



**PROJECT DEVELOPMENT PREPARATION (PDF)
PROPOSAL
REQUEST FOR PDF Block B APPROVAL**

AGENCY'S PROJECT ID: GF/1040-XXXX
GEFSEC PROJECT ID: 2364
COUNTRY: Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela

PROJECT TITLE: Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin

GEF AGENCY: UNEP
EXECUTING AGENCY: GS/OAS
OTHER EXECUTING AGENCY(IES): Organization of the Amazon Cooperation Treaty (OTCA), in cooperation with the following national institutions:

- Bolivia:** National Hydrology and Meteorology Service
- Brazil:** National Water Agency/Ministry of the Environment (ANA/MMA)
- Colombia:** Institute of Hydrology, Meteorology, and Environmental Studies
- Ecuador:** National Water Resources Board
- Guyana:** Guyana Water Authority
- Peru:** National Institute of Natural Resources (INRENA)
- Suriname:** Ministry of Public Works/Hydraulic Research Division
- Venezuela:** Directorate of Hydrographic Basins/Ministry of Environment

DURATION: 23 Months

GEF FOCAL AREA: International Waters

GEF OPERATIONAL PROGRAM: OP # 9

GEF STRATEGIC PRIORITY: IW Priority No.2/Climate Change Adaptation

ESTIMATED STARTING DATE: January 2005

ESTIMATED WP ENTRY DATE: Feb. 2007 Inter-sessional Work Program

PIPELINE ENTRY DATE: 12 November 2003

FINANCING PLAN (US\$)	
GEF PROJECT / COMPONENT	
Project (<i>estimated</i>)*	10,000,000
PDF A	
PDF B	700,000
PDF C	
<i>Sub-Total GEF</i>	10,700,000
PROJECT CO-FINANCING (<i>estimated</i>)	
GEF Agency	150,000
Government	5-6,000,000
Bilateral	
NGOs	
Others **	5-6,000,000
<i>Sub-Total Co-financing:</i>	10-12,150,000
PDF CO-FINANCING (details provided in Part II, Section w/Budget)	
GEF Agency	50,000
National Contribution	600,000
Others	100,000
<i>Sub-Total Co-Financing:</i>	750,000
<i>Total Project Financing:</i>	21-23,600,000

* For a 4.5 years period with 5 million from IW focal area and 5 million from Climate Change Adaptation

** OAS, WMO, CAF, IDB....

RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT: (see Annex 4)

- | | |
|---|----------------------|
| 1. Carlos Eduardo Lampert Costa
GEF Focal Point, Min. Planning and Management,
Secretariat Internal Affairs, Brazil | Date: April 29, 2004 |
| 2. Juan Pablo Bonilla
Vice Minister of Environment, Colombia | Date: March 15, 2004 |
| 3. Carlos René Valenzuela
Viceministerio de Recursos Naturales y
Medio Ambiente, Bolivia | Date: July 06, 2004 |
| 4. Fabian Valdivieso Eguiguren
Ministro del Ambiente, Ecuador | Date: May 30, 2004 |
| 5. Doorga Persaud
Executive Director EPA, Guyana | Date: July 28, 2004 |
| 6. Mariano Castro Sánchez-Moreno
Secretario Ejecutivo, CONAM, Peru | Date: July 02, 2004 |
| 7. M. Kerkhoffs-Zerp – Environmental Policy
Officer, Ministry of Labor, Technological
Development and Environment. | Date: July 22, 2004 |
| 8. Oscar Hernández Bernadette
Embajador, Ministerio de Relaciones Exteriores,
Unidad de Medio Ambiente, Venezuela | Date: March 22, 2004 |

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IA/ExA Coordinator:

A. Djoghla, Assistant Executive Director
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JUSTIFICATION

BACKGROUND

Description of the Basin – See Annex 6 for basin Map

The Amazon River Basin occupies the entire central and eastern area of South America, lying to the east of the Andes mountain range and extending from the Guyana Plateau in the north to the Brazilian Plateau in the south. Its altitude ranges from 4,000 m in the western mountain range to sea level. The Basin covers more than 6,100,000 km², or 44% of the land area of the South American continent, extending into Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela. The Basin has widely varying climatic and topographic characteristics, with elevations ranging from sea level at the River's mouth, to an altitude of 6,500 m in the Andes. Precipitation levels range from 200 mm per year in the Andes to more than 6,000 mm per year in the foothills and plains. Seasonal variations in rainfall are the result of movements in the inter-tropical convergence zone (ITCZ), with periods of maximum precipitation occurring during the months of March through June in the northern hemisphere, and December through March in the southern hemisphere.

The Amazon River, which runs for approximately 7,100 km from its source in Peru to the Atlantic Coast of Brazil, is the world's longest, widest, and deepest river. Its discharge of approximately 210,000 m³ per second exceeds the combined discharge of the world's nine next largest rivers. Its hydrological characteristics are unique. The Amazon River system is divided into 10 subbasins, the largest of which in area are the Negro, Xingú, Madeira, Tapajós, and Juruá subbasins. The Negro River subbasin (comprised of the Negro and Branco river systems) is the largest in area, accounting for nearly one-fourth of the Basin's total land surface. In terms of discharge, from a hydrological standpoint, an estimated 65% the Basin's total flows into the Atlantic Ocean comes from the Solimoes and Madeira river sub basins, originating in the Andes and comprising about 60% of the Basin's land area. About 15% of the flow is from the Negro River subbasin. The greatest demand for water is found in the Madeira, Tapajós, and Xingú sub basins, where irrigation accounts for 90% of the demand.

The dense vegetation and large volumes of water that circulate throughout its extensive drainage network produce clouds over the Basin that generate high levels of precipitation and release heat, affecting the regional and global climate through tropical circulation patterns. Most of the Basin is covered by tropical rainforest, accounting for more than 56% of all broad leaf forests in the world. Its ecosystems are characterized by great biodiversity, with more than 30,000 plant species, nearly 2,000 fish species, 60 reptile species, 35 mammal families, and approximately 1,800 bird species. The Amazon River Basin is also an important source of natural resources for human economic development. It contains some of the world's largest known reserves of bauxite (nearly 15% of the world total), and industries within the Basin are some of the largest suppliers of iron and steel to world markets. Wood and wood byproducts, gold, and tin are other products from the Basin that are increasingly in demand for export.

