

TO: GEF SECRETARIAT
THE WORLD BANK/IFC/M.I.G.A.

OFFICE MEMORANDUM

DATE: May 29, 1998

TO: See Distribution Below

FROM: Lars Vidaeus, GEF Executive Coordinator 

EXTENSION: 34188

SUBJECT: **PDF Block A Request - Venezuela: Biodiversity Conservation and Sustainable Resource Management in the Llanos Region**

Please find attached a PDF Block A Request for Venezuela: Biodiversity Conservation and Sustainable Resource Management in the Llanos Region. We would appreciate your comments by June 5, 1998. Thank you.

Distribution:

R. Asenjo, UNDP (New York) (Fax: 212-906-6998)
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cc: Messrs./Mmes

de Mesa, GEF Secretariat (fax 23240)
Koch-Weser, Lovejoy, Abedin, Huber (LCSES)
Parker, Carlson (LCC4)
Kimes, Castro, Elliott, Bossard (ENVGC)

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APPLICATION FOR Block A PDF GRANT

May 29, 1998

PART I - ELIGIBILITY

1. Project name: Biodiversity Conservation and Sustainable Resource Management in the Llanos Region	1. GEF Implementing Agency: World Bank
3. Country or countries in which the project is being implemented: Venezuela	4. Country eligibility: Venezuela ratified the CBD on September 13, 1994.
5. GEF focal area(s), and/or cross-cutting issues: Biodiversity	6. Operational program / Short-term measure: Freshwater Ecosystems (OP2): Los Llanos includes a complex set of freshwater ecosystems, forests, savannas and wetlands.

7. **Project linkage to national priorities, action plans and programs:**
 Numerous scientific sources concur that the Llanos is one of the most important wetland and freshwater ecosystems on the planet. Designated bioregionally outstanding within the Neotropical region by the joint World Bank/World Wildlife Fund priority setting exercise for the LAC region (Dinerstein et al., 1995), the biological richness and productivity of the wetland ecosystems are only matched by the Pantanal region of Brasil, Bolivia, and Paraguay, making the Llanos nationally as well as globally important. At the national level, this region is considered tremendously valuable not only in terms of its biology, but also for social, cultural, and economic reasons.

The main threats to biodiversity in the Llanos are the degradation and destruction of ecosystems. Although there are environmental laws in Venezuela such as the Law of the Environment, Law of Territorial Planning, Penal Law of the Environment, Forestry Law of Water and Soils, and a proposed Law of Biodiversity, there is limited tradition of enforcement. Within the *National Plan of Territorial Zoning* that is being prepared by the Ministry of the Environment (MARNR), the objectives to protect the fauna and flora of the ABRAES or national parks and protected areas is mandated. The plan, however, does not address protection of fauna or flora outside the ABRAES. Moreover, other objectives in the plan would likely have an adverse impact on biodiversity.

Extraction of mineral and oil resources from the basin that stretches from the Delta into the Llanos is one of the major goals of the *National Plan of Territorial Zoning*. Recently, Venezuela has opened the region to the international oil industry for exploration and extraction activities in the "Apertura Petrolera." An example is mining of gravel and sand in Llanos riverbeds that has degraded the aquatic ecosystems. Other objectives in the plan include channelization and other alterations of the hydrology and riverine ecosystem for fluvial transportation and hydroelectricity. Other priorities in the National Plan are agriculture and forestry. The biodiversity of the Llanos has been and continues to be

degraded due to uncontrolled deforestation, burning, and draining of wetlands for expansion of agriculture and cattle ranching. These factors add urgency to the need to ensure the sustainable management of these ecosystems to conserve biodiversity and to educate citizens and decision makers about the values of the ecosystems of the Llanos so that they become partners in the process. Institutional mechanisms alone do not ensure that the public and private sectors minimize activities that degrade or destroy the environment.

In addition, the government is in the process of decentralizing the Ministry of the Environment (MARNR) and changing its role to one of director rather than executor of activities. A large percentage of environmental projects are already executed by the private sector and the government has indicated that this should increase as such activities are not to be the function of MARNR.

