared case studies, that investments in sustainable activities can be highly attractive commercial ventures.

To identify areas of consensus among private sector representatives as to key policy shifts needed in the Amazon countries to promote greater private investment in sustainability of economic activities in the Amazon Region.

Prior to the workshop, case studies of promising private sector initiatives will be prepared,

together with overviews for each country of national policies which create incentives and disincentives to such investment.

Commercial representatives of the Amazon Region will be identified and a work forum will be created, in an effort to integrate them to productive activities.

#### Amazon Electronic Communication Network

Efficient implementation of a project of this type can be achieved only through use of modern communications systems, particularly electronic mail and related tools. A key component of the project's capacity building focus is therefore the strengthening of the electronic communications network of the key implementing institutions. Greater use of e-mail and associated tools will also help to reduce costs of project implementation, for this initiative as well as others.

Communications networking will be improved with assistance from a group of regional experts qualified entities which will be identified by the Program Coordinating Group.

#### Regional Parliaments

A series of national workshops with parliamentarians or legislators in each of the Amazon countries shall be carried out, followed by a regional workshop, in order to exchange points of view, information and experiences on national legislations for sustainable development in each country and regionally.

#### Workshops

A series of workshops, meetings and forums shall be convened during the entire project in order to spread the project and its specific products.

Before publishing the document Bases for Action for the Amazonia, a regional workshop will be convened in order to encourage broad participation in reviewing the draft thereof. Participants will consist in national work teams and other groups invited by the Governments, including experts from the region and representatives of the project's target public, such as advisors and policy-makers of the local and national government, authorities on duty and appointed, indigenous communities, NGO's, business leaders, and representatives of international donor organizations.

### **E. Maximizing Participation and Transparency**

At the regional level, the project is to be coordinated by the Program Coordinating Group, led by the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty, with the coordinating institutions from each of the Amazon countries. Other regional organizations and international cooperating institutions would also participate in providing technical support as established by the Member Countries.

In each country, the National Coordinator institutions will convene representatives from the cross-section of interests to participate as members of the National Groups.

The implementation of an electronic communication network for the Amazon region its use for project management will help to establish an open and transparent form of project administration and participation.

## **F. Outputs**

The outputs of the project are designed to strengthen the sustainability criteria and indicators of the Amazon ecosystem and related policy goals of the ACT Member Countries.

The regional and national policy analyses and proposals, case studies, and task force reports will be synthesized into a major report to be entitled Bases on an Action for the Amazonia. The report will highlight the priority actions needed for promoting sustainable forest ecosystem management in Amazonia, and will be widely circulated throughout the region in English, Portuguese, and Spanish language versions. A brief "Policy makers Guide" will also accompany the main report. In addition, a "Sourcebook," providing greater detail from the case studies and policy reviews, will also be published for more limited circulation to a technical audience.

The findings of the task force on sustainability assessment methods will be published in the form of a user-friendly manual for use by local planners and others, and will be periodically updated and refined.

The most important product of the project will be foundations upon which to build further actions and activities designed to promote the implementation of the findings and conclusions. Expected actions would together contribute to meeting the socio-economic needs of the inhabitants of the Amazon countries and reduction in loss of forest cover and biodiversity. They include:

Technical refinement and adoption by the Amazon countries of the Tarapoto Proposal for Criteria and Indicators of Sustainability of Amazonian Forests. This will facilitate further regional analysis of opportunities for harmonizing policy among the Amazon countries.

Definition and adoption by leaders in the private sectors of the Amazon countries of corporate investment guidelines to promote sustainability.

Periodical adaptation of national policies to the objectives identified by the Member Countries.

Greater communication among and between the various interest groups, facilitating consensus building on key policy issues

Strengthened capacity of regional and national, public and private institutions to analyze policy, engage in debate, disseminate information and promote options for sustainability in Amazonia.

Greater cooperation among and between the Amazon countries in order to encourage sustainability and harmonize their points of view in international debates on forestry and biodiversity policies, including joint research and training programs, and creation of combined institutions.

Presentation to international cooperation institutions of joint programs of the Amazon countries for improvement of institutional capacities and investment in sustainable development.

Orientation to programmes of private sector for investment in sustainable industries in the Amazon region and development of innovating financial mechanisms.

Greater harmonization in the sustainable development of the Amazon region.

### **G. Long-term Project Results**

There are several important long-term results expected from this project. First, the project will put in place a set of national processes of participatory policy review, with the aim of laying the foundation for continued participatory policy development in the region.

Also, the project should result in increased donor support for the implementation of an Bases on Action for Amazonia which will present a series of priorities for investment and donor focus, developed by and built upon a more consensual process of analysis, dialogue, and discussion throughout the region than has been seen to date. Such priorities, if seriously addressed, are more likely to result in significant reductions in biodiversity loss, deforestation, and related trends than priorities prepared in a more traditional, less participatory manner.