The population of the Amazon River Basin is estimated at approximately 10 million persons, mostly concentrated in urban areas (Iquitos, Leticia, Manaus, Río Branco, Porto Velho, Boa Vista, and Macapá, among others) along the river and its main tributaries. A high percentage of the total population consists of indigenous communities settled mainly along the banks of the river and its tributaries, and belonging, *inter alia*, to the following ethnolinguistic groups: Quichua, Inga, Secoya, Huitoto, Andoque, Ynomami, Waimiri, Atroari, Matis, Mayorum, and Ticuna. In recent decades, there has been an accelerated process of immigration into, and settlement within, the Amazon River Basin.

Population growth rates range from 5.2% to 7.2%, well above the national averages for the Amazon countries. These factors, combined with the high levels of poverty, place constant pressure on the region's natural resources, and in particular on residual native forests.

Environmental Issues and Concerns

The mountainous portions of the Amazon River Basin, consisting of the eastern slope of the Andes in Bolivia, Peru, Ecuador, and Colombia, account for a little over 12% of the total land area of the Basin. Given the abundant rainfall and steep topography, the Andean slopes are subject to severe erosion, with more than 1,000 tons/km²/year of sediment flowing toward the Atlantic Ocean. Measurements in the upper Madeira River subbasin indicate that, of the 3,200 tons/km²/year of sediment produced, up to 60% reaches no farther than the Andean foothills, at which point, the sharply reduced longitudinal gradients lower the stream's carrying capacity resulting in internal sediment deposition within the Basin. Overall, the Amazon River transports an average of 600 to 800 million tons of sediment annually, with the majority of the sediment coming from the Solimoes (62%) and Madeira (35%) river sub basins and originating in the Andes.

Given its expansive drainage system, the Amazon Basin is significantly affected by ENSO-type climatic variations (those causing a substantial decline in precipitation), considerably increasing the areas at risk from fire and defoliation. The last "El Niño" event of 1997 caused the worst drought in 25 years in the Amazon Basin. The drop in water levels in the Amazon River and its tributaries was substantial (Rio Negro alone registered a level that was 8.6 meters lower than normal), drying-up areas usually flooded and altering ecological conditions that increased fire hazards throughout the Basin. Millions of acres of burned forest reduced visibility, caused respiratory problems, and closed airports at times. Lagoons and ecosystems became isolated because of drought, stranding recently hatched turtles, for example, and concentrating predators into smaller areas. Reduced river flows also caused power rationing and a reduction in river transport capabilities.

Current anthropogenic pressures on the Basin (deforestation, agriculture, mining, urbanization, etc.) are altering the condition of the plant cover and soils, which, in turn, modifies and increases the area's vulnerability to climatic cycles. Studies indicate that changes in soil moisture and evaporation, caused by deforestation, can lead to persistent drought. Deforestation has increased significantly in recent years. In 1960, the deforested area in the Brazilian portion of the Basin totaled 97,600 km². With the major influx of people into the Region beginning in the 1980s, this deforested area has increased nearly six-fold, encompassing a total of 569,269 km² by 1999. Data published by INPE for 1999 and 2000 indicate a rate of deforestation of about 17,259 km² and 19,836 km², respectively, during those two years alone. The processes of deforestation differ from one portion of the Basin to the next. In the upper basin, where anthropogenic pressures on resources are greater, the rate of deforestation is high, while, in the middle and lower basins, forest extraction activities are limited—if highly selective. In part, this reduced pressure on the middle and lower basins may be an artefact of the area's relative isolation, lack of infrastructure, and the heterogeneity of tree species per unit of land area. The main commercial species include cedar, caoba, aceite, aguacatillo, balsam, brazil, and rosewood. Notwithstanding, around populated areas, major new settlements are accompanied by deforestation. Deforestation in the upper basin and at the edges of the middle and lower basins, and the clearing of plant cover for pasture creation, have led to significant soil loss, increasing sedimentation, altering drainage conditions, and increasing the likelihood of flooding in normally unaffected areas.

The main environmental problems of a transboundary nature affecting the project area can be summarized as follows:

1. Anthropogenic pressures, owing to the uncontrolled expansion of human activities such as agriculture and fishing, exacerbated by climatic variability—especially droughts and, to a lesser

extent, floods—contributing to the destruction of fragile ecosystems in the Andean foothills and within the headwater glaciers.

2. Deforestation and clearing of plant cover, mainly in the upper basin, causing soil loss and erosion, reduced biodiversity, and sedimentation in the rivers. In the middle and lower basins, the problems of deforestation are associated with the over-exploitation of high-value forest species.
3. Changes in the hydrologic cycle, associated with changes in the global climate and exacerbated by the alteration of the Amazonian forests, that, within the Amazon River Basin, expose these forests to uncontrolled fires that, in turn, are exacerbated by periodic droughts that have recurred with increasing frequency in recent decades, necessitating the recognition of, and adaptation to, these events by human societies dependent upon the River and its resources.
4. Water pollution, resulting mainly from the indiscriminate use of agricultural pesticides; the dumping of solid wastes and wastewaters from populated areas; the use of persistent chemicals in connection with the cultivation and control of illicit crops; the use of mercury in gold mining (*garimpos*) and as a result of natural and anthropogenic alteration of soils; and, in Ecuador, crude oil spills. Water quality degradation is further exacerbated by inappropriate or inadequate water use and wastewater treatment.

Political and Institutional Framework

The participating countries are signatories to the Amazon Cooperation Treaty (TCA), a legal instrument signed in 1978 for the purpose of fostering integrated and sustainable development of the Amazon River Basin through bilateral or joint activities among the countries involved. Among the Treaty's objectives, particular importance is assigned to the implementation of joint activities and exchanges of information to promote harmonious development in the Amazon territories so as to ensure better environmental protection and the rational use of water resources (see Articles V and XV of the TCA, appended hereto as Annex 1). The Organization of the Amazon Cooperation Treaty (OTCA) was created in 1998, by means of a Protocol of Amendment of the TCA, as a mechanism for institutionally improving and strengthening the process of cooperation among the countries within the framework of the TCA.

