

PROPOSAL FOR REVIEW  
GLOBAL ENVIRONMENT FACILITY

PROJECT TITLE:

URUGUAY: CONSOLIDATION OF THE BAÑADOS  
DEL ESTE BIOSPHERE RESERVE

GEF FOCAL AREA:

Biodiversity

COUNTRY ELIGIBILITY:

CBD Ratification - 5/1/93

TOTAL PROJECT COSTS:

US\$ 3.72 million

GEF FINANCING:

US\$ 2.50 million

COUNTERPART FINANCING:

US\$ 0.34 million (cash)  
US\$ 0.50 million (in-kind)

CO-FINANCING

US\$0.36 million (Government of Spain)  
US\$0.02 million (Government of Canada)

GEF IMPLEMENTING AGENCY:

UNDP

EXECUTING AGENCY

Programme for the Sustainable Development  
and Conservation of Biodiversity of the  
Baños del Este Biosphere Reserve  
(PROBIDES), a consortium of the Ministry of  
Housing, Territorial Regulation, and  
Environment, the University of the Republic,  
and the Government of the Department of  
Rocha

ESTIMATED STARTING DATE:

July 1997

PROJECT DURATION:

Three years

GEF PREPARATION COSTS:

None

## A. PROJECT INTRODUCTION

1. All 328 Biosphere Reserves in UNESCO's Man and the Biosphere programme consist of core areas of high biodiversity value protected by buffer zones - where land-use is regulated for minimum impact on the core area's biodiversity - and broader transition zones of less regulated use. Biosphere Reserves are not meant to be parks, but rather productive landscapes managed for both biodiversity conservation and economic development. It recognizes that the unit to be managed for conservation is more appropriately the landscape and not an isolated protected area subject to increasing or constant pressures from adjacent areas.
2. The 350,000 ha Bañados del Este Biosphere Reserve consists of a complex mosaic of different habitats ranging from coastal dunes to interior wetlands and palm woodlands. 95 % of the land is under private ownership with different varieties and intensities of use, while government lands are dispersed in areas of different sizes throughout this matrix. Some of Uruguay's most dynamic and important economic activities occur in the Reserve: rice cultivation, cattle and sheep raising, and, to an ever increasing degree, tourism. Cattle and sheep raising represent the most important economic activity in Uruguay, and rice production represents the third largest source of Uruguay's foreign exchange. With public ownership of land in the Reserve at around 5%, public areas available for protection are in themselves insufficient to guarantee conservation of the area's biodiversity.
3. A productive landscape - managed for biodiversity conservation together with economic development - will require the integration of biodiversity conservation principles into sectoral planning, management and regulation (biodiversity overlay on productive sector activities) under the framework of a comprehensive land-use plan supported by local stakeholders.
4. The strategy required to modify land use is complex. Activities include building agreement among stakeholders to agree to modify their land use practices; identification of alternative land-use practices; policy and legislative reform to provide an enabling environment for implementation of these changes; strengthening of the technical, managerial and administrative capacities of institutions and stakeholder groups to support or implement new land-use practices; and provision of the necessary technical assistance and investment inputs.
5. For these activities to be successful, they require investing substantial time and effort in preparation (i.e., phase one), so they can be implemented with an adaptive, stakeholder-driven approach (phase two). Preparatory activities include the establishment of a comprehensive baseline of information on socio-economic, ecological, institutional and political factors influencing land-use in the buffer and transition zones; building the technical and managerial capacities of the institutions or organizations responsible for promoting land-use changes in different sectors; involving often socio-economically disparate local stakeholders in a consensus-based process of analysis and planning; preparing policy analyses and legislative proposals and presentation to official counterparts for approval; experimentation with alternative land-uses to identify the most effective or feasible ones for implementation; identifying and mobilizing financing to implement new practices; and building public awareness at a broader scale to generate long-term political support the implementation of these land-use changes.

6. In 1992, the Government of Uruguay created the *Programme for the Sustainable Development and Conservation of Biodiversity of the Bañados del Este Biosphere Reserve (PROBIDES)*, as a consortium of the Ministry of Housing, Territorial Regulation, and Environment; The University of the Republic; and the Government of the Department of Rocha, where the Bañados del Este Biosphere Reserve is located. PROBIDES is comprised of a small but highly effective multi-disciplinary team located within the project area in the capital of the Department of Rocha. PROBIDES received a GEF grant (URU/92/G31)<sup>1</sup> in 1992 which allowed it to begin operations.

7. Over the past three years, PROBIDES gathered significant baseline information on the biodiversity, socio-economic composition, economy and policy framework of the Biosphere Reserve. This allowed it to zone the Reserve for protected areas and buffer and transition zones; develop draft land-use and hydrological management plans in consultation with local stakeholders - including the Ministry of Agriculture - as well as a draft National Protected Areas Law - currently under discussion in the Uruguayan Senate - initiate private protected areas with landholders and NGOs; identify potential alternative uses for habitat and species; and build the awareness, knowledge and capacities of a broad range of local stakeholders through innovative non-formal and formal educational activities (see Annex I). These correspond to the phase one activities described in paragraph 5 above.

8. Recent independent evaluations have highlighted PROBIDES' "significant advances toward the conservation of biodiversity" and its role as "a model for future conservation activities in Uruguay."<sup>2,3</sup> The Final Project Evaluation points out that "*PROBIDES is at a turning point;*" With baseline products and experience of the Pilot Phase, PROBIDES "*is now poised to effectively address the key issues required for the conservation of the region's biodiversity*" or phase two, as described in paragraph 4, above.

9. The GEF project proposed here will consolidate the successful biodiversity conservation activities of the *Programme for the Sustainable Development and Conservation of Biodiversity of the Bañados del Este Biosphere Reserve (PROBIDES)*. It will finalize some of those previous activities that are still necessary (e.g., further identification or refinement of biodiversity friendly resource uses and non-traditional alternatives, building capacities of private sector and NGOs to manage protected areas and implement or facilitate biodiversity friendly land uses), and will finalize others (e.g., the Protected Area Law Proposal, the draft Land-Use Plan and Hydrological Plan for the Region integrated into a Comprehensive Plan). New activities in this proposal will concentrate on achieving the sustainability of the conservation efforts successfully initiated during the pilot phase; examples of these are the identification for approval of incentives and regulations to motivate landholders to adopt biodiversity friendly land-use practices; identification for approval of economic instruments to capitalize a Sustainable Uses Trust Fund for Biodiversity Conservation;

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<sup>1</sup> Global Environment Facility. 1992. Uruguay: Conservation of Biodiversity in the Eastern Wetlands. GEF Project Document.

<sup>2</sup> Davidson, I. 1997. GEF Project Evaluation. Conservation of Biodiversity in the Eastern Wetlands of Uruguay.

<sup>3</sup> Canevari, P., T. Crisman, and R. Sales. 1995. Informe Final. Misión Internacional de Evaluación al Proyecto URU/92/G31, Programa de Conservación de la Biodiversidad en los Humedales del Este.

development of specific biodiversity-related curricula for primary through University and teacher training; and the participatory development of an ecotourism strategy aimed at generating an economic and political base conducive to overall support of the goals of the Biosphere Reserve.

10. The project will be implemented in two stages: in the first stage, the policy and legal framework will be finalized to ensure conservation and the adoption of biodiversity friendly land-use practices (see Objectives 1 and 2 below). With presentation and approval of this enabling framework by government, the remainder of the project's activities will be implemented (see Objectives 3-6).

## B. COUNTRY AND SECTOR BACKGROUND AND CONTEXT

10. The Bañados del Este Biosphere Reserve - comprising approximately 350,000 ha - contains one of the most important freshwater ecosystem complexes of the Neotropical region<sup>5</sup>, including a mosaic of mudflats, coastal dunes and restinga habitats<sup>6</sup>, estuaries, rivers, coastal wetlands, coastal lagoons (both freshwater and salty), inland marshes, palm swamps, grasslands, and riparian habitats<sup>7</sup>.

11. The diversity of habitats and the complex array of transitional areas produce excellent conditions for the existence of a very rich biological diversity measured in terms of both alpha and beta diversity. The coastal lagoons in the area differ among themselves in their morphology as a consequence of their different degrees of lacustrine evolution and the varying dynamics of ocean influences determined by the existence (or lack thereof), and size of connections to the sea. The high productivity of these water-dominated ecosystems supports large populations of wildlife, especially birds, mammals, and fish, as well as unique plant communities, such as the palm woodlands.

12. Bañados del Este is also an important migratory stop-over area for migratory birds, including 19 species of shorebirds (Charadriidae and Scolopacidae) and 21 species of waterfowl (Anatidae). Many of these species breed in the high Arctic and depend on Bañados del Este to complete annual migrations or for overwintering (some of these species complete round-trip migrations of over 24,000 kilometers annually). For example, the area hosts 78% of the total Atlantic flyway of the Golden Plover (*Pluvialis dominica*). Other migratory species for which these habitats are critical

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<sup>5</sup>Although Uruguay does not appear prominently among global conservation priorities determined from the terrestrial perspective of Dinerstein et al., recent studies of conservation priorities from a freshwater perspective increase Uruguay's importance as a global conservation priority. These studies include: Wetlands International, UNEP, USAID, and WWF (In press). An Assessment of the Wetlands of South America; and World Wildlife Fund (In preparation). Conservation Priorities of Freshwater Ecosystems in the Latin America and the Caribbean Region. This latter study is a follow-up to the Dinerstein et al. study.

<sup>6</sup> Globally outstanding ecoregions as defined by Dinerstein et al. (1995). A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean. World Wildlife Fund and The World Bank.

<sup>7</sup> Rilla, F. 1993. Humedales del sureste del Uruguay: Situacion Actual y Perspectivas. ICONA, Madrid.

include the Black-Bellied Plover (*Pluvialis squatarola*, 58% of the flyway); and the Ruddy Turnstone (*Arenaria interpres*, 28% of the flyway).