### **H. Follow-Up Activities and Programs**

Prior to implementation of the project it is difficult to specify follow-up activities as this will depend upon the interests of the various government, as well as the evolving political, economic and social context. Tentatively, it is expected that this initiative will lead to greater preparedness for a number of actions that would further contribute to reducing rates of biodiversity loss and deforestation and meeting the socio-economic needs of the inhabitants of the Amazon countries.

The Pro Tempore Secretariat could prepare, in consultation with the Member Countries a scheme draft to provide the project with a Follow-Up Fund in order to ensure continuity and deepening thereof as well as a greater development of specific actions which have been identified by the ACT Member Countries during the first stages of the execution of the project.

### **I. Justification for GEF Support**

GEF support is essential for funding of the project, which is distinct due both to its various groundbreaking characteristics and the cost of implementing activities simultaneously in all eight countries.

Some of these characteristics include:

The project addresses critical environmental issues of biodiversity loss and global warming;

It utilizes an innovative multi-stakeholder approach, including extensive national participation in project design, consensus building methods, and community participation and academic fora;

It devotes special attention to private sector involvement;

Regional dimensions of cooperation and shared interests are addressed;

The project aims to develop a long-term strategy to address the root causes of environmental

degradation in the region; and,

It aims to have a long-term impact by promoting institution building and sustainable processes.

#### **J. Analysis of Complementarity to the Existing GEF Regional Amazonia Project and other Initiatives.**

The effort of the *Pro Tempore* Secretariat to inventory existing initiatives to promote sustainable development in Amazonia has identified over 2,000 activities in implementation or completed. A clear priority is bring some coherence to this extensive experience, learn from mistakes and successes and build upon this history to identify priorities for future investment and policy. This project, drawing upon the data base of the *Pro Tempore* Secretariat and other sources of information, in conjunction with up-to-date policy reviews, will provide the "umbrella" for past and ongoing efforts and build a consensus-based route map to sustainability for the region.

The execution of the project seeks to complement other existing projects strengthening reciprocally the efficiency of each one.

This proposal complements the ongoing GEF programme (projects RLA/92/G31/G32/G33), and projects implemented by FAO, the G7 and others, in the following ways:

Focuses on policy, identifying the obstacles, opportunities, and needed reforms within the broad range of policies which affect attainment of sustainability.

Includes in-depth research in some key complementary issues including sustainability assessment, trade policy, and infrastructure and provides assistance for the implementation of policies.

Strengthens institutional capacities, particularly in the areas of national and regional policies.

#### **K. Timetable**

December-January 1996:	Establishment of regional and national partnership agreements.
January 1996:	Constitution of Program Coordinating Group, to meet each 6 months.
January-May 1996:	Creation of National Working Groups for implementation of activities.
September 1996:	Workshop for discussion of draft Sustainable Assessment Method manual.
January 1997:	Publication of assessment method manual.
May 1997:	Workshop to discuss draft report and Action Agenda.

- May-October 1997:** Consultation and preparation of final draft and publication of report.
- November-December 1997:** Launch of report and outreach in the Amazon countries and internationally.
- January 1998 onwards:** Start of follow-up.

### **Technical Support for Project Implementation**

Technical support for project implementation will be provided primarily by the United Nations Development Programme. Other international organisations and institutions could support the implementation of the project.

### **2-Year Project Budget**

The total costs for the project over the next two years are approximately \$3.8 million. A detailed budget is attached as Appendix 3.

COUNTRY : Regional Latin America | DATE PRINTED: 31/08/95 | PAGE 1 |

PROJECT NUMBER : RLA/95/G32/A/95/99 | SHADOW BUDGET | LAST REV: 31/08/95 |

PROJECT TITLE : Action for a Sustainable Amazonia

PROJECT BUDGET COVERING UNDP CONTRIBUTION (in U.S. dollars)

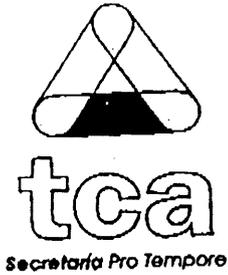
PROJECT COMPONENTS	TOTAL AMT	1995 AMT	1996 AMT	1997 AMT
	M/M	M/M	M/M	M/M
*010 PROJECT PERSONNEL				
*11 Experts:				
011-001 Regional Coordinator	240,000		120,000	120,000
	24.0		12.0	12.0
011-002 International Experts	128,000		64,000	64,000
	16.0		8.0	8.0
011-051 National Coordinators (7)	504,000		252,000	252,000
	168.0		84.0	84.0
011-052 National Consultants	114,000	6,000	54,000	54,000
	76.0	4.0	36.0	36.0
11-99 Subtotal (*)	986,000	6,000	490,000	490,000
	284.0	4.0	140.0	140.0
*13 Admin support personnel:				
13-001 Administrative Support	120,000		60,000	60,000
13-99 Subtotal (*)	120,000		60,000	60,000
*15 Official travel:				
015-001 Official Travel	72,000	2,000	35,000	35,000
15-99 Subtotal (*)	72,000	2,000	35,000	35,000
*16 Mission costs:				
016-001 Mission Costs	52,000	2,000	26,000	24,000
16-99 Subtotal (*)	52,000	2,000	26,000	24,000
019 COMPONENT TOTAL (**)	1,230,000	10,000	611,000	609,000
	284.0	4.0	140.0	140.0
*020 SUBCONTRACTS				
021 001 National subcontracts	600,000		300,000	300,000