The academic community has identified the Llanos as a priority for study. Universities such as UNELLEZ (The University of The Llanos Ezequiel Zamora) and Universidad Central de Venezuela support research and management projects by professors and graduate students in the Llanos in biological research, evaluation of biodiversity, environmental and social assessments. For example, currently UNELLEZ is involved in biodiversity surveys in Portuguesa and Barinas states and in Sierra Nevada National Park. NGOs and institutes such as FUDENA, CENDI, The Venezuelan Institute for Scientific Research (IVIC), Botanical Institute (FIBV), Audubon Conservation Society, EcoNatura, and others also support or conduct research and develop projects to contribute to biological research, sustainable development projects, improvement of agricultural practices, and environmental education. Other actors in the eastern region of the Llanos include oil companies, particularly the efforts of the Desarrollo Armonica del Oriente (DAO) of PDVSA that supports some environmental and social projects. However, these are individual efforts which have not as yet communicated or identified common goals or objectives, strengths, weaknesses and opportunities for management of biodiversity of the ecoregion. This project could lend to the linkage of these efforts through a comprehensive implementation plan to (i) ensure that priorities are addressed, (ii) encourage efficient use of financial resources, (iii) increase cooperative efforts, (iv) leverage the resources of individual projects and partner organizations, and (v) improve dissemination of information to key actors with the participation of government agencies.

8. Status of national operational focal point review (dates):

Submitted: 7-23-1997

Acknowledged: 9-29-1997

Endorsed: 3-16-1998

9. Project rationale and objectives:

The goal of this project is to contribute to the protection and conservation of the biodiversity of Los Llanos of Venezuela through planning and implementation of comprehensive management strategies based on public-private partnerships and community participation. Implementation of the biodiversity management strategy would include pilot projects, environmental awareness activities, and capacity building.

The Llanos region represents one of the largest and most complex freshwater ecosystems on earth, that of a large part of the Orinoco watershed, and one of the most important neotropical wetland ecosystems. It comprises a large area of 355,112 km², of which 240,000 Km² (68%) occur in Venezuela. Several ecosystems occur in Los Llanos, including tropical dry forests, forested wetlands, marshes, savannas, riparian wetlands, and sand dunes. The ecoregion is located in the most recent geological formation of South America making it a valuable area of geologic and botanical study. The Llanos is home to a number of endemic species of mammals, reptiles, amphibians, fish, many endangered species, and hundreds of species of resident and migrant waterfowl. The wetlands are valuable for the biodiversity they support; habitat; natural products such as food, wood, and medicines; control of water quality and quantity; flood control; and erosion control. The Llanos has been recognized as a Bioregionally Outstanding Ecoregion with vulnerable and endangered ecosystems. It is targeted as in need of special conservation by the WWF Global 200 Campaign.

Many of the species present in the Llanos have been traditionally hunted, including the jaguar, otter, capybara, the largest rodent in the world, turtles, Orinoco crocodile, and fish. The Llanos region has been used for centuries for low density cattle ranching and agriculture. Today, this exploitation has accelerated, species are threatened by poaching and many ecosystems within Los Llanos are being converted by the uncontrolled expansion of intensive agriculture and cattle ranching. Beyond these factors are urbanization, untreated solid and liquid effluents, extractive activities, drainage of wetlands and other changes in hydrology for navigation and dam construction. Non-sustainable uses of resources have resulted in the extinction or near extinction of many species and degradation of biodiversity, through ecosystem changes, pollution of waterways, introduction of exotic species, intentional burning, and deforestation without reforestation.

Accurate knowledge of these ecosystems is necessary to understand their real value and internalize their importance within decision-making processes at the individual, local and national level. With support from World Wildlife Fund (WWF), FUDENA recently conducted a rapid environmental, economic, and social assessment of the four sub-regions of the Venezuelan Llanos, including the conservation status of important species and habitats. These assessments involved local stakeholders and experts. This information as well as that from other stakeholder efforts will be used as a basis upon which conservation priorities within the region will be discussed and decisions made regarding the design and implementation of a plan for biodiversity conservation in the ecoregion.

The framework for accomplishing the goal of this project includes:

- (i) the development of an integral management plan to conserve the biodiversity and maintain ecosystem integrity given the need for sustainable development. The foundation of such a plan will be a biodiversity assessment and a watershed approach that considers ecosystem type, land use goals, water resources, and risks to biodiversity and hydrological quality to produce recommendations to manage ecosystems sustainably and support decision making at all levels. The plan and its implementation depend on broad, substantive, and well-integrated stakeholder participation, including the various actors pursuing biodiversity research and

management activities.

- (ii) several pilot projects that address local and regional priorities for conservation of biodiversity and management of ecosystems while considering social and economic needs for sustainable development in partnership with stakeholders. Pilot projects could include: private partnerships to provide ecosystem protection and enhance the public protected areas system; an endangered species program to promote the conservation of threatened species such as the Orinoco Crocodile, the Orinoco Tortoise, Jaguar, Manatee and Otter; a habitat protection program that promotes use of best management practices in agriculture, forestry, or other extractive activities; a capacity building project to involve local communities and organizations in conservation. Pilot projects will be elaborated upon the analysis of conservation priorities as part of the PDF Block A process.
- (iii) environmental education and capacity building activities.
- (iv) evaluation and monitoring.