13. Rocky coastal habitats in Bañados del Este provide food and shelter for the migratory Magellan Penguin (*Spheniscus magellanicus*), as well as for seals and sea lions (approximately 280,000 individuals). Bañados del Este hosts the largest concentrations of the Black-necked Swans (*Cygnus melanocoryphus*) in the world. The coastal area includes several globally endangered endemic communities and species: endemic fish species of the genus *Cynolebias*.

14. Bañados del Este includes endangered habitats of the globally outstanding restinga ecoregion - which serves as a critical roosting and feeding habitat for migratory shorebirds - including an endemic plant community containing a rare Gymnosperm (*Ephedra tweediana*) and several unique invertebrate communities; the Butiá Palm (*Butia capitata*), the basis of an endemic community extending over 70,000 ha; a Quillwort Fern (*Isoetes weberi*); and the Darwin Toad (*Melanophryniscus montevidensis*). Among species of limited distribution are the Pampas Deer (*Ozotoceros bezoarticus*); and the Saffron-Cowled Blackbird (*Agelaius flavus*).

15. The global importance of the area has been internationally recognized. Bañados del Este has been accredited as a Biosphere Reserve by UNESCO; a Wetland of International Importance by the Ramsar Convention; and is under consideration by the Western Hemisphere Shorebird Reserve Network (WHSRN) as a site of Hemispheric Importance for migratory shorebirds. The Biosphere Reserve status recognizes the need to balance biodiversity conservation with human economic use. The Ramsar Convention designation recognizes the international importance of these wetlands for both nature and humans. Finally, a WHSRN designation will recognize Bañados del Este as a crucial link in the migratory chain of sites of hemispheric importance for migratory shorebird species.

16. These noteworthy international designations are therefore a recognition of the area's importance for biodiversity. But the area covered by the Biosphere Reserve is also of high importance for the economic development of Uruguay, and hence the need to balance its conservation with economic development. More than 95% of the land is privately owned, and is the site for some of the most important economic activities for Uruguay as a whole; these include rice cultivation, plantation forestry, and cattle ranching. This reality of the area's current patterns of land ownership and usage calls for a complex conservation approach that goes beyond the simple establishment of protected areas. Bañados del Este cannot become a park from which people are excluded. Rather the challenge is how to maintain the globally significant biodiversity of the area while it undergoes an inevitable process of economic development.

17. Economic activities vary in their intensity and extensiveness, occurring across a heterogeneous pattern of landholdings superimposed on the complex mosaic of natural habitats. These include:

- - *Rice cultivation*. Former government policies encouraged the transformation of wetlands into rice fields. As a consequence, Uruguay is the 7th producer of rice in the world, and rice represents the third source of its foreign exchange. Rice expansion has resulted in the loss of

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<sup>8</sup> Davidson, I. 1997. GEF Project Evaluation. Conservation of Biodiversity in the Eastern Wetlands of Uruguay.

original wetlands from direct dissection, as well as from changes to the hydrological regime due to irrigation. Habitat degradation resulting from pollution is an additional concern, although serious contamination seems to be localized and not widespread. Measures are needed to make rice cultivation fully compatible with the goals of the Biosphere Reserve; for example, rice growers in the Central Valley of California receive fiscal incentives to adopt land-use practices which protect habitat for migratory birds..

- - *Coastal tourism expansion.* The coast of Uruguay is endowed with some of the most attractive beaches in the world. Not surprisingly, there are several important tourist destinations, such as world famous Punta del Este, a Cancún-style coastal mega-development. The coast of the Department of Rocha within the project area (approximately 200 km) has been less affected by this type of development, although most of it is currently being affected by disorganized and in many cases illegal construction. The main consequence of this type of tourism is a 10-fold surge in population during the summer months within the area, with the corresponding contamination and increased pressure on many natural habitats. Many coastal constructions have appeared without the benefit of a regional master plan, and are affecting important breeding and resting areas for a variety of species. Future coastal development, if carried out in the absence of a regional master plan integrating land-use and biodiversity conservation, will continue to be a serious and tangible threat for the remaining coastal habitats.
- - *Extensive cattle and sheep raising.* Cattle and sheep raising represent the most important economic activity in Uruguay. Extensive cattle ranching affects the natural regenerative cycles of native plant, inducing changes that are ultimately expressed in the landscape. For example, cattle prevents the growth of juveniles of the endemic Butiá Palm, whose populations are thus diminished. Cattle exclusion zoning and other management techniques are needed to make this activity biodiversity friendly.
- - *Eucalyptus and pine plantations.* Commercial forestry plantations are spreading and can result in the loss of natural habitats, especially native grasslands and coastal restinga habitat. The size and location of plantations can be regulated according to soil conditions and biodiversity values.
- - *Projected infrastructure development.* This is an imminent development which will be accelerated with the consolidation of the MERCOSUR free-trade agreement. The Bañados del Este Biosphere Reserve is situated in the middle of an important trade axis extending from Southern Brazil into northern Argentina, and linking such important cities as Sao Paulo, Montevideo, and Buenos Aires. The construction of new bridges and heavy-capacity highways is inevitable and will certainly bring significant new threats to the area, both direct and indirect, unless adequate measures are taken to ensure compatibility with the goals of the Biosphere Reserve.

18. The unnecessary negative impact of some of these activities has been compounded by the lack of a clear environmental regulatory framework at the national and local levels, contradictory government policies and mandates, and lack of capacity of government agencies to develop, monitor and enforce regulations or to provide adequate incentives for conservation and sustainable development.

19. In summary, the Bañados del Este are subjected to a complex set of developments resulting from a heterogeneous pattern of land-uses. This complexity is compounded because of the habitat diversity in the area, as well as by the fact that most of the area is privately owned. Such a complex set of issues requires an equally comprehensive conservation approach. This approach must be stakeholder-driven, participatory, and holistic in space and time. Its foundation must be a master plan of land and water use that provides for biodiversity conservation within the broader context of local and national development, activities of which must ultimately internalize biodiversity conservation.

### C. PROJECT OBJECTIVES AND DESCRIPTION

#### Global Objective

20. The ultimate objective of the proposed project is to consolidate the effective and sustainable conservation of this globally significant mosaic of habitats and its biodiversity through the successful implementation of land-use practices that serve both ecosystem conservation and sustainable economic resource use. The justification for the protection of the Bañados del Este Biosphere Reserve rests on the need to conserve the globally significant biodiversity described in previous paragraphs. The project proposed here will finalize the development and adoption of a comprehensive land and water use plan through participatory processes involving stakeholders from government and civil society, and will provide the policy, legal and incentive frameworks to catalyze its implementation. This central strategic objective will be accomplished through the technical strengthening of local and national stakeholders, including the private sector (ranchers, farmers, and tourism operators), NGOs, and government agencies (local and national); the implementation - with local stakeholders and in collaboration with sectoral agencies - of key pilot experiences and policies of biodiversity friendly resource use (both traditional and non-traditional) and dissemination of results; the creation of private and public protected areas; and the development and implementation of policies aimed at ensuring the sustainability of this comprehensive plan through innovative economic instruments and financing mechanisms.

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<sup>9</sup> Global Environment Facility. 1992. Uruguay: Conservation of Biodiversity in the Eastern Wetlands. GEF Project Document.

<sup>10</sup> Davidson, I. 1997. GEF Project Evaluation. Conservation of Biodiversity in the Eastern Wetlands of Uruguay.

<sup>11</sup> Canevari, P., T. Crisman, and R. Sales. 1995. Informe Final. Misión Internacional de Evaluación al Proyecto URU/92/G31, Programa de Conservación de la Biodiversidad en los Humedales del Este.

<sup>12</sup> Montaña, J.R., and J. Bossi. 1995. Geomorfología de los Humedales de la Cuenca de la Laguna Merín en el Departamento de Rocha. PROBIDES and Universidad de la Republica Oriental del Uruguay; Propuestas Sobre el Manejo de los Recursos Hídricos en el Departamento de Rocha. PROBIDES. Serie Documentos de Trabajo No. 3.

## Specific Project Objectives

### **Objective 1: A Comprehensive Land and Water Use Plan ensuring the long-term ecological integrity of the Bañados del Este Biosphere Reserve.**

21. The draft plans developed under the Pilot Phase project will be consulted in more detail and refined with the participation of stakeholders representing national and local governments (including the relevant planning and land-use Ministries), NGOs and the private sector (rice producers, cattle ranchers, forestry plantation owners, and the tourism industry). These draft plans will be integrated into a single Comprehensive Plan which will provide the basis for planning and decisionmaking regarding existing and new protected areas, as well as land-use in the buffer and transition zones on both public and private lands. The finalized Plan will then be presented to the appropriate governmental bodies for approval.

22. The Plan will identify priority actions and resource requirements for the next 5 - 10 years in terms of establishment of new protected areas, eco-tourism development, and ongoing adaptation of rice cultivation, cattle ranching and plantation forestry practices.

### **Objective 2: Policy frameworks and incentive and regulatory mechanisms to enable successful implementation of the Comprehensive Plan.**

23. Under the Pilot Phase grant, PROBIDES drafted the National Protected Areas Law which is now under discussion by the Environment Commission of the Uruguayan Senate and is expected to be approved in the coming months. This law provides for the creation and management of a National System of Protected Areas with special attention to the Ramsar, Bonn and Biodiversity Conventions; the delineation of institutional responsibilities for management of the areas under the Ministry of Housing, Territorial Regulation and the Environment; the creation of a National Protected Areas Trust Fund; and the provision of fiscal incentives to private landowners for those areas to be protected which fall under private ownership. Under the project proposed here, PROBIDES will provide technical assistance to the Senate, as requested, for the passage of the Law.

24. For the buffer and transition zones, this project will identify policy reforms to be enacted in relation to land-use by private landholders. The project will identify and propose specific incentives and regulations to motivate compliance with the objectives of the land-use plan. At the same time, the project will design and institutionalize a *Trust Fund for Sustainable Land-Use* aimed at providing seed financing to encourage biodiversity friendly land-use practices by local landowners. The project will identify and design economic instruments for government approval, the revenues of which will be used to capitalize this Fund.