The proposal for this project was officially presented during the Eleventh Regular Meeting of the Amazon Cooperation Council (CCH) and the Eleventh Meeting of the Foreign Affairs Ministers of the TCA, held in Santa Cruz de la Sierra, Bolivia, during November 2002. During this latter meeting, the Ministers welcomed the proposal presented by the OTCA to hold a technical meeting in Brasilia, Brazil, to continue the process of preparing the project proposal with a view to presenting it for consideration by the Global Environment Facility (GEF). The Declaration of Santa Cruz, signed by the foreign affairs ministers of the Amazon countries, stresses *"the importance of water resource management and conservation in the Amazon River Basin and the need to integrate and harmonize the initiatives and efforts of each country."* It further expresses the concern of the foreign affairs ministers over *"the progressive melting of glaciers in the Andes Mountain Range, which could have severe consequences for the sustainability of the Amazonian forest."*

Subsequently, during July 2003, the OTCA, with support from the General Secretariat of the Organization of American States and the National Water Agency of Brazil, held a follow-up technical meeting in Brasilia in conjunction with a meeting of the GEF-financed DELTAmerica Project (UNEP-OAS) steering committee. This meeting was attended by, among others, the focal points of the Inter-American Water Resources Network (IWRN), who prepared a preliminary document presenting the conceptual basis for a Program for Sustainable Water Resource Management in the Amazon River Basin. The results of this technical meeting, and the document resulting from the meeting, were then presented to a meeting of the Coordination Committee of the Amazon Cooperation Council, wherein

the countries highlighted the strategic character of the proposal and jointly undertook to make it a reality. The resulting *Concept Document for the Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin* was adopted by the GEF Secretariat on 11 November 2003, which document forms the basis for this PDF Block B funding request.

The need for a framework for joint action throughout the Amazon River Basin, of a preventive nature as well as in guiding the development process, is increasingly evident given the global importance of this hydrographic basin and the growing threats to a biome that, to date, has been relatively unaffected by human settlement. The current institutional dynamic, with the creation and operationalization of the Organization of the Amazon Cooperation Treaty (OTCA), provides an excellent opportunity to strengthen and support the movement by the Amazon countries toward the integrated management of their shared, transboundary water resources. Institutional development and strengthening, the coordination of policies and activities within the Basin, the generation and exchange of technical and scientific knowledge and information, the development of shared and harmonious legal regimes, the effective coordination of projects and initiatives across the region, and the identification of the principal current and emerging problems and joint solutions to those problems are some of the aspects that could be addressed in a coordinated and coherent manner, laying the groundwork for the sustainable management and development of the planet's largest watershed.

A large number of studies and activities on environmental problems affecting the Amazon River Basin are being conducted by countries and research centers. Numerous projects and initiatives, with both national and international financing, are underway and/or programmed. While important in terms of their specific impact, the majority of these initiatives remain isolated and generally national (or sub regional) in scope. Consequently, these efforts do not allow realistically for the joint preventive action needed to protect or sustainably utilize the Basin's water and natural resources, which are (i) of decisive importance for the survival of a key biome sustained by the world's largest watershed, and (ii) of increasing importance as a key element of the global climate and hydrological cycle. For these reasons, the aim of this project is to develop a framework for joint action among the eight countries of the Amazon River Basin so as to integrate and rationalize these currently isolated scientific efforts, find and develop joint solutions to the principal transboundary problems affecting the water resources of the region, and identify and ultimately implement strategic actions to manage and mitigate (adapt to) the consequences of disturbances to the global climatic regime.

This will clearly be a long-term effort. The development of an institutional structure for the coordinated management of the Amazon region is recent and still fragile. The challenge, in terms of its hemispheric scale and the number of countries sharing responsibility (eight countries within the TCA), is great. All eight are developing countries, and their economic and technical capacities have evolved in very different ways, both in terms of scale as well as related institutional and legal frameworks. Accordingly, the project is proposed to be divided into three four-year phases: the first for planning and development of institutional capacity; the second for implementation of jointly identified strategic activities; and the third for strengthening sustainable and integrated water resources management in the Basin, recognizing the likely impacts forecast to arise as a consequence of ongoing changes to the global circulation and climatic regimes.

SUMMARY PROJECT OBJECTIVES AND DESCRIPTION¹ –

The goal of this project is to strengthen the institutional framework for planning and executing, in a coordinated and coherent manner, activities for the protection and sustainable management of the land and water resources of the Amazon River Basin in the face of ongoing climatic changes being experienced in the Basin. The proposed project endeavors to realize a shared vision for the sustainable development of the region, based upon the protection and integrated management of transboundary water resources and adaptation to climatic changes. This goal can be stated as seven specific objectives:

- i. Make progress toward the integrated management of land and water resources, incorporating planning for adaptation to climatic variation and change, through more effective decision-making by the relevant national institutions, based upon the forecast impacts of such climatic variations and changes on land and water resources, and determinations of the vulnerability of people and ecosystems to the consequent changes in aquatic and terrestrial ecosystems, modes of production and transportation, and opportunities for economic and social (community) development.
- ii. Strengthen the shared strategic vision of the Basin as the basis for integrated land and water resource planning and management, adaptation to climatic change, and sustainable development.
- iii. Strengthen the technical-institutional structure for the identification of land and water resources at risk of environmental impairment (critical areas or “hot spots”) in order to develop and recommend measures, plans, and projects to protect and/or rehabilitate areas of impairment and, in association with in the responsible institutions in each country, initiate remedial measures.
- iv. Generate more knowledge about the types and sources of water pollution in the Basin, the means to monitor them, and the mechanisms to attack their root causes.
- v. Assess the vulnerability of ecosystems and local communities to climatic variations, particularly those resulting in droughts and floods, by analyzing adaptation options to altered flows in the glacial headwater areas and other vulnerable regions that have the potential to significantly alter the hydrology and ecology of the downslope portions of the River system and alter the dynamic equilibrium upon which many indigenous communities (among others) depend.
- vi. Make progress toward the harmonization of the legal framework for the sustainable development and management of the Basin, the development of economic instruments, the strengthening of technical and institutional capacities, and the promotion of public participation and involvement in the management of the land and water resources in the Basin necessary to support an effective and appropriate Basin-wide response to ecosystem threats and climatic variations.
- vii. Strengthen the TCA Secretariat as an effective coordination agency for countries in the Basin in the short-, medium-, and long-terms.