Successful protection and conservation of biodiversity and the sustainability of this project require the involvement of public agencies, local and national government agencies, businesses, non-governmental organizations, communities, and academic institutions.

Other specific objectives that will be part of items (i) (ii) and (iii) are:

- To develop strategies at the local, regional, and national levels that promote understanding of the biodiversity of the Venezuelan Llanos and of the value of the terrestrial and wetland ecosystem and improve protection of biodiversity beyond that currently provided by national parks and other protected areas in the region.
- To establish a center for dialogue and capacity building about conservation and sustainable resource management for the duration of the project in the sub-region of the Llanos with the biodiversity which is most threatened and has the least resources to meet conservation needs.

10. Expected outcomes:

- a) A framework for conserving regionally and globally important threatened species and biodiversity; b) Replicable projects of local and regional sustainable ecosystem management; c) Replicable plan for biodiversity management; and d) Replicable methodology to involve the community, private sector, governmental and non-governmental sectors in partnerships for conservation.

11. Planned activities to achieve outcomes:

- Analysis of conservation priorities within each of the four sub-regions identified by FUDENA and across the ecoregion.
- Analysis of geographic priorities for biodiversity conservation based on biodiversity assessments of plants and animals and cartographic and remotely sensed information analyses.
- Design of an ecoregion biodiversity management plan.
- Pilot projects to promote conservation of biodiversity and natural resource management.

- Environmental education and capacity building activities to involve communities in natural resource conservation.
- Evaluation and monitoring.

The financial support needed to carry out the proposed medium sized project for a three year period is tentatively estimated at \$1 million of which \$725,000 would be provided by GEF, \$200,000 by FUDENA, and \$75,000 by the agencies mentioned in Block 15. A full financing plan will be developed during project preparation.

12. Stakeholders involved in project:

The project counts on the participation of regional corporations, universities and non governmental organizations with extended experience in the area, local populations and government agencies.

PART II – INFORMATION ON BLOCK A PDF ACTIVITIES

13. Activities to be financed by the PDF:

- Workshops with specialists to assess biodiversity priorities and orient the project. GEF US\$:6,050 FUDENA US\$:5,500
- Analysis of conservation priorities and activities within and across the four sub-regions. GEF US\$:11,300 FUDENA US\$:4,500
- Workshop to formulate the project and that promotes conservation of biodiversity in the Venezuelan Llanos Ecoregion. GEF US\$: 4,875 FUDENA US\$:5,500
- A proposal that is developed in consultation with NGOs, government agencies, the private sector, and local communities. GEF US\$: 2,775 FUDENA US\$: 5,000

TOTAL: GEF US\$ 25,000 FUDENA US\$ 20,500

13. Expected outputs and completion dates for the PDF activity:

- A medium sized-project will be developed that will encompass:
- A proposal that is developed in consultation with NGOs, government agencies, the private sector, and local communities. (3 months after receiving PDF A approval.)
 - A methodology for developing a comprehensive management plan that promotes conservation of biodiversity in the Venezuelan Llanos Ecoregion. (3 months after receiving PDF A approval.)

15. Other possible contributors/donors and amounts: The Ministry of the Environment and the Natural Renewable Resources (MARNR), the National Institute of Parks (INPARQUES), Instituto Botanico (FIBV), The University of The Llanos Ezequiel Zamora (UNELLEZ), the Center of Research and Dissemination of Sustainable Systems of Agricultural Production (CENDI), The Maturin Environmental Foundation (FUNDAMAT) have all pledged support and in-kind resources that is estimated to amount to \$75,000.

13. Total PDF Block A Budget (in US\$ or local currency):
 PDF: 25,000 US\$
 Co-financing 20,500 US\$
 TOTAL: \$45.500

PART III – INFORMATION ON THE APPLICANT INSTITUTION

<p>14. Name: FUDENA</p> <p>FUDENA is an NGO, established in Venezuela in 1975 to contribute to the conservation of natural resources and the environment by preserving biodiversity and promoting sustainable development.</p>	<p>18. Date of Establishment, Membership and Leadership:</p> <p>1975; 2,500 members; Diego Diaz Martin, CEO FUDENA; FUDENA has a staff of 35 people and 22 members of the Board of Directors.</p>
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<p>19 Mandate/Terms of reference:</p> <p>Fudena's mission is focused on five major areas: Applied Research, Planning and Management of Protected Areas, Information and Education, Communication and Promotion of Sustainable Development.</p>	<p>20. Sources of revenue:</p> <ul style="list-style-type: none"> ▪ Individual memberships and donors ▪ Corporate membership ▪ External financial aid for projects ▪ Sponsorship through joint ventures <p>Annual budget 1997-1998 \$1,100,000</p>
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21. Recent activities/programs, in particular those relevant to GEF:

FUDENA has collaborated with the Venezuelan government in the design and implementation of Management plans, as well as specific action plans for the conservation of species such as the Orinoco Crocodile, the Spectacled Bear and Sea Turtles, among others. FUDENA is also the coordinator of the Venezuelan committee of the Latin American Forest Network (RLB) and Red ARA (The Venezuelan Network of Environmental NGO's). FUDENA is an associate member of WWF, a non-governmental member of the UICN and Venezuelan Focal Point of the CCA.