### **Objective 3: An effective system of public and private protected areas for the Bañados del Este Biosphere Reserve**

25. While the Protected Areas Law, now under discussion in the Senate, will provide the legal basis for the creation of the national system of protected areas, the actual areas comprising the



system must be identified or further defined, and conclusively demarcated. This project will build on the Pilot Phase project's experience in the identification and establishment of protected areas on both public and private lands in the Biosphere Reserve. Based on the Comprehensive Plan, the project will identify new public areas for protection - based on the conclusive delineation of the Biosphere's boundaries and their concordance with the Ramsar site's boundaries - work with the private sector and national authorities to achieve their legal status as part of the national system, and draft management plans for each area.

26. At the same time, the project will assist private landholders and NGOs in establishing and managing protected areas, based on the successful experience of the Pilot Phase with five private reserves. To ensure a Reserve-wide approach to protected areas, the project will maintain a geo-referenced database with information including species and habitat distribution and numbers to be displayed on PROBIDES' existing GIS in conjunction with zoning, pressure, land-use and other information. Based on formal agreements piloted over the last two years, PROBIDES will support protected area managers with information, technical assistance, training and other activities designed to improve technical and managerial capacities and Reserve-wide coordinated approach.

**Objective 4: Biodiversity-friendly land use practices adopted by landholders and other resource users.**

27. Under the Pilot Phase grant, PROBIDES incorporated rice growers, cattle ranchers and tourism entrepreneurs, as well as the corresponding sectoral Ministries, into technical discussions regarding land-use in the buffer and transition zones. Seminars and other meetings were held with the Rice Growers Association and the National Agricultural Research Institute to promote and orient research on low-impact rice production technologies. The Ministry of Agriculture collaborated with PROBIDES, the Ministry of Housing, Territorial Regulation and the Environment, and the Government of Rocha in the initial zoning of the Biosphere Reserve for the various land-uses.

28. The project will work with the Ministry of Agriculture, NGOs, private producers associations, and other stakeholder groups to identify those technologies or methods which, if adopted, will mitigate current land-use practices. The project will, as well, identify barriers to adoption and propose, or facilitate the implementation of, the corresponding measures to overcome them. These activities will be closely coordinated with those under Objective 2, regarding the development of incentives and regulations to motivate compliance with the Comprehensive Plan. Activities will include bibliographic research and the use of high-level experts to identify successful experiences under similar conditions elsewhere and identify adaptation requirements (examples may include rice rotation systems, grazing rotation systems and exclusionary devices to permit regrowth of Butia palm seedlings, alternative road and bridge construction practices, biodiversity friendly tourism developments, landscape enrichment with native plant species, etc.); assistance to government and NGOs in the development of small-scale demonstration or experimental projects for on-farm or in landscape implementation, where required. As well activities will include identification of financial, informational, institutional, technical or managerial-capacity, and other barriers to wide-spread implementation of sustainable production technologies or methods; proposals for measures to overcome barriers to the appropriate private and governmental bodies,

including resource requirements for implementation and broad dissemination, with recommendations for next steps.

29. The project will work with the Ministry of Tourism, NGOs and the private sector to define more precisely the potential demand for ecotourism in the Biosphere Reserve and the potential supply of ecotourism "goods" and services. The project will assist these stakeholders to formulate a strategic plan for ecotourism development, including resource requirements for its implementation.

30. At the same time, the project will continue and expand Pilot Phase activities related to wildlife breeding, honey production, and natural product certification as a means of adding economic value to natural habitats.

**Objective 5: Strengthened capacities of government, NGOs and the private sector for the effective implementation of biodiversity-related government policies in agriculture and tourism within the conceptual framework of the Biosphere Reserve and the Comprehensive Plan.**

31. In the Pilot Phase project, PROBIDES concentrated on two parallel areas: in the first, it built the capacities of its technical staff through seminars, hand-on training, workshops and study tours to understand and manage the Biosphere ecosystem and its habitats. The result is an experienced technical team capable of assisting government, NGOs and private landholders in planning, ecosystem management and monitoring for biodiversity protection and biodiversity-friendly land-use. PROBIDES also directly trained private landholders, government and NGOs in different aspects of environmental management for biodiversity conservation. An outstanding example of PROBIDES' efforts is the training of 154 members of the Departmental Police to enforce environmental laws and regulations related to habitat and species protection.

32. The project proposed here will expand on the Pilot Phase experience to strengthen the technical capacities of government, NGOs and private sector stakeholders in protected area management and in the support to, and implementation of, biodiversity friendly land-use practices in the buffer and transition zones of the Biosphere Reserve.

33. The project - with the input from the activities of the previous Objectives - will build the capacities of the agencies charged with executing government policies in the areas of agriculture and tourism to execute their responsibilities within the conceptual framework of the Biosphere Reserve and the Comprehensive Plan. The Ministry of Public Works and Transportation will also be targeted for training with emphasis on road and bridge design and construction in ecologically vulnerable ecosystems..

34. Key private sector groups and entrepreneurs will be targeted to increase their technical capacities for planning and management of productive activities in the buffer and transition zones. The project will build the technical capacities of local NGOs to assist local stakeholders in this process.

**Objective 6: Increased awareness at the national and local levels regarding the importance and benefits of the Bañados del Este Biosphere Reserve.**

35. The long-term success and sustainability of the project depends on the support of the local and national population. Raising awareness through both formal and non-formal education are important elements of this success. In the Pilot Phase, PROBIDES carried out a wide variety of education and outreach activities, based on materials it developed, in all the primary schools in the Department of Rocha (35 urban, 51 rural), working with 780 teachers. PROBIDES pioneered an innovative distance learning programme which provided written materials and trained local *promotores* to lead study groups supported by PROBIDES through radio transmissions. 829 people participated in 16 different localities, in some cases reaching more than the majority of inhabitants in a given locale.

36. The project proposed here will target those institutions charged with the development of curricula, materials and teaching methods, as well as teacher training, in the national public education system, as well as NGOs in non-formal education. The project will assist these groups to develop education modules to be integrated into existing curricula or as stand alone modules, as appropriate. These modules will differ depending on the target population and the formal or non-formal approach to be taken.

37. At the same time, the project will work with the national and regional media to build their understanding of the objectives of the Biosphere Reserve, and the activities of the project, and to assist them in preparing articles, videos and radio and TV spots. The project's World Wide Web site will be maintained and updated. At the same time, PROBIDES will develop and implement a strategy of information dissemination and workshops/briefings to raise the awareness of parliamentarians and government agencies, with special attention to the Office of Planning and Budget of the Presidency, and the Ministries of Public Works and Transportation, Finance, Agriculture and Tourism.

*Please see Annex II for detailed description of Outputs and Activities by Objective.*

**RATIONALE FOR GEF FINANCING**

38. Uruguay ratified the Convention on Biological Diversity in November of 1993. The project proposed here is fully consistent and supportive of *Operational Programme # 2: Coastal, Marine and Freshwater Ecosystems*. The project will ensure the conservation of globally important biodiversity by following an integrated approach within the framework of a Biosphere Reserve.

39. The project directly supports implementation of Articles 7 and 8 of the Convention on Biological Diversity and supports decisions II/6 and II/7 of the Conference of the Parties of the Biodiversity Convention held in Jakarta in 1995.

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<sup>14</sup> Global Environment Facility. 1996 (February). Operational Strategy.

40. This project is unique within the GEF portfolio because it addresses biodiversity conservation within a productive landscape dominated by private land ownership. As such, it has immense potential for replicability.

#### **SUSTAINABILITY AND PARTICIPATION**

41. The project has benefited from almost 3 solid years of project implementation. An experienced technical team is in place, and a broad range of stakeholders - including private landholders - have participated in project activities. The awareness of a broad range of the general public has been significantly raised regarding PROBIDES, the importance of the Biosphere Reserve, and what this means in regard to conservation and biodiversity friendly land-use.

42. This proposal was prepared in consultation with the following organizations: Grupo Palmar (NGO), Sociedad Ecologica de Rocha (NGO), Grupo Ambiental del Chuy (NGO), Union de Grupos de Accion Ambiental de Rocha (association of environmental NGOs of Rocha), Coordinacion de la Red Nacional de ONG Ambientalistas (NGO), Rice Growers Association (private sector), Rocha Tourism Corporation (private sector), groups of artisan fishermen of the Rocha and Garzon lagoons, Centro Cooperativista Uruguayo (NGO), CIESU (NGO), CLAEH (NGO), the Rocha Agricultural Society (private sector), the Ministry of Housing, Territorial Regulation and the Environment, the Departmental Government of Rocha, and the University of the Republic. Project implementation will be initiated with a stakeholder workshop to design the specific modalities and mechanisms of participation in decisionmaking and management.

43. Stakeholder participation will be enhanced through the establishment of a broad, representative Operations Committee. This Committee will include local representatives of NGOs, the productive and private sectors, government agencies (Ministries of Agriculture and Tourism), and PROBIDES (chair). Project implementation will receive high-level technical support through an Advisory Committee comprised of representatives of international NGOs, technical institutions, UNDP and universities. This Advisory Committee will monitor project progress and suggest changes as needed. As well, open forums will be held four times a year to discuss project implementation and progress with local stakeholder groups.

44. Significant pieces of the policy and legal frameworks to ensure project sustainability are either under review by the relevant authorities (National Protected Areas Law) or in the process of finalization (Hydrological Plan, Land-use Plan). This project will assist in establishing the incentive/regulatory frameworks to ensure compliance with the foregoing. As well, the project will design a Trust Fund for Sustainable Uses, and develop the economic instruments to capitalize it, thereby providing a source of seed funding for private landholders' initiatives in biodiversity friendly land-use. Recurrent cost financing of PROBIDES over the long term will be provided by governmental budget and the sale of professional services. Recurrent cost financing for protected areas will come from governmental budget.