¹ Although this section is not mandatory in the revised format template, it allows the reader to keep the PDF-B in perspective. The rest of the PART I info are available in the approved 12 November 2003 Concept paper.

DESCRIPTION OF PDF ACTIVITIES

This proposal is the result of priorities and needs indicated by the Amazon countries in various fora, seminars, and technical meetings held within the framework of the Amazon Cooperation Treaty. The eight countries have jointly stressed the need to establish a common framework for action in the Amazon River Basin so as to: cooperatively address the main environmental problems affecting them; adapt to the changing climatic conditions manifested in the Basin by increasingly frequent floods, droughts and fires; and, guide and coordinate the sustainable development of the Basin. The Permanent Secretariat of the Organization of the Amazon Cooperation Treaty (OTCA), as the agency responsible for implementing the objectives of the Treaty, is requesting financial support from the Global Environment Facility (GEF) for the formulation of a project to strengthen the institutional framework for planning and executing activities for the protection and sustainable management of water resources in the Amazon River Basin, including the identification and implementation of actions and programs to protect and rehabilitate the River waters and associated ecosystems, the management of development so as to preserve opportunities and alternatives for future generations, and the adaptation of human activities and communities to forecast alterations likely to occur within the Basin and its ecosystems as a consequence of global climate changes. A key element of the project is the creation and implementation of a shared vision for the sustainable development of the region, based on the protection and integrated management of its transboundary water resources and adaptation to forecast climatic changes.

PDF Block B financing in the amount of US \$ 700,000 is requested from the GEF to prepare this project, with the preparation activities to be executed over a period of 23 months. As noted above, the proposed project produces local, regional, and global benefits, all associated with the central role of the Amazon River Basin. The grant resources will be used mainly to define the project components in greater detail, develop and promote a Vision for the Basin, and conduct a preliminary diagnostic assessment based upon the active participation and involvement of affected communities and stakeholders. Table 1 shows the five activities to be conducted during project preparation process. Completion of these project development activities within 23 months, as shown in Table 2, will allow the eight Basin countries, within the framework of the OTCA as local executing agency, to define the parameters, establish Terms of Reference, and determine the components and activities to be included in a full-sized GEF project. The preparation of the project also will involve the institutions in each country responsible for defining the policies required for the sustainable and integrated management of water resources, including substantive participation from the appropriate national environmental institutions, NGOs and stakeholders, should water resources responsibilities be spread across several agencies. Table 3 shows an indicative budget, assuming contributions from the GEF, the countries, and participating agencies and organizations.

The outcome of the five activities set forth below will be the preparation of a project document (Project Brief) for the full-sized project. This document will not only guide the application for GEF funds, but also stimulate parallel actions by the Basin countries and other stakeholders to strengthen the Basin Vision and the program of integrated management of its resources, including adaptation to the changing ecological and hydrological conditions being experienced as a result of global climate change.

Activity 1. Vision for the Basin and Transboundary Diagnostic Analysis process.

This Activity will generate consensus agreements on the objectives of the Basin countries for the Amazon River Basin. This consensus will inform the manner in which the Basin countries collaborate in their efforts to sustainably and strategically develop the Basin's resources in the face of ongoing

economic, climatic, and ecological changes being experienced in the Basin. In short, this Activity will define the shared strategic objective(s) of the Basin countries for the land and water resources of the Amazon River Basin. Based upon an analysis of the current and forecast future situation, and the main problems identified, a Vision for the Amazon River Basin will be defined and agreed, and, in part, assist in the identification of those issues of transboundary interest to be considered within the mega basin-wide TDA. It will be the task of the OTCA—with the support of the relevant technical institutions in each of the countries, and with input from the specialised consultancies, community workshops, and stakeholder participation opportunities—to prepare the framework for the mega basin-wide TDA in a manner consistent with the agreed Vision. Initially, this Activity will be carried out at the sub-basin level.

This Activity has five complementary and interactive elements:

- Compilation and analysis of existing information and conduct of a transboundary diagnostic analysis at the sub-basin level, including an assessment of the vulnerability of communities and ecosystems to climatic fluctuations. This analysis will inform the formulation of a framework for the Mega basin-wide TDA;
- Conduct of national public participation and consultation workshops, regional and international seminars, and political and technical meetings within the framework of the TCA;
- Provision of specialized technical support to, and consultations with, the OTCA General Secretariat to develop a Vision for the Basin;
- Consultations with the OTCA on the preparation and administration of cooperation activities, projects and coordinated measures to strengthen and shape a shared Vision, and to develop a Framework Program of Strategic Actions (Framework SAP);
- Definition of the scope and Terms of Reference for project activities, including agreement of an appropriate Monitoring and Evaluation Plan with achievable indicators and milestones.

The cost of this Activity is US \$ 520,000. GEF: US \$225,000, and co-financing from the countries and the OTCA in the amount of US \$295,000.

Activity 2. Institutional Strengthening and Capacity Building for Integrated Water Resource Management.

This Activity will address the institutional issues that currently characterise the fragmented management of the water and natural resources of the Amazon River Basin. The creation of the OTCA, during 1998, was a major step toward creating a more efficient management mechanism for the Amazon River Basin. The conduct by the OTCA of the activities required to prepare this proposed project, in concert and coordination with their country counterparts, is a continuation of this process of institutional harmonization and development, and further advances are proposed to be achieved throughout the process of preparing the Project.

This Activity has four complementary and interactive elements:

- Compilation of the institutional analyses and proposals already prepared for the institutions of Amazon River Basin, including identification of existing information centres and systems, and development of proposals for strengthening existing water resource information systems and user networks in the Amazon River Basin countries;
- Analysis of the institutional strengthening needs of the institutions responsible for water resources management within the Basin, and preparation of proposals for cooperation activities, traineeships, institutional liaisons between and among agencies and civil society, and inter-ministerial coordination;

- Development of a conceptual basis and Terms of Reference for the design and implementation of a shared Decision Support System (DSS);
- Definition of activities for the technical-institutional strengthening of the OTCA for the purposes of planning and coordinating integrated water resources management in the Basin, especially in view of forecast climatic and ecologic changes likely to occur within the Basin.