COUNTRY	: Regional Latin America	DATE PRINTED:	31/08/95	PAGE	2
PROJECT NUMBER	: RLA/95/G32/A/95/99	SHADOW BUDGET		LAST REV:	31/08/95
PROJECT TITLE	: Action for a Sustainable Amazonia				

PROJECT BUDGET COVERING UNDP CONTRIBUTION (in U.S. dollars)

PROJECT COMPONENTS	TOTAL AMT	1995 AMT	1996 AMT	1997 AMT
	M/M	M/M	M/M	M/M
021 051 SPT/ACT	460,000		230,000	230,000
021 052 International Subcontracts	84,000		42,000	42,000
029 COMPONENT TOTAL (**)	1,144,000		572,000	572,000
*030 TRAINING				
032 001 TRAINING	90,000		45,000	45,000
034 001 National Working Groups	270,000		135,000	135,000
034 002 Regional Workshop	240,000		120,000	120,000
034 004 SUBREGIONAL WORKSHOP	170,000	14,000	78,000	78,000
039 COMPONENT TOTAL (**)	770,000	14,000	378,000	378,000
*040 EQUIPMENT				
041 001 EXPENDABLE EQUIPMENT	30,800	800	15,000	15,000
042 001 Non-expendable equipment	460,000		230,000	230,000
049 COMPONENT TOTAL (**)	490,800	800	245,000	245,000
*050 MISCELLANEOUS				
052 001 Reports	84,000		42,000	42,000
053 001 Sundries	3,176		1,588	1,588
054 001 Support Costs	115,024	744	57,180	57,100
059 COMPONENT TOTAL (**)	202,200	744	100,768	100,688
099 BUDGET TYPE TOTAL (***)	3,837,000	25,544	1,906,768	1,904,688
	284.0	4.0	140.0	140.0
999 UNDP TOTAL (***)	3,837,000	25,544	1,906,768	1,904,688
	284.0	4.0	140.0	140.0





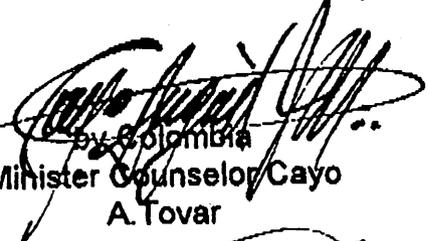
FINAL MINUTES  
OF THE TECHNICAL-DIPLOMATIC MEETING ON THE REGIONAL PROJECT  
"ACTION FOR A SUSTAINABLE AMAZONIA"

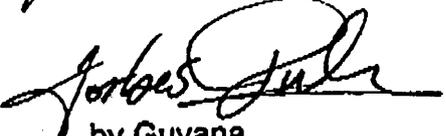
On August 29, 1995, in the City of Lima, at the Head Office of the *Pro Tempore* Secretariat of the Amazon Cooperation Treaty, the Technical-Diplomatic Meeting called by the Secretariat was held in order to adopt the final version of the project "Action for a Sustainable Amazonia", to be presented for financing of the Global Environment Facility (GEF).

Upon conclusion of the working meeting, the government representatives of the Member Countries of the Amazon Cooperation Treaty simultaneously agreed to highlight the significance of the said regional project and proceeded to approve the version of the said project which is attached hereto.

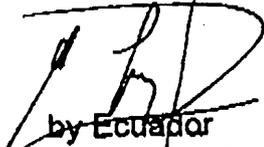
In witness whereof, this Minutes was duly subscribed on August 29, 1995.

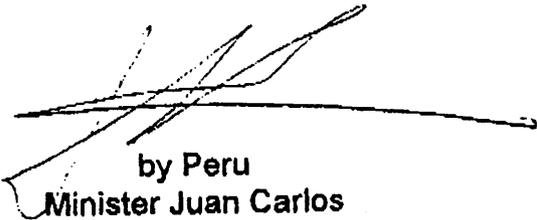
  
by Bolivia  
Counselor Guillermo Romero

  
by Colombia  
Minister Counselor Cayo A. Tovar

  
by Guyana  
Mr. Forbes July

  
by Brasil  
Minister Eduardo da Costa Farias

  
by Ecuador  
Minister Alejandro Suárez

  
by Peru  
Minister Juan Carlos Capuñay

  
by Venezuela  
Minister Counselor Alida Rodríguez