#### **LESSONS LEARNED AND TECHNICAL REVIEWS**

45. The lack of antecedents in Uruguay for multisectoral initiatives of this kind, as well as the lack of specific technical expertise at the local and national levels, caused a variety of difficulties at the

beginning of the project. Project objectives were over-ambitious given the short time frame allotted (three years) to project implementation. Objectives were not as clear as they could have been, nor were priorities for action, so that project activities were developed and implemented without the benefit of a strategy which would take the general vision of the project and lead it to specific concrete actions, or assist in integrating the different disciplines. This lack of clarity resulted in diffuse implementation of activities, where energy and the desire to quickly attack the problems in the Reserve lacked a conceptual framework integrating the goals of the project, its priorities and appropriate methodologies.

46. Collaboration with local NGOs and community groups was not appropriately valued at the beginning of the project, especially as a way of ensuring long-term project sustainability and ownership.

47. As such the project endured an inevitable process of trial and error as experience was gained and problems overcome. Through internal analysis and discussions over the course of implementation, the work of PROBIDES technical staff, the employment of new staff with specific technical expertise, and the advice of high-level experts, the project has evolved considerably from its initial form. This is evident from the outputs of the Pilot Phase project, as well as the ability - and credibility - PROBIDES possesses to dialogue and collaborate with stakeholders from the private sector, NGOs and government.

48. An international evaluation mission composed of Dr. Renato Sales (IUCN); Pablo Canevari (Wetlands for the Americas); and Dr. Thomas Crisman (University of Florida) visited the project area in December 1995. The evaluation concluded that substantial progress had taken place, as already indicated above: "the project is internationally important because of the crucial importance of these wetlands and the replicability potential of the project in other countries of the region."

49. In December 1996, a Final Evaluation Mission conducted by Mr. Ian Davidson of Wetlands International found substantial progress towards the long-term goal of a functional Biosphere Reserve. His recommendations included the following: more systematic stakeholder involvement in the project; the continued support by PROBIDES to the identification of alternative land-use practices; an incentive/regulatory framework to motivate landholders; expansion of environmental education activities; greater integration of PROBIDES with national and international agencies; and continued monitoring of ecological and socio-economic variables have all been reflected in this proposal.

50. The results to date support the importance of the consensus building and participatory mechanisms for decision-making implemented by PROBIDES, but underscore the need for time-frames that are long-enough for the consolidation of these processes.

*Please see Annex III for a more detailed discussion of lessons learned from the Pilot Phase project. Please see Annex VI for the technical review by the STAP Roster expert.*

#### **PROJECT FINANCING AND BUDGET**

A detailed break-down of project costs by input provided in Annex IV

## INCREMENTAL COSTS

See Annex V.

## ISSUES, ACTIONS AND RISKS

51. The substantial accomplishments of the pilot project bode well for the success of the proposed activities. Clearly, PROBIDES is fully operational, thus reducing the uncertainty inherent with the establishment of any new project. This is important, since as described in the recent evaluations, the project during its first year suffered from the lack of clear understanding of objectives; the lack of trained and experienced personnel; disagreement among actors regarding the emphasis of activities; and staff turnover, including a change of Project Director. All these challenges are inherent with any new project, and substantially slowed its implementation, especially during the first year. Nonetheless, there are still issues that could jeopardize or slow down success:

52. First, the approval of the National Protected Areas Law is required for the subsequent establishment of new protected areas within the Biosphere Reserve (both government and private). Delays in the approval of this legislation would translate in delays of important aspects of the project. Fortunately, all signals indicate that the proposed legislation has the support of many members of Congress. PROBIDES has been playing an active role in providing technical assistance to Congress, and will continue to do so.

53. Second, the Hydrological Plan for the area needs to be approved in order to accomplish many of the conservation objectives, especially the restoration of important wetlands and other habitats, and the control of contamination. Although the approval of this plan is outside of PROBIDES' control, a participatory process of discussion and refinement will ensure that it enjoys a broad degree of support.

54. As well, the land-use plan for the Biosphere Reserve needs to be technically refined and consulted with a broad range of stakeholders, before presentation to government for approval.

55. To reduce the risk of an inadequate policy and legal framework for project implementation, the Government of Uruguay has committed itself to review and expedite approval of a National Protected Areas Law and a Hydrological Plan in support of a Comprehensive Land-Use Plan. As such the project will be implemented in two phases: in Phase 1, PROBIDES will implement the activities under Objective 1 and 2 regarding the Law and Plans. Once approval of these has been accomplished, and the legal framework is in place, PROBIDES will proceed to Phase 2, consisting of implementation of the remaining four Objectives.

## INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

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<sup>15</sup> Moran, D. 1996. Incremental Cost in Biodiversity Projects: Applications in Capacity Building and Technical Assistance.

56. The project will be implemented by PROBIDES - a permanent entity representing the Ministry of Housing, Territorial Regulation, and Environment; the University of the Republic; and the Government of the Department of Rocha - with the guidance of an Operations Committee made up of local representatives of NGOs, the productive and private sectors, government agencies (including more specifically the Ministries of Agriculture and Tourism), and PROBIDES (chair).

57. Project implementation will be initiated with a stakeholder workshop to design the specific modalities and mechanisms of participation in decisionmaking and management. Specific project activities related to implementation of a stakeholder participation mechanism will be subcontracted to a local NGO. As well, a subcontract will be extended to a national NGO for assistance in the development of economic instruments and incentives/regulations, as well as related policy development work. Subcontracts will be issued through a public competitive bidding process. Finally, subcontracts will be issued for final hydrological studies and refinements to the Hydrological Plan, as well as for support to the development and marketing analysis of wetlands products to increase value of natural habitat.

58. Project implementation will receive high-level technical support through an Advisory Committee comprised of representatives of international NGOs, technical institutions, UNDP, and universities. This Advisory Committee will monitor project progress and suggest changes as needed, assist in coordination with other institutions at the national and international levels, and recommend specific project monitoring and evaluations.

### **Project Monitoring and Evaluation**

59. The project will be monitored and evaluated following standard UNDP procedures, including yearly meetings of PROBIDES, UNDP, and the Planning and Budget Office of the Presidency of the Republic, as well as mid-term and final evaluations. As well, regular feedback from the main stakeholders will be achieved through meetings of the Operations Committee.

60. As described above, the Advisory Committee will follow progress of the project, and recommend specific monitoring and evaluation visits by relevant experts. For example, PROBIDES may wish to identify follow the effects of the implementation of incentives or regulations to measure impact on adherence to the goals of the Biosphere Reserve.

61. A monitoring and evaluation system will be established to permit the measurement of biological indicators as a way of assessing project impact.

62. The project will undergo an in-depth evaluation at the end of Phase 1, to determine the impact and outcomes of the legal and policy work under Objectives 1 and 2, and the prospects for the successful implementation of activities under Objectives 3-6.

## ANNEX I Description of Pilot Phase Project Accomplishments

- Development of a **draft land-use plan** for the Bañados del Este Biosphere Reserve. This draft land-use plan is the foundation for more in-depth consultations with critical stakeholder groups, with the aim of reaching a final, stakeholder-driven land-use plan for government approval. The plan recognizes the need for the establishment of public and private protected (core) areas; buffer zones of low-impact economic activities with conservation objectives; and areas of economic activity compatible with the conservation objectives of the whole area. This land-use framework is consistent with, and supports the concept of a Biosphere Reserve, a legal obligation assumed by the Government of Uruguay when it accepted the Biosphere Reserve designation from UNESCO. Equally important, it recognizes the critical importance of private landholdings in the area. PROBIDES has successfully incorporated rice growers and the cattle industry into technical discussions for the new land-use and hydrological plans for the area, and has raised awareness about the importance of a landscape approach to biodiversity conservation and development. PROBIDES has zoned the Bañados for a range of uses, and provided the foundation for a regulated eco-tourism industry with the establishment of private reserves.

- A geomorphologic characterization of the region and an ensuing **proposal for the hydrological regulation** of the Bañados del Este basin<sup>16,17</sup>. The latter document was developed with broad stakeholder participation and has been presented to the National Government for approval, where it is currently under discussion.

- Legislative proposal for the establishment of a **National System of Protected Areas**. This legislative proposal is currently under discussion in the National Senate. The proposal was developed as a response to the lack of clarity in the current legislation regarding the status of current and future protected areas, and sparked the initiation of a national dialogue about the need for this system. The impact of PROBIDES in this regard has been national in scope.

- A wealth of baseline **information** has been generated about biodiversity and economic activities in the area, including inventories of flora and fauna, ecosystem studies, research on a variety of sustainable development alternatives, and characterization of pollution types and sources.

- Numerous **courses, workshops, information sessions and seminars** on a wide range of subjects were delivered to school children, rice farmers, fishing communities, private landowners, biologists, tourist guides, and police officers. Long distance courses on environmental education were successfully delivered to more than a 1,000 individuals in Rocha, of which 18% were teachers. Excellent education materials were created and continue to be used locally and in other parts of Uruguay. These materials are well presented and contain quality information that is

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<sup>16</sup> Montaña, J.R., and J. Bossi. 1995. Geomorfología de los Humedales de la Cuenca de la Laguna Merín en el Departamento de Rocha. PROBIDES and Universidad de la Republica Oriental del Uruguay; Propuestas Sobre el Manejo de los Recursos Hídricos en el Departamento de Rocha. PROBIDES. Serie Documentos de Trabajo No. 3

<sup>17</sup> Diaz, A. 1995. PROBIDES en Marcha: Una visión desde su interior a noviembre de 1995.



pertinent to the general lay person as well as to individuals with a knowledge and an interest in the various subjects addressed. These materials have potential for use in other regions of Latin America (eg., Fichas Didacticas #1-4).

- The establishment of a well equipped **applied research and documentation center** which has become a necessary source of reference to other researchers and NGOs. PROBIDES has become an important center of excellence in ecological research and biodiversity conservation, and is consulted periodically by a variety of users including government, NGOs, and Universities.

- The establishment of a new and highly representative **biological station** in the region (El Potrerillo). Although relatively small (715 ha.), El Potrerillo represents an important accomplishment because, for the first time, a public protected area is managed with a Plan, and with the permanent presence of a reserve ranger. A reintroduction project for the Pampas Deer is underway here. As a measure of success, El Potrerillo received over 2,000 visitors in the short two months it was open to the public during its pilot phase in the summer of 1996. It has an enormous potential for environmental education, as an eco-tourism destination, and as a "nucleus" from which a larger protected area can be established.