With the partial support of WWF-US, FUDENA conducted a comprehensive assessment of the Llanos region of Venezuela, establishing a baseline of information to be used in this project. FUDENA and WWF-US has worked together in the conservation of species and protected areas, as well as the environmental education of local communities and the policy design at different levels.

Part IV – INFORMATION TO BE COMPLETED BY IMPLEMENTING AGENCY

21. Project identification number:

22. Implementing Agency contact person:

Richard Huber tel: 202-473-8581

email: Rhuber1@worldbank.org

address: 1818 H St. NW

Washington D.C. 20433

and Christine Kimes tel: 202-473-3689

Global Environment Coordinator

email: CKimes@worldbank.org

23. Project linkage to Implementing Agency program(s): The proposed project is consistent with the World Bank Country Assistance Strategy and with the Government's economic and social program and investment priorities (Agenda Venezuela) which focuses on: (i) enhancing sustainable growth with stability, which includes promoting and integrating sustainable environmental management, (ii) promoting social development, and (iii) modernizing the public sector. The proposed MSP will form the cornerstone of strong NGO involvement in biodiversity protection through community-based efforts.

The Bank is supporting two related projects in Venezuela: (i) INPARQUES - which strengthens the national parks and protected areas program, and (ii) the Environmental Management and Cartography Project - which modernizes and decentralizes the Ministry of the Environment. In addition, the Bank is supporting preparation of a GEF Biodiversity Project that would mainstream biodiversity concerns into policymaking and strengthen public-private partnerships in this focal area. All of these initiatives would be complementary to the proposed MSP.

RECIBIDO

002277

19 MAR. 1998

República de Venezuela
Ministerio de Relaciones Exteriores
DGSECI/DAEIVUMA

Caracas, 16 MAR 1998

Doctor
DIEGO DIAZ MARTIN
Director Ejecutivo del
Fondo para la Defensa de la Naturaleza (FUDENA)
Presente.-

Tengo el agrado de dirigirme a usted en la oportunidad de remitirle en anexo, para su conocimiento, copia de la carta aval para el proyecto presentado por la Fundación que usted dirige, *Conservación de la Diversidad Biológica y Manejo Sostenible de Recursos en la Región de Los Llanos* la cual fue enviada por vía diplomática al Presidente del Fondo para el Medio Ambiente Mundial.

Atentamente,



[Handwritten signature]
NORMAN PINO
Embajador
Director General Sectorial
de Economía y Cooperación Internacionales

DMR



REPUBLICA DE VENEZUELA
MINISTERIO DE RELACIONES EXTERIORES
DGSEC/DAEVUMA

002281

Caracas,

16 MAR 1998

Señor:
MOHAMED EL - ASHRY
Presidente del Fondo
para el Medio Ambiente Mundial (GEF - FMAM)
Su Despacho.

Presente.- *Ex. 001. JGJ. 5222.940*
JG 48

Es grato dirigirme a usted, en la oportunidad de referirme al proyecto "Conservación de la Diversidad Biológica y Manejo Sostenible de Recursos en la región Los Llanos", elaborado por la Fundación para la Defensa de la Naturaleza (FUDENA), Organización No Gubernamental venezolana que está solicitando ante el Fondo para el Medio Ambiente Mundial (FMAM), el financiamiento para la ejecución del mencionado proyecto.

Sobre este particular, hago de su conocimiento que luego de someter el proyecto al análisis de las autoridades con injerencia en la materia del Ministerio del Ambiente y los Recursos Naturales Renovables de Venezuela, se concluyó que resulta altamente positivo que organizaciones no gubernamentales nacionales se aboquen al desarrollo de proyectos de esta naturaleza, por estar orientados a la conservación y manejo de los recursos naturales.

Es por ello que me permito informarle en mi carácter de Punto Focal para el Fondo para el Medio Ambiente Mundial en Venezuela, sobre el apoyo del Gobierno de mi país a este proyecto. Mucho le agradecería que se tomen las previsiones necesarias para el otorgamiento del financiamiento solicitado por FUDENA.

Aprovecho la ocasión para reiterarle mis sentimientos de más alta estima y consideración.

Atentamente,



[Handwritten Signature]
NORMAN FINO
Embajador
Director General Sectorial
Economía y Cooperación Internacionales