The cost of this Activity is US \$365,000. GEF: US \$185,000; co-financing from the countries and the OTCA in the amount of US \$180,000.

Activity 3. Forecasting the hydrological impacts of climatic variation and adaptation to change.

This Activity will elaborate the scope and Terms of Reference necessary to develop capacity within the Amazon River Basin to predict with more certainty, and ultimately respond to, the impacts and consequences of climatic variability (short and medium term) and change (long term) on the land and water resources, and on the people and ecosystems within the Basin that are vulnerable to such variability and change. The Activity will initiate a process that is intended to establish close ties with the Centre for the Prediction of Climate Change and Hydrologic Variability proposed to be created during Phase II of the GEF la Plata River Basin project.

This Activity has four complementary and interactive elements:

- Definition of the conceptual basis and Terms of Reference for the design and operation of the hydroclimatological forecasting system, as the technical basis for assessing and characterising droughts, floods and other impacts likely to arise due to climatic variability and change;
- Conduct of an international, multidisciplinary workshop to define the technical basis for the forecasting system to be developed;
- Preparation of technical proposals and Terms of Reference for the strengthening of academic and meteorological institutions in the region, including creation of appropriate linkages and twinning agreements both within and outside of the Amazon River Basin;
- Provision of technical support for the OTCA in identifying and (ultimately) implementing projects to facilitate the exchange of scientific information, knowledge, and experiences among the institutions working in this area in the Amazon region.

The cost of this Activity is US \$170,000. GEF: US \$90,000, and co-financing from the countries and the OTCA in the amount of US \$80,000.

Activity 4. Integrated and sustainable management of water use.

During the preparation of the project, specific activities will be considered to address priority topics and areas of concern. To this end, pilot demonstration projects will be identified and included to investigate the feasibility and cost of actions to resolve those issues on which it is possible to act with immediacy during the period of preparation of the FSAP. No more than five such projects are currently envisaged; each being essential to resolve and identify the feasibility and costs associated with specific interventions required for the sustainable management of the Basin's water resources, focusing primarily on responses of the ecosystem and human communities to climatic variation as manifested by droughts, floods, and forest fires within the Basin. This Activity will identify priority geographic areas and environmental and economic issues of concern in order to develop activities proposed to be implemented during the FSAP preparation process.

This Activity has five complementary and interactive elements:

- Compilation and analysis of existing information on the value of the hydrological cycle, particularly with respect to its associated flood and drought cycles, in the provision of goods and services for society and for nature, including the changing role of headwater glaciers in delivering water to the Amazon River Basin;
- Investigation of the legal aspects of agreed priority issues, and identification of similarities and opportunities for standardization and joint action among and by the eight Basin countries, their institutions and communities;
- Completion of new or refined land-use and environmental zoning maps focussing on critical communities and ecosystems (“hot spots”);
- Collection, compilation, and dissemination of information from within the region—using the IWRN in a manner consistent with the principles of IW-LEARN—to heighten community awareness, particularly with respect to critical areas (“hotspots”);
- Preparation of proposals for joint action by national agencies and civil society institutions to reverse and prevent deterioration, through the participation of local populations and indigenous groups (in coordination with the formulation of the TDA and Framework SAP).

The Terms of Reference for these projects will be developed in the necessary detail during the project preparation phase to allow the implementation of the proposed activities, including estimated costs, indicated results, and indicators of success (to be determined by appropriate monitoring and evaluation procedures).

The cost of this Activity is US \$160,000. GEF: US \$80,000, and co-financing from the countries and the OTCA in the amount of US \$80,000.

Activity 5. Public participation for the sustainable management of water resources in view of changing climatic conditions in the Amazon River Basin.

The development of the Vision and the TDA will be sustained and supported by a process of stakeholder participation and involvement at the Basin level, and integration of the scientific knowledge of the region with both the demands of the users and the judicial and institutional instruments currently developed by the governments of the Basin countries. This Activity will facilitate the conduct of national workshops in each of the Basin countries, on defined themes, with the participation of competent institutions with an interest in these selected topics, including academic institutions and organisations from civil society. Specific attention will be given to gender and generational issues, focusing on women and youth, and issues affecting indigenous communities.

This Activity has four complementary and interactive elements:

- Preparation of Terms of Reference for the execution of environmental information and education programs (public awareness, training, and formal and informal education programs) to heighten awareness and improve understanding of water quality and land-based pollution, in view of forecast climatic changes affecting the hydrology and ecology of the Basin, in the most vulnerable communities;
- Preparation of the Public Participation Program and Public Involvement Plan, consistent with the principles of the ISP, to be implemented during project execution, including identification and inclusion of specific local communities and indigenous groups;
- Preparation of a Monitoring and Evaluation Plan, consistent with GEF principles, to guide execution of the project and enable adaptive management of the project;
- Development of technical proposals for the acquisition and dissemination of technical and scientific information on land and water resources, among resource professionals, at all levels of government, in the private sector, and to the general public.

The cost of this Activity is US \$135,000. GEF: US \$70,000, and co-financing from the countries and the OTCA in the amount of US \$65,000.

Table 1. Activities to be conducted during the project preparation phase, by Component.