- The creation of several **private protected areas** with an ecotourism objective. These areas were created with the technical support of PROBIDES, and received additional technical support for the elaboration of their management plans. Today, these private reserves are managed by private individuals and/or local NGOs, and are catalyzing the development of an emerging eco-tourism industry in the area. These protected areas, together with El Potrerillo under public administration, will form the core of a region-wide network of protected areas.

- A substantial amount of **co-financing** has also been leveraged thanks to the original GEF funding and the work of PROBIDES. These sources include permanent budgetary support from the Government of Uruguay (US\$ 0.34 million) and grants from the Governments of Spain (US\$ 0.36 million) and Canada (US\$ 20,000).

- Other strategically important accomplishments include: i) the establishment of a multidisciplinary cadre of **trained professionals** capable of ecosystem planning and management, as well as the development of alternatives for the sustainable development of the Bañados; ii) an increased awareness in the Bañados about the importance of integrating conservation and development; iii) a newly gained understanding at all levels about the benefits and importance of biodiversity conservation; iv) a **change in attitude within the traditional productive sectors** signaling a new willingness to discuss conservation issues openly and objectively based on high quality information; and v) a newly established sense of team work that includes NGOs, Government Agencies, and Civil Society, now working together to seek sustainable development solutions for the region.

## **ANNEX II Description of Outputs and Activities by Objective**

**Objective 1: A Comprehensive Land and Water Use Plan ensuring the long-term ecological integrity of the Bañados del Este Biosphere Reserve.**

### **Output 1.1: Finalized Plan for Government Approval**

#### **Activities will include:**

- Implementation of participatory mechanisms for final discussion and refinements of the land-use plan, with the participation of all important stakeholders including government (local and national), NGOs, and the private sector (rice growers, cattle ranchers, and the eco-tourism industry).
- Final technical refinements of the hydrological draft plan for the Department of Rocha already prepared by PROBIDES. This proposal defines the closure of the Andreoni Canal which is responsible for contamination of several coastal sectors, especially La Coronilla beach. The draft plan's principal recommendation relates to the closure of this unnecessary canal to help restore large historic wetland areas.
- Discussions of the technical hydrological plan by all stakeholders.
- Once both plans have been thoroughly discussed and approved by all stakeholders, integration into a comprehensive land and water use plan for final approval and implementation.
- Presentation to the relevant authorities for approval; assistance to these in discussions and advancing the approval of the Comprehensive Plan.

**Objective 2: Policy frameworks and incentive and regulatory mechanisms to enable successful implementation of the Comprehensive Plan.**

### **Output 2.1: Approved National Protected Areas Law**

#### **Activities will include:**

- Assistance to the Senate Environment Commission, as required.

### **Output 2.2: Policy reforms with corresponding incentives and regulations**

#### **Activities will include:**

- Comprehensive analysis of existing policies affecting land-use in the buffer and transition zones of the Biosphere Reserve and recommendations for reform, including proposals for corresponding incentives and regulations to motivate compliance.

- Presentation of the analysis and recommendations to stakeholder forum for review and endorsement; revisions, as required.
- Formal presentation of policy reform recommendations to government for official endorsement.

**Output 2.3 : Design of the Trust Fund for Sustainable Land-Use, including identification and development of economic instruments for its capitalization.**

**Activities will include:**

- Realization of a short high-level briefing/consultation with the Presidency's Office of Planning and the Ministries of Agriculture, Environment and Finance to analyze and define the objectives of the trust fund and the corresponding economic instruments.

Design of the Trust Fund, including governing structure, resource requirements, legal and administrative frameworks, financial management requirements, and selective criteria for projects.

Identification and development of economic instruments for capitalization.

Presentation of the Trust Fund, its operational and financial modalities, and proposed economic instruments for stakeholder review and endorsement.

Formal presentation to government for approval.

**Objective 3: *An effective system of public and private protected areas in the Bañados del Este Biosphere Reserve***

**Output 3.1: Public protected areas established**

**Activities will include:**

Identification and demarcation of potential protected areas on public lands in the Reserve, including enlargement of existing areas such as El Potrerillo.

Identification of management needs and resource requirements for each area.

- Proposal to government for formal declaration as part of National System of Protected Areas, under different IUCN categories.
- With government approval, formulation of participatory management plans.

### **Output 3.2: Private protected areas established**

#### **Activities will include:**

- Identification of potential private protected areas, based on biodiversity value, the Pilot Phase zoning of the Reserve and other baseline information.
- Consultations with private landowners to determine interest and viability of proposed protected area status.
- Realization of workshops with interested landowners to explain and present the implications of the National Protected Areas Law, and the benefits from fiscal incentives provided by the Law, as well as the technical assistance available from PROBIDES.
- Demarcation of private protected areas.
- Identification of management needs and resource requirements for each area.
- Proposal to government for formal declaration as part of National System of Protected Areas, under different IUCN categories.

With government approval, formulation of participatory management plans

### **Output 3.3: Management and Monitoring System for the Reserve system of protected areas**

#### **Activities will include:**

- Assist the National Protected Areas Directorate - to be established under the National Protected Areas Law - to identify and/or map potential, new and/or existing protected areas in the Biosphere Reserve as part of Outputs 3.1 and 3.2., and input this information into geo-referenced database.
- Assist the Directorate to standardize monitoring and reporting requirements and methods for the protected areas in the Reserve in regard to area management, wildlife status, threats, ecotourism, visitation, etc., and ensure input to database.
- Assist protected area managers in the exchange of information and expertise through a protected area newsletter, workshops, and access to the Internet through PROBIDES' Web site.
- Carry out specific targeted investigations to improve habitat and wildlife monitoring and management.
- Monitor ecotourism trends in the Reserve and propose measures to protected area managers to attract or mitigate visitation, as appropriate.

**Objective 4:** *Biodiversity-friendly land-use practices and activities consistent with the Comprehensive Plan, adopted by landholders, tourism entrepreneurs and other resource users.*

**Output 4.1:** Portfolio of alternative production practices, including resource requirements for implementation and broad dissemination, for presentation to relevant private and government institutions.

**Activities will include:**

- In collaboration with the Rice Growers Association, the National Agricultural Research Institute, and the Rocha Cattle Ranching Association, identification of relevant technologies or practices for rice cultivation and cattle and sheep raising for use in buffer and transition zones, including adaptation requirements and selection of best practices, e.g., grazing rotation systems, animal exclusion devices, rice rotation systems.
- Identification of barriers to widespread application of these alternative production practices, e.g., technical, managerial, financial, informational, and attitudinal barriers, and selection of most promising.
- Where appropriate, assistance to government, NGOs and private landholders for the implementation of small-scale on-farm demonstration projects or trials to facilitate dissemination, adoption, replication, and training.
- Reports with recommendations to overcome barriers presented to relevant institutions, describing outputs, activities, and resource requirements for implementation and dissemination.

**Output 4.2:** Stakeholder-driven ecotourism development plan

**Activities will include:**

- Based on Pilot Phase experience and information, analysis of trends affecting ecotourism and its potential in the Biosphere Reserve in collaboration with ecotourism operators, public and private protected area managers, the Ministry of Tourism and other stakeholders.
- Identification of the supply of ecotourism destinations, products and services, and detailed analysis of the corresponding demand.
- Development of a preliminary strategy to increase and meet demand, and identification of barriers to be overcome in meeting demand.
- Formulation of a strategic plan to increase and meet demand for ecotourism in the Biosphere Reserve, including identification of resource requirements and potential sources of investment, and formal presentation to the Ministry of Tourism by the principal stakeholder groups, including the private sector.

**Objective 5: *Strengthened capacities of government, NGOs and the private sector for the effective implementation of government policies in agriculture and tourism within the conceptual framework of the Biosphere Reserve and the Comprehensive Plan.***

**Output 5.1: Public and private protected area managers capable of wildlife and habitat management for biodiversity conservation**

**Activities will include:**

- Induction workshops for new protected area managers; to cover the National Protected Areas Law and its implications, the scope and objectives of the Biosphere Reserve, management objectives, the role of PROBIDES.
- Technical workshops for managers; to cover planning and management of PAs, wildlife monitoring and management, management of ecotourism and other uses.

**Output 5.2: Private sector, NGOs and governmental stakeholders capable of responding to new government policies, laws and plans for the application of biodiversity-friendly land-use technologies.**

**Activities will include:**

- Workshops for stakeholders explaining the scope and intent of the new policies, laws and plans, the existence of incentives and seed funding, the identification of biodiversity friendly technologies, and sources of technical assistance.
- Workshop for planners, architects and engineers of the Ministry of Public Works and Transportation explaining the scope, objectives and importance of the Bañados del Este Biosphere Reserve and describing measures taken in other regions and countries to avoid negative impacts from road and bridge building in vulnerable ecosystems similar to the Reserve.

**Output 5.3: Private sector, NGOs and governmental stakeholders capable of initiating the development ecotourism products and services.**

**Activities will include:**

- Workshops with these stakeholders to analyze the National Protected Areas Law and its implications, the scope and objectives of the Biosphere Reserve, economic and conservation objectives of ecotourism, ecotourism experiences in other countries, the role of the private sector, design and financing of ecotourism operations, sharing in the economic benefits of ecotourism at the local level.

**Objective 6:** *Increased awareness at the national and local levels regarding the benefits of the Bañados del Este Biosphere Reserve.*

**Output 6.1:** Educational institutions and NGOs empowered to educate students at a wide variety of levels on the benefits of conservation and sustainable use of biodiversity

**Activities will include:**

- Development of appropriate school modules, materials and teaching methods in collaboration with the Ministry of Education for integration into existing curricula, adapting these to different target groups.
- Development of appropriate modules, materials and teaching methods in collaboration with relevant NGOs for presentation to different target groups, including the private sector and parliamentary groups.

**Output 6.2:** Media awareness plan

**Activities will include:**

- In collaboration with TV, radio and newspapers, develop a strategy for the systematic dissemination of the importance and benefits of biodiversity conservation and the role and functions of the Biosphere Reserve.

**Output 6.3:** Awareness Programme aimed at parliamentarians and government agencies

- Workshop to explain in detail the scope, objectives, legal and policy framework - including Convention obligations - importance of the Biosphere Reserve, and programme of activities of PROBIDES to the Office of Planning and Budget of the Presidency, the Ministries of Finance, Public Works and Transportation, Agriculture and Tourism, and the relevant parliamentary commissions. Field visit, if appropriate.
- Periodic dissemination of information to these agencies and commissions.
- Annual briefings to these agencies and commissions on the status of the project.

## **ANNEX III Lessons Learned from Implementation of Pilot Phase Project**

### **Project Design, Management, Implementation, Monitoring and Evaluation**

A clear set of objectives with criteria for monitoring progress would have helped to guide program development and implementation more effectively. Future project development and successful implementation will depend on PROBIDES' ability to evaluate its own successes and adjust to unpredictable changes.

Collecting information on biophysical aspects of the region was over emphasized at the beginning of the Pilot Phase project. Although important to establish baseline information at the start of any project, greater emphasis should have been placed on ensuring that the results of these investigations were useful for stimulating conservation and sustainable development activities. *This problem was rectified and a leaner and more effective operation is ensuring that studies support conservation and management needs.*

Protected areas legislation and an extensive land-use plan is an important tool for regulating activities in the region. Without protective areas legislation, PROBIDES lacks key legal instruments to effectively implement management plans or regulate land use activities to support conservation objectives.

Construction of the Regional Headquarters and placement of staff in Rocha was strategically important and a signal to the community of PROBIDES concern to establish direct links with the community. This has helped to facilitate greater cooperation and confirms PROBIDES commitment to the region.

A successful program requires a multidisciplinary approach and a strong team leader. As noted in the report of the International Mission in 1995, there was a lack of coordination between departments within PROBIDES during the initial stages of the project. This lack of an integrated approach resulted in activities which were ineffective in improving conservation of the region's wetlands. In particular, investigations were not developed with a vision to help resolve problems related to wetland management. *This situation has been rectified and a much more focused and integrated approach is beginning to bear fruit.*

A lack of available in-country technical expertise slowed PROBIDES' progress in certain areas. Future efforts need to consider supporting training initiatives in key areas, such as physical geography, ecology, and environmental monitoring and economics.

PROBIDES has successfully demonstrated alternative economic activities can be derived through the sustainable use of wetland resources. Efforts to work with the private sector have helped to diversify economically viable activities of small landowners' producers. The benefits derived from these activities will help to generate support for the Biosphere Reserve.

Through careful studies *in situ*, PROBIDES has been successful in promoting honey and palm fruit production, smoked fish, the use of rice grain husks for horticultural production, and other wetland derived products. Initial efforts to develop a "Natural Product Certification" for products derived



from the sustainable use of wetland resources may be an effective way of creating a market for new products.

Teachers are an important vehicle for increasing community awareness of wetland benefits and functions. PROBIDES has learned to work with teachers to effectively increase its ability to reach students throughout the region and create an environment for promoting a conservation ethic within the community. Given the apparent receptivity of teachers to PROBIDES' involvement, this has been a major achievement.

### **Resource Mobilization**

Successful resource mobilization requires considerable time and effort. Although funds were secured for certain activities, others were reduced or cut (eg., environmental education). PROBIDES requires international support at this time to function successfully. The government has institutionalized the activities of PROBIDES by including it within its operating budget. However, these funds currently only partially cover its operating expenses. Future efforts to raise funds from government or external donors will require a concerted effort by PROBIDES staff.

### **Stakeholder Participation**

To implement effective conservation programs and promote sustainable use of the wetlands PROBIDES learned that it would have to deal with an important land tenure issue: 95% of the land is privately owned. Participation by private landholders is critical to the development of the global land-use plan, as well as for the establishment of private protected areas..

PROBIDES recognizes that greater emphasis should be placed on activities focusing on rice production and tourism in the region. Having operated in the region for three years, PROBIDES is now in a position to strengthen its current relations with such groups as the Asociación de Cultivadores de Arroz, Sociedad Agropecuaria de Rocha and the Corporación Rochense de Turismo.

### **Local, National and International Support**

During the initial stages, local institutions were reluctant to support the project and PROBIDES. This may be a natural reaction to any new entity whose objectives are suspect by the community. With greater emphasis on community focused programs (education, workshops, radio programs, promotions, etc), and less emphasis on investigations, PROBIDES appears to have gained substantial support within the community.

National support from government agencies and institutions is critical for successful implementation of the program in the region. For example, government approval of a law for a National System of Protected Areas, government approval of the global land-use plan and the development of policies and incentives for conservation, support from the MVOTMA for future funding resources, and assistance from the Universidad de la Republica to research specific issues.

Seeking support from institutions outside of Uruguay is recognized as an important activity for strengthening the project's effectiveness to conserve the wetlands and promote sustainable alternatives in the region.

PROBIDES has been able to increase its ability to carry out conservation work in the region.

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**ANNEX IVa - BUDGET BY OUTPUTS (INCLUDING COST-SHARING \*)**

<i>Objectives and Outputs</i>	<i>Government Cash Contributions</i>	<i>GEF Funding</i>	<i>Spain Co-Financing</i>
<i>Objective 1</i>			
Output 1.1		518,500	50,000
<i>Objective 2</i>			
Output 2.1	50,000	72,600	
2.2		105,300	
2.3		60,200	
<i>Objective 3</i>			
Output 3.1	80,000	125,200	50,000
Output 3.2		207,900	50,000
Output 3.3	90,000	234,100	40,000
<i>Objective 4</i>			
Output 4.1	20,000	258,100	
Output 4.2		362,900	60,000
<i>Objective 5</i>			
Output 5.1		94,000	60,000
Output 5.2		75,200	
Output 5.3		105,000	
<i>Objective 6</i>			
Output 6.1	50,000	177,500	50,000
Output 6.2	50,000	106,000	
Output 6.3		4,500	
<b>TOTAL</b>	<b>340,000</b>	<b>2,500,000</b>	<b>360,000</b>

\* In-kind contribution not included

**ANNEX IVb - BUDGET BY INPUTS (UNDP FORMAT)**

COUNTRY : URUGUAY | DATE PRINTED: 04/03/97 | PAGE 1 |  
 PROJECT NUMBER : URU/97/G31/A/16/99 | SHADOW BUDGET | LAST REV: 04/03/97 |  
 PROJECT TITLE : Consolidation of the Banados del Este  
 Biosphere Reserve  
 PROJECT BUDGET COVERING UNDP CONTRIBUTION (in U.S. dollars)

PROJECT COMPONENTS	TOTAL AMT M/M	1997 AMT M/M	1998 AMT M/M	1999 AMT M/M	20 AMT M/M
<b>*010 PROJECT PERSONNEL</b>					
<b>*11 Experts:</b>					
011-001 Legal/Incentives	37,000	15,000	12,000	10,000	
011-002 Rice methods	23,000	10,000	8,000	5,000	
011-003 Financial Analyst	20,000	10,000	10,000		
11-99 Subtotal (*)	80,000	35,000	30,000	15,000	
<b>*13 Admin support personnel:</b>					
013-001 Administrative Assistant	34,800	11,600	11,600	11,600	
13-99 Subtotal (*)	34,800	11,600	11,600	11,600	
<b>*15 Official travel:</b>					
015-001 Internal Travel	45,000	15,000	15,000	15,000	
15-99 Subtotal (*)	45,000	15,000	15,000	15,000	
<b>*16 Mission costs:</b>					
016-001 Misions	10,000			10,000	
16-99 Subtotal (*)	10,000			10,000	
<b>*17 National Professionals:</b>					
017-001 Project Director	108,000	36,000	36,000	36,000	
017-002 Project Manager	72,000	24,000	24,000	24,000	
017-003 Wetlands Manager	82,800	27,600	27,600	27,600	

COUNTRY : URUGUAY | DATE PRINTED: 04/03/97 | PAGE 2

PROJECT NUMBER : URL/97/G31/A/16/99 | SHADOW BUDGET | LAST REV: 04/03/97

PROJECT TITLE : Consolidation of the Banados del Este  
Biosphere Reserve

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

PROJECT COMPONENTS	TOTAL AMT M/M	1997 AMT M/M	1998 AMT M/M	1999 AMT M/M	20 AMT M/M
017-004 Agricultural Ecologist	82,800	27,600	27,600	27,600	
017-005 Wildlife Management Exps (2)	108,000	36,000	36,000	36,000	
017-006 Resource Economist	117,000	39,000	39,000	39,000	
017-007 Eco-tourism Specialist	64,800	21,600	21,600	21,600	
017-008 Social Assistant	54,000	18,000	18,000	18,000	
017-009 Geographer/Reg. Planner	54,000	18,000	18,000	18,000	
017-010 Prot. Areas Mgmt. Expert	54,000	18,000	18,000	18,000	
017-011 Protected Areas Mngmt Expert	54,000	18,000	18,000	18,000	
017-012 Env. Education Svcs. Manager	54,000	18,000	18,000	18,000	
017-013 Env. Education Assistants	111,600	37,200	37,200	37,200	
017-014 Protected Areas Consultants	100,000	35,000	35,000	30,000	
17-99 Subtotal (*)	1,117,000	374,000	374,000	369,000	
019 COMPONENT TOTAL (**)	1,281,800	435,600	430,600	420,600	
*020 SUBCONTRACTS					
021 001 Hydro Plan	86,000	50,000	36,000		