Component	Activities
<p>1. Vision for the Basin and Mega Transboundary Diagnostic Analysis <i>(Definition of strategic objectives; identification of principal transboundary problems, possible courses of action, and monitoring and evaluation indicators at the subbasin level)</i></p>	<ul style="list-style-type: none"> ▪ Compilation and analysis of primary and secondary information and formulation of the Transboundary Diagnostic Analysis at the sub-basin level as well as the framework for the Mega basin-wide TDA. ▪ Provision of specialized technical support to, and consultations with, the OTCA General Secretariat to develop a Vision for the Basin, and preliminary identification of the principal transboundary problems, with the participation of the national focal points of the IWRN. ▪ Conduct of national public participation and consultation workshops, and three regional and international seminars. ▪ Convening of political and technical meetings within the framework of the TCA, including agreement of appropriate Monitoring and Evaluation Plan, indicators, and milestones. ▪ Consultations with the OTCA on the preparation and administration of cooperation activities, projects and coordinated measures to strengthen and shape a shared Vision, and to develop and execute the Framework Strategic Action Program (Framework SAP). ▪ Definition of the scope and terms of reference for activities needed to prepare the Framework SAP, and identification of priority activities at the subbasin level. ▪ Publication and dissemination of the results.
<p>2. Institutional Strengthening and Capacity Building for Integrated Water Resource Management</p>	<ul style="list-style-type: none"> ▪ Compilation of the institutional analyses and proposals already prepared for the Amazon River Basin. ▪ Identification of existing sources of information on the Amazon River Basin and preparation of a digital map, including existing information centers and systems. ▪ Specialized consultations to analyze the institutional strengthening needs of institutions responsible for water resource management, and holding of an international seminar-workshop to agree the preliminary project proposal. ▪ Preparation of a study and technical proposal for the implementation of horizontal cooperation activities, traineeships, institutional liaisons between agencies, and inter-ministerial coordination capacity between governmental units concerned with water resources management in the Amazon countries. ▪ Development of a conceptual basis and Terms of Reference for the design and implementation of the Decision Support System (DSS) in each country and for the OTCA. ▪ Preparation of proposals for strengthening existing water resource information systems, including inter-institutional coordination activities and integrating the hydrometeorological/hydroclimatological data acquisition and user networks in the Amazon River Basin countries. ▪ Definition of activities for the technical-institutional strengthening of the OTCA for the purposes of planning and coordinating integrated water resources management in the Basin, including the establishment of technical management mechanisms or fora for guiding efforts of third parties interested in supporting and promoting the formulation and execution of the Framework SAP and strengthening institutional, technical, and financial capacity in the Basin.
<p>3. Forecasting the hydrological impacts of climatic variation and adaptation to change</p>	<ul style="list-style-type: none"> ▪ Execution of specialized consultancies to define the conceptual basis and Terms of Reference for the design and operation of the hydroclimatological forecasting system. ▪ Conduct of an international multidisciplinary (including specialists in climate, hydrology, edaphology, land use, ecology, sociology, etc)

Component	Activities
	<p>workshop to define the technical basis for the forecasting system to be developed, identification of priority geographic areas and at-risk communities and ecosystems, definition of research capacity, gaps and needs, and determination of strategic courses of action to be carried out jointly by the Basin countries.</p> <ul style="list-style-type: none"> ▪ Preparation of a technical proposal and terms of reference for the strengthening of academic and meteorological institutions in the region. ▪ Provision of Joint technical support for the OTCA in identifying joint projects to facilitate the exchange of scientific information, knowledge, and experiences among the institutions working in this area in the Amazon region.
4.Integrated and sustainable management of water use	<ul style="list-style-type: none"> ▪ Compilation and analysis of existing information on water resources, and their value in the hydrological cycle and in the provision of goods and services for society and for nature. ▪ Assessment and evaluation of risks to vulnerable communities and ecosystems of changing hydrological and climatic conditions, and their socio-economic repercussions. ▪ Collection, compilation, and dissemination of information on related initiatives and projects in the region using the IWRN in a manner consistent with the principles of IW-LEARN. ▪ Preliminary investigation into the legal aspects of agreed priority issues (such as fishing and fish farming, mining and water pollution control, land use/tenure and economic development, and climatic variability and drought-flood cycles in the Amazon countries), and identification of similarities and opportunities for standardization and joint action. ▪ Completion of new or refined land-use and environmental zoning maps and materials for critical communities and ecosystems (“hot spots”). ▪ Preparation of the conceptual basis and Terms of Reference for studies on aquatic ecosystems and biodiversity, identifying “hotspots” and developing proposals for joint action to reverse and prevent deterioration, through the participation of local populations and indigenous groups (in coordination with the formulation of the Mega TDA and Framework SAP) and with a knowledge of forecast changes in such systems due to climatic variability and change. ▪ Development of technical proposals for the coordination and harmonization of the knowledge and work of national institutions and laboratories responsible for the management of water quality, including the harmonization of analytical approaches and methodologies, and horizontal cooperation between national agencies with responsibilities in this area. ▪ Preparation of informational materials to heighten community awareness, in particular with respect to the prevention and management of pollution in critical areas, and the management of fisheries and potential responses to changes in the natural resources base due to climatic changes (in coordination with Component 5).
5. Public participation for the sustainable management of water resources	<ul style="list-style-type: none"> ▪ Preparation of conceptual designs and Terms of Reference for the execution of environmental information and education programs (public awareness, training, and formal and informal education programs) to heighten awareness, improve understanding of water quality and land-based pollution, and inform responses by civil society to forecast changes likely to occur as a result of ongoing climatic variation and change within the Basin, in the most vulnerable communities. ▪ Preparation of the Public Participation Program and Public Involvement Plan, consistent with the principles of the ISP, to be implemented during project execution, including in specific local communities and indigenous groups.

Component	Activities
	<ul style="list-style-type: none"> ▪ Development of the conceptual basis and technical proposals for the acquisition and dissemination of technical and scientific information on land and water resources, and the ecological consequences of climate change, among resource professionals, at all levels of government and in the private sector, and dissemination of useful information about the Amazon River Basin to the general public. ▪ Identification and selection of pilot demonstration projects to be conducted during the first phase of the project, and preparation of the Terms of Reference for this purpose, utilizing the Basin Vision, the preliminary of the TDA process, and the program of consultations with local communities conducted during the project preparation phase.

OUTPUTS OF THE PDF BLOCK B

The most important output of the PDF-B process will be the preparation of the project brief, and a defined Vision for the sustainable development of the Basin, with an agreed scope and Terms of Reference for the development of a program of strategic action between the countries and among civil society including the framework for the mega basin wide TDA based on sub-basin ones. Specifically, outputs of the execution of the PDF Block B program will include:

- i) Strengthening of the capacity of the OTCA to formulate programs and projects, co-ordinate and execute activities between countries, and catalyse co-operation and financing within the Amazon River Basin;
- ii) Preparation of the Terms of Reference for the preparation of the Framework SAP for the Basin; conduct of intra-Basin traineeships, cooperation activities, and institutional arrangements; design and implementation of the DSS; strengthening and integration of the information systems within the Basin; design and operation of a shared hydrometeorological/hydroclimatological monitoring and warning system; preparation of strategies for integrated management and action plans for aquatic biodiversity and ecosystem protection to address “hot spots” within the shared Basin; conduct of a vulnerability analysis to determine the impacts and potential response of ecosystems and communities likely to be affected by climatic change within the Basin; development of common analytical protocols for water quality monitoring and management; design and execution of environmental education, public involvement and stakeholder participation and technical exchange programs; and, identification and selection of pilot demonstration projects;
- iii) A public participation plan and stakeholder involvement program;
- iv) An agreed Monitoring and Evaluation plan;
- v) Definition of the technical and instrumental basis, with appropriate Terms of Reference, for implementing a Decision Support System in the Amazon River Basin;
- vi) Identification of a group of concrete demonstration projects to quantify critical topics and areas, capable of being executed during the period of the formulation of the Framework SAP, that will provide information and experience in the integrated management of the water resources of the Basin, their costs and feasibilities, and ability to be adaptive in response the changing climatic, hydrologic, and ecological conditions, to be incorporated into the Framework SAP;
- vii) Publication of a group of technical documents containing:

- a Vision for the sustainable development of the Basin agreed among the eight countries as it relates to shared water resources in the Basin,
- a framework for the Transboundary Diagnostic Analysis (TDA) aimed at identifying the root causes of, and priorities for action to address, the main environmental problems in the Basin including major sub-basins TDAs;
- a preliminary characterisation of the primary and secondary data sources from which to determine and quantify the principal transboundary problems facing the Basin that will form the basis of the TDA;
- a proposal and operating protocol for the strengthening and operation of a shared data collection and dissemination network and hydrometeorological/hydroclimatological forecasting network
- the development of an institutional analysis, highlighting potential areas for cooperation in the area of management of transboundary water resources, and a proposal for a DSS to support decision-making at all levels of society within the Basin at a sub basin level;
- the development of a program of public participation and stakeholder involvement at the sub basin level consistent with the ISP;
- an analysis of the current legal and jurisdictional framework for the management of shared transboundary water resources in the Basin and proposals for harmonizing the existing systems to enhance sustainable use of the common resources;
- the definition of indicators of success included within an agreed Monitoring and Evaluation Plan;
- an identification and evaluation of communities and ecosystems vulnerable to climatic variation and change within the Basin, including relevant forecasts and scenarios underlying their assessed vulnerabilities; and
- a cartographic base map of the Basin, linked to up-to-date economic, social, and environmental information consistent with the protocols of IW:LEARN, available to users within the eight Basin countries and elsewhere.

TIMETABLE

The preparation phase of the project will have a duration of 23 months. Activities have been programmed as indicated in the Table 2.

Table 2. Preliminary timetable of project preparation activities.

ACTIVITIES	QUARTER							
	1	2	3	4	5	6	7	8
<p>1. Vision for the Basin and Transboundary Diagnostic Analysis (<i>Definition of strategic objectives; identification of principal transboundary problems, possible courses of action, and monitoring and evaluation indicators at the sub-basin level</i>)</p> <ul style="list-style-type: none"> ▪ Compilation of primary and secondary information sources ▪ Development of a Vision for the Basin, and identification of the transboundary problems (Framework Mega TDA and sub-basins TDAs). ▪ Conduct of national public participation workshops, and regional/international seminars. ▪ Convening of political and technical meetings within the framework of the TCA. ▪ Preparation and administration of activities to develop the Framework SAP. ▪ Identification of priority activities at the sub-basin level. ▪ Publication and dissemination of the results. 								
<p>2. Institutional strengthening and capacity building for water resource management</p> <ul style="list-style-type: none"> ▪ Compilation of the institutional analyses and proposals for the Amazon River Basin. ▪ Analysis of institutional strengthening, and conduct of an international workshop. ▪ Proposals for horizontal cooperation activities in the Amazon countries. ▪ Definition of activities for the technical-institutional strengthening of the OTCA. ▪ Preparation of a digital map, including existing information centers and systems. ▪ Design and implementation of the DSS in each country and for the OTCA. ▪ Proposals for strengthening water resource information systems and user networks. 								
<p>3. Forecasting the hydrological impact of climatic variation and adaptation to change</p> <ul style="list-style-type: none"> ▪ Terms of reference for the hydroclimatological forecasting system. ▪ Conduct of an international multidisciplinary workshop on the forecasting systems. ▪ Terms of reference for the strengthening of academic and meteorological institutions. ▪ Exchange of scientific information, knowledge, and experiences among the institutions. 								

ACTIVITIES	QUARTER							
	1	2	3	4	5	6	7	8
4. Integrated and sustainable management of water use <ul style="list-style-type: none"> ▪ Analysis of the value of water in the provision of goods/services for society and nature. ▪ Collection and compilation of information on related initiatives and projects in the region. ▪ Preliminary investigation into the legal aspects of fishing and fish farming. ▪ Identification of “hotspots” and developing proposals for joint action. ▪ Technical proposals for the coordination and harmonization of institutions/laboratories. ▪ Preparation of educational materials to heighten community awareness. 								
5. Public participation for the sustainable management of water resources <ul style="list-style-type: none"> ▪ Terms of reference for the execution of environmental education programs. ▪ Preparation of the Public Participation Program and Public Involvement Plan. ▪ Technical proposals for the acquisition and dissemination of scientific information. ▪ Identification and selection of pilot demonstration projects. 								
Monitoring and Evaluation								

BUDGET - ITEMS TO BE FINANCED

The total estimated cost for the project preparation phase is US \$ 1.45 million: US \$ 700,000 to be requested from the GEF in the form of a Block B grant; US \$ 600,000 in-kind, including personnel, office space, and equipment for the activities to be provided by the participating countries as co-financing; and US \$ 150,000 to be provided by the participating agencies. Table 2 shows the estimated costs and financing sources envisaged for each of the activities shown in Table 1.

UNEP will contribute the costs associated with the participation of its specialized technical personnel of its GEF Division associated with project supervision, evaluation and participation in meetings of the Project Steering Committee.

The OAS, through the Unit for Sustainable Development and the Environment, will contribute the costs associated with the contributions of specialized and administrative technical personnel at the headquarters of the OAS and, in the countries, of administrative personnel in its National Offices.

Table 2. Indicative budget for the preparation of a program for the integrated and sustainable management of the transboundary water resources of the Amazon River Basin.

Activity	Amount (US \$ x 1,000)			
	GEF	Countries ^a	Agencies ^b	Total
1. Vision for the Basin and Transboundary Diagnostic Analysis process (<i>Definition of strategic objectives; identification of principal transboundary problems, possible courses of action, and monitoring and evaluation indicators at the sub-basin level</i>)	225	195	100	520
2. Institutional strengthening and capacity building for integrated water resources management in the Basin	185	180	0	365
3. Forecasting the hydrological impacts of climatic variation and adaptation to change	90	80	0	170
4. Integrated and sustainable management of water use	80	80	0	160
5. Public participation for the sustainable management of water resources	70	65	0	135
Contingencies	50	0	50	100
TOTAL	700	600	150	1,450

^a Country financing is expected to reflect the relative contributions of each country to the OTCA; to which Brazil will contribute 35% of the project co-financing, Colombia 16%, Peru 16%, Venezuela 16%, Bolivia 6.5%, Ecuador 6.5%, Guyana 2%, and Suriname 2%.

^b UNEP/OAS anticipate allocating funds to support the participation of their staff in the project to the value of US \$150,000.

ELIGIBILITY

The countries of the Amazon River Basin are eligible for financing by the GEF pursuant to paragraph 9b of the Instrument.

PARTICIPATION AND SUSTAINABILITY

National Level Support

The OTCA has developed its Plan of Action, the Program for Sustainable Water Resource Management in the Amazon, for the period from 2003 through 2005, in accordance with the guidelines established by the Meetings of Presidents and of the Foreign Affairs Ministers of the Amazon Countries, the Organization's highest policy and decision-making bodies. The Second Meeting of the Presidents of the Amazon Countries, held in Manaus, Brazil, during February 1992, with due consideration of issues identified in connection with the United Nations Conference on Environment and Development, agreed the following position with respect to the issue of water resources management:

1. Environmentally appropriate water resource management is essential for the preservation of ecosystems, the protection of health, and the promotion of well-being.
2. The close correlation between integrated water resource management and the protection of marine and land ecosystems, biological diversity, and rational soil use should be recognized. Sustainable water resource development programs at the local, national, regional, and global levels, and the necessary means to implement them, must therefore be identified.
3. Particularly significant, in this connection, are measures adopted at the national and regional levels for land use planning, conservation, and integrated watershed management. Such measures are essential to ensure that water resources are used appropriately for productive activities such as irrigation, fishing, energy production, and transportation, and to control pollutants through environmental prevention and control measures in respect of irrigation and the protection of human health.
4. The quality of life in a community correlates closely with the availability of treated fresh water in amounts and of a quality commensurate with the community's needs, requiring that precise water supply targets be established and achieved within a predetermined period of time, over the next decade.
5. Institutional development, training, public information and awareness, education, and the availability of financial resources are prerequisites for integrated water resource management. National efforts to integrate management of the region's watersheds should be recognized and supported through cooperation by the international community.

In accordance with Article V of the Treaty, the Foreign Affairs Ministers, meeting for the first time in October 1980, in Belem, Brazil, recommended to the authorities of this regional cooperation mechanism that studies be conducted on the Amazon's water resources. Following that decision, subsequent ministerial meetings emphasized the importance of joint action in the area of water resources and land management, to ensure environmentally appropriate use and adherence to criteria for conservation, use, and rational management.

As indicated earlier in this document, the Foreign Affairs Ministers, meeting in Santa Cruz de la Sierra, Bolivia, during November 2002, decided to move ahead with this initiative. The Amazon Cooperation

Council (CCA) welcomed the proposed project, and agreed to hold a first working meeting of the member countries of the Organization of the Amazon Cooperation Treaty to discuss the preliminary Concept Document. Accordingly, in Brasilia, Brazil, on July 25, 2003, the Permanent Secretariat of the Organization of the Amazon Cooperation Treaty (PS-OTCA) organized the First Working Meeting of institutions responsible for water resource management in the OTCA member countries.

The execution of this program will address, in a crosscutting manner, the strategic priorities of Amazon basin countries with respect to production and the sustainable use of biodiversity; knowledge creation and technology transfer; regional integration; job and income generation; political structures; capacity building and institutional strengthening, as fundamental steps toward sustainable development in the region, all of which are subject to the potential future and actual current impacts of climatic changes and variability.

Institutional Arrangements

The OTCA is the agency designated by the eight signatory countries of the Amazon Cooperation Treaty as the local executing agency for this project. The OTCA will receive technical and administrative support in developing and implementing the project from (1) the General Secretariat of the Organization of American States, through the Unit for Sustainable Development and Environment, and the OAS National Offices in the participating countries, and from (2) the United Nations Environment Program (UNEP), as GEF executing and implementing agencies respectively for this project.

The OTCA will coordinate the activities to be undertaken by the countries in terms of this proposal. Project execution will be coordinated in each country by the National Permanent Committees of the TCA, multi-sectoral entities established by the countries for the implementation and application of the Treaty. (Annex 3 presents the institutions that make up each of the National Permanent Committees participating in this project). These Committees will act as **inter-ministerial** and **inter-sectoral** committees for the purposes of the project, serving as focal points for not only governmental but also societal participation and involvement in the project. The National Permanent Committees of the TCA embody the country-level commitment to the project, under the coordination of the Secretary General of the OTCA, who will act as Project Director during the preparation phase. In this capacity, the Secretary General will coordinate the technical work of the project and will supervise preparation of the project brief.

The GS/OAS, as the regional executing agency, and in consultation with the OTCA and UNEP, will hire the Project Technical Coordinator, who will be the specialist responsible for programming, coordinating, and supervising the technical work of the project, in close coordination and cooperation with the OTCA, UNEP and GS/OAS. The Technical Coordinator will work at the OTCA headquarters in Brasilia and will travel from time to time to the Amazon River Basin countries as necessary