COUNTRY : URUGUAY DATE PRINTED: 04/03/97 PAGE 3

PROJECT NUMBER : URU/97/G31/A/16/99 SHADOW BUDGET : LAST REV: 04/03/97

PROJECT TITLE : Consolidation of the Banados del Este  
Biosphere Reserve

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

PROJECT COMPONENTS	TOTAL AMT	1997 AMT	1998 AMT	1999 AMT	2000 AMT
	M/M	M/M	M/M	M/M	M/M
021 002 Economic Instruments/Incentiv.	180,000	80,000	70,000	30,000	
021 003 Users Wetlands Resources	24,000	8,000	8,000	8,000	
021 004 Participatory Programme	72,000	22,000	30,000	20,000	
029 COMPONENT TOTAL (**)	362,000	160,000	144,000	58,000	
*030 TRAINING					
031 001 Services Workshops	72,000	24,000	24,000	24,000	
031 002 Group Seminars	36,000	16,000	12,000	8,000	
033 001 Internat. workshop participat	25,000	10,000	10,000	5,000	
039 COMPONENT TOTAL (**)	133,000	50,000	46,000	37,000	
*040 EQUIPMENT					
045 001 Vehicle	20,000	20,000			
045 002 Computer equipment	58,000	28,000	30,000		
045 003 Non-expendable lab. equipment	21,000	7,000	7,000	7,000	
045 004 Protected Areas Equipment	60,000	30,000	20,000	10,000	
045 005 Library equipment	22,000	10,000	6,000	6,000	
045 006 Expendable Lab Equipment	24,000	8,000	8,000	8,000	
047 002 Maintenance of Equipment	30,000	10,000	10,000	10,000	
047 003 Maintenance Regional Station	42,000	14,000	14,000	14,000	
049 COMPONENT TOTAL (**)	277,000	127,000	95,000	55,000	
*050 MISCELLANEOUS					
051 001 Reports and Publications	215,584	82,000	91,584	42,000	
052 001 Sundries	152,800	50,000	55,000	47,800	
054 001 Management Support	72,816	26,910	25,675	20,231	
059 COMPONENT TOTAL (**)	441,200	158,910	172,259	110,031	
099 BUDGET TYPE TOTAL (***)	2,500,000	931,510	887,859	680,631	
999 UNDP TOTAL (***)	2,500,000	931,510	887,859	680,631	

## ANNEX V Analysis of Incremental Costs

### A. Project Background

The project builds upon the existing work completed in the Pilot Phase to protect globally significant biodiversity in the del-Este Biosphere Reserve. The Pilot Phase project developed draft legislation for a National Protected Areas System; a draft Hydrological Plan and a draft Land-Use Plan. The project produced an initial zoning of the Reserve, designating areas for protection, and buffer and transition zones for regulated and less-regulated land-use. The project proposed here will: finalize hydrological and land use plans for the Reserve; assist in the approval of the National Protected Areas Law, currently under review in the Uruguayan Senate; identify biodiversity friendly land-use technologies for use by producers in the buffer and transition zones; design funding mechanisms to catalyze adoption of biodiversity friendly land-use technologies; and develop an incentive/regulatory framework to motivate adoption of these technologies.

The global benefit will be the protection of globally significant biodiversity through the protected areas system and the coordinated adoption of alternative biodiversity friendly land-use practices.

### B. INCREMENTAL COST ANALYSIS

#### 1. Broad Development Goals

Since preparing the National Environmental Plan in 1991 the Government of Uruguay, is now considering draft legislation for a National Protected Areas System. This will provide an indicative geographical framework for sustainable land-use in Uruguay.

Current government policies and institutions support the development, for export, of rice production, and cattle and sheep raising. Tourism development is also supported by Government policy through the Ministry of Tourism.

Uruguay ratified the Convention on Biological Diversity in November 1993, and is currently developing a National Biodiversity Strategy and Action Plan with funding from the GEF.

#### 2. Global Biodiversity Objective

The Bañados del Este has been designated a Biosphere Reserve denoting international recognition of the area's importance for biodiversity. The area serves as migratory stop-over for over 40 species of birds, shore-birds and waterfowl. The area contains endangered endemic species of the genus *Cynolebia*, and other endemic species including *Ephedra tweediana*, *Butia capitata*, *Isoetes weberi* and *Melanophryniscus montevidensis*). Among species of limited distribution are the Pampas Deer (*Ozotoceros bezoarticus*); and the Saffron-Cowled Blackbird (*Agelaius flavus*). Thus the Bañados del Este constitutes a globally significant region under threat.

### 3. Baseline

For the purposes of the incremental cost calculation the baseline does not include the costs and activities funded by the GEF pilot phase, these activities will be elaborated in section 4.

Ninety five percent of the Bañados del Este is privately owned thus economic activity in the region is dictated through the market place. Primary activities are cattle and sheep grazing (the principal economic activity in Uruguay) which impact on the growth and regeneration of the Butia Palm woodlands, covering 70,000 ha. Rice production, for domestic use and export (third largest source of foreign exchange) continues to provide pressure, through specific practices and the expansion of rice fields, on natural habitat. A similar pattern of expansion occurs in non-native eucalyptus and pine plantations. All of these activities affect natural habitat critical for the well-being of globally significant biodiversity.

Coastal tourism continues to expand in the region with little consideration of ecological carrying capacities on surrounding natural resources or the impacts on these resources. The potential large-scale development of roads and bridges - as a result of increased trade in the context of the evolution of MERCOSUR - may have damaging effects on ecosystem integrity in the Biosphere Reserve, unless carefully planned and executed.

These economic activities are supported, monitored and regulated by the Uruguayan government. This following support programs to the private sector in Rocha are intended to assist private producers in maximizing rentability in terms of competitiveness in the marketplace.

An agricultural experiment station of the National Institute for Agricultural Research - dedicated principally to research on rice technologies to increase yields - is located in the Biosphere Reserve. As an integral part of its activities, the INIA station also provides extension services to rice growers. At the same time, the Ministry of Agriculture, Animal Husbandry, and Fisheries (MGAP) provides technical assistance and credits to producers.

MGAP's Forestry Directorate provides technical assistance to private sector investments in eucalyptus and pine plantations in the area. MGAP's Programme for Agricultural Technology assists small agricultural businesses with swine production and Butia honey production, the latter a successful activity identified by the Pilot Phase project.

The Departmental Government of Rocha also provides some technical assistance to rural producers. The Rocha Agricultural Cooperative sells inputs and commercializes wool. The National Fisheries Institute provides technical support to fishing concerns from its regional office at the port of La Paloma.

The Ministry of Housing, Territorial Regulation and the Environment monitors the coastal zone of the Department of Rocha, and the Ministry of Tourism will establish an office in



Rocha to assist the Rocha Tourism Corporation - association of tourism businesses - in promoting and serving local tourism.

#### **4. The proposed Alternative**

The project will build upon the outputs of the pilot phase project: a draft National Protected Areas Law, a draft Hydrological Plan, and a draft land-use plan are aimed at preserving areas of identified global significance and utilizing their buffer and transition zones for biodiversity friendly economic activities conserving biodiversity while maximizing benefits from land-use in the region. This law and the plans have been developed in consultation with private sector stakeholders as well as NGOs.

This project will secure the targeted global benefit by ensuring that preparatory work completed in the pilot phase leads to a programme of activities to protect areas crucial to globally significant biodiversity, and to mitigate current economic activities in the buffer and transition zones.

The draft land and water use plans will be integrated into a Comprehensive Plan, activities and costs will be identified for implementing the plan, and the plan will be presented for approval by government. This project will assist local landholders to demarcate areas to be included in the National System of Protected Areas (NSPA), and will present proposals for public protected areas for approval for inclusion in the NSPA. In surrounding buffer zones the project will identify biodiversity friendly land-use practices that maintain ecosystem integrity through research and demonstration of alternative options. To motivate landholders to adopt these practices, the project will identify regulatory and economic incentives. As part of this the project will design a trust fund to finance activities to catalyze adoption of new practices (e.g., pre-feasibility studies).

As part of these objectives the project will continue to build technical capacity in local government and NGOs, and raise awareness among the private sector to facilitate the implementation of the Comprehensive Plan and the adoption of alternative land use practices in buffer zones.

#### **5. Scope of Analysis**

The scope of analysis should include all other changes from decisions to undertake the alternative instead of the baseline both inside the boundary of the project area and outside. In this case no significant changes in land-use practices outside the Bañados del Este Biosphere Reserve are expected. However, within the boundaries of the Biosphere Reserve, the following land-use activities will be modified to integrate biodiversity conservation practices: rice cultivation, cattle and sheep raising, road and bridge planning, tourism.

## 6. Costs

The project is budgeted at US\$ 3.72 million; this figure includes US\$ 0.72 million in direct cash contributions by the Governments of Uruguay and Spain, US\$ 0.5 million in in-kind contributions from the Government of Uruguay and and US\$ 2.5 million in GEF financing.

The cost of the finalizing the National Protected Areas Law and the draft hydrological and land-use plans - including their integration - will be project costs. The costs of identifying alternative land-use practices in the buffer and transition zones, and enabling their implementation will also be project costs. The trust fund mechanism will finance key activities required to enable the adoption of alternative, biodiversity friendly technologies.

	<b>Baseline (B)</b>	<b>Alternative (A)</b>	<b>Increment (A-B)</b>
<b>Domestic Benefit</b>	<ul style="list-style-type: none"> <li>• cattle/ sheep ranching causing natural habitat degradation and preventing regeneration</li> <li>• rice cultivation causing natural habitat destruction and agrochemical pollution</li> <li>• plantation forestry causing natural habitat destruction</li> <li>• unplanned tourism causing natural habitat degradation</li> </ul>	<ul style="list-style-type: none"> <li>• cattle/ sheep ranching with incentives to adopt feasible alternative practices</li> <li>• rice cultivation with incentives to adopt feasible alternative practices</li> <li>• plantation forestry expansion regulated through land-use plan and incentives</li> <li>• tourism planned and regulated with entrepreneurs motivated to adopt new practices by incentives and economic benefits</li> </ul>	<ul style="list-style-type: none"> <li>• economic activities and land-uses implemented which are compatible with the goals of the Biosphere Reserve</li> </ul>
<b>Global Benefit</b>	<ul style="list-style-type: none"> <li>• Biosphere designation with habitat degradation and loss of biodiversity from conventional land-use practices</li> <li>• No protected areas legally established</li> <li>• No land-use plan guiding conservation management and land-use planning.</li> <li>• Landholders with no incentives to adopt biodiversity friendly land-use practices</li> <li>• Biodiversity friendly economic opportunities e.g., ecotourism, undeveloped</li> </ul>	<p>Fully functional Biosphere Reserve i.e., core protected areas under conservation management, buffer and transitions zones under economically feasible land-use systems which do not degrade habitat</p> <p><u>Enabled by:</u></p> <ul style="list-style-type: none"> <li>• Protected Areas Law approved, and PA management capacity established</li> <li>• Comprehensive Plan integrating hydrological and land-use plans approved by local stakeholders and government</li> <li>• biodiversity friendly land-use practices adopted by private landholders in buffer and transition zones and in implementation with motivate of regulatory/ incentive systems//Trust Fund established</li> <li>• ecotourism entrepreneurs and other stakeholders empowered with strategy and plan for development</li> </ul>	<ul style="list-style-type: none"> <li>• Protection of globally significant habitats and species</li> </ul>

	<b>Baseline (B)</b>	<b>Alternative (A)</b>	<b>Increment (A-B)</b>
<b>Costs</b>	<ul style="list-style-type: none"> <li>existing government funded support to private sector activities - rice research, ag extension, tourism promotion (approx. US\$ 750,000/year)</li> <li>local NGO activities in support of conservation objectives (approx. US\$ 20,000/year)</li> </ul>	<ul style="list-style-type: none"> <li>Land &amp; Water use plan (US\$ 568,500)</li> <li>conservation incentive/regulatory framework (US\$ 177,900)</li> <li>Trust Fund established (US\$ 60,200)</li> <li>private/ public protected areas system established (US\$ 854,200)</li> <li>alternative land-use practices identified for adoption (US\$ 359,300)</li> <li>Ecotourism plan and capacity (US\$ 501,900)</li> <li>Greater awareness of gov't, media and education (US\$ 338,000)</li> </ul>	
<b>Total Costs</b>	b = US\$ 0.077 million/year or US\$ 2.31 million for life of project	b + \$US 2.86 million (includes US\$ 0.36 million from government of Spain)	\$US 2.86 million (US\$ 2.5 million GEF; US\$ 0.36 million GoS)

## ANNEX VI TECHNICAL REVIEW

### 1. OVERALL IMPRESSIONS

The project deals with a very important and relevant problem that deserves urgent attention in order to revert rapidly growing threats that risk irreversible degradation of a unique ecosystem.

The document is in general well formulated, consistent and comprehensive. Besides, the proposal is supported by the fact that an initial phase has already been completed with satisfactory results.

### 2. RELEVANCE AND PRIORITY

The project is highly relevant and of high priority. First, because it refers to wetlands of great value in terms of biodiversity. Second, the Bañados del Este wetlands are being converted into rice-fields at an amazing speed. The time window available for action is therefore limited.

### 3. PROJECT APPROACH

The project approach is correct, aiming at (a) providing comprehensive land and water use planning, (b) encouraging policy framework and incentive and regulatory mechanisms, (c) developing of an effective system of public and private protected areas, (d) development of appropriate land-use practices, and (e) increasing technical capacity of all the stakeholders, and (f) increasing public awareness.

However, it would have been desirable to see a more specific focus on (a) development of economic incentives for conservation [*please see paragraph 23 of the Brief, regarding incentives to be provided for conservation as part of the National Protected Areas Law*] and (b) analysis of the specific mechanisms to be implemented for water management in the region. Both are critical issues that may conflict with the present legislation as well as cultural traditions in the area. The fact that after the Pilot Phase no specific commitment from the government (in terms of legislation or approved planning) has been formalized is a cause of concern [*see paragraph 55 of the project brief for terms of implementation as guarantee of government commitment*].

Therefore, I would recommend a stronger emphasis on this project, seeking more involvement from other sectors of the Uruguayan government, including the “development” sectors such as the Ministries of Agriculture and Finance [*please see paragraphs 43 and 56 for composition of project Operations Committee, and paragraph 37 and Output 6.3 regarding collaboration of the Ministry of Finance*].

### 4. OBJECTIVES

Overall objectives are valid. Specific objectives are consistent with the project approach. Again, it would be desirable a more direct effort to find mechanisms of interaction between the “production” and the “conservation” sectors of the government by a more pro-active action, particularly at the level of the Ministry of Agriculture. Otherwise, institutional fragmentation may

affect the holistic approach needed to manage such a large and complex area. Of particular concern is how to make water consumption for agricultural (irrigation, associated pollution, etc.) and wetland conservation [*see paragraphs 43 and 56 for composition of Operations Committee*].

Again, my recommendation is to give a higher priority to this key issue.

## **5. BACKGROUND AND JUSTIFICATION**

Background information is adequate.

## **6. CRITICAL ANALYSIS**

The critical analysis of the factors threatening the region's biodiversity seems clear and objective.

## **7. ACTIVITIES**

In general they are consistent with the proposed objectives and well formulated.

Regarding activity 1 (Land and Water use Plan) it should be desirable a more direct participation from the "production" sector within the government since the design phase, instead of waiting until the Plan is finalized before submitting it to the appropriate bodies for approval [*see paragraph 21 describing participation by the Ministry of Agriculture in development of the land-use plan*].

I strongly suggest to develop a mechanism that ensures early involvement of these government bodies.

## **8. NATIONAL PRIORITIES AND COMMUNITY PARTICIPATION**

The project proposes an adequate participation of local communities and NGO's at the local and national level. However, it would be desirable to see included a more detailed explanation of the mechanisms to be used to achieve such involvement [*see paragraph 43 and 46 for explanation of stakeholder participation on the Operations Committee and trimestral open fora with stakeholder groups*].

The same applies for consultancies subcontracted to NGOs and other consultants. As an important part of the budget will be devoted to subcontracting, ensuring an equal opportunity for participation is very important in terms of achieving support from the local conservation community and the academic community [*see paragraph 57*].

My suggestion is to include complementary information indicating the procedures to be used for community participation and consulting contracts.

## **9. INSTITUTIONAL ARRANGEMENTS**

Seem adequate. I have the following comments however:

(a) It would be desirable that the project could show better integration between the conservation agency and the government sectors dealing with economy and agricultural production in the region.

## **10. TIME FRAME**

In general, seems appropriate.

## **11. FUNDING**

As I am not familiar with local costs, it is difficult to evaluate the proposed budget.

However, I have the following comments:

a) There is not enough information to understand the tasks to be subcontracted from consulting companies and NGOs. As the amount of resources to be used is substantial (US\$ 362,000, plus an additional US\$ 100,000 devoted to protected areas consultants), more information would be needed for a proper evaluation [*specific Terms of Reference to be elaborated for full-project document; see budget lines 22 and paragraph 57 for indicative description*].

(b) No specialists in the areas of economics and legislation are included. Under the proposed objectives both areas are very important in this second phase when important legislation and incentive mechanisms need to be developed [*see budget line 011-001 in Annex III*].

I recommend a more detailed justification for the subcontracts item in the budget (category 020) as well as giving consideration to the possibility of including professional support from specialists in legislation and economics.

## **12. INNOVATIVE FEATURES/REPLICABILITY**

This project could develop innovative features if the proponents succeed in achieving an integrated and effective management plan for the Banados del Este wetlands which preserves its biodiversity and ensures the sustainable use of its resources. If successful, it may become a good example for other wetlands in the southern part South America.

## **13. SUSTAINABILITY**

Future sustainability of the project depends, to a large extent, on (a) the approval by the Uruguayan authorities of the proposed legislation and land-use and hydrological plans, (b) implementation of an effective mechanisms for the protection and sustainable use of the wetland as a whole, and (c) implementation of effective mechanisms for the establishment of state and private sector participation.

Given that the main threat to Banados del Este comes from the rapid development of rice cultivation in the area, there is a very limited time-window for effective actions to be taken.

Although important steps have been taken in the right direction, sustainability after finalization of this second phase is far from certain, although not impossible. In general, it seems that the project is on the right track, although it would have been desirable to see a more direct support from the Uruguayan government already committed, particularly after three years of activities from the GEF's Pilot Phase.

#### 14. DEVELOPMENT DIMENSIONS AND RATIONALE FOR GEF SUPPORT

Adequately justified in the proposal. I have no specific comments.

#### 15. ADDITIONAL COMMENTS OR QUESTIONS

None





Montevideo, 4 de marzo de 1997.-

Señor Eduardo Niño-Moreno  
Coordinador Residente de la Naciones Unidas y  
Representante del PNUD en Uruguay

. 74/97

De mi consideración:

Por la presente tengo el agrado de dirigirme a usted a fin de solicitar por su intermedio al Fondo para el Medio Ambiente Mundial (GEF) el apoyo financiero para la Consolidación de la Reserva de Biosfera "Bañados del Este", por parte del PROBIDES.

Este apoyo permitirá intensificar las acciones de conservación de la biodiversidad y desarrollo sustentable que lleva a cabo el PROBIDES en el área y que contaron para su inicio con el financiamiento del GEF durante su fase piloto a través del proyecto URU/92/G31.

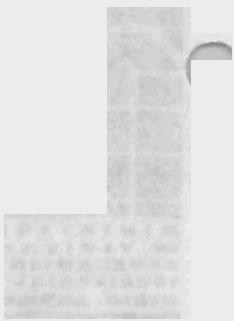
Esta fase de consolidación cuenta asimismo con fondos aportados por el Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente (aprobados en la Ley de Presupuesto Nacional y recursos ordinarios de inversión del Ministerio) y por la Agencia Española de Cooperación Internacional (AECI).

Agradeciéndole desde ya su colaboración lo saludo muy atentamente.

Juan Antonio Chiruchi  
MINISTRO DE VIVIENDA  
ORDENAMIENTO TERRITORIAL  
Y MEDIO AMBIENTE

Ministerio de Vivienda, Ordenamiento Territorial y Medio Ambiente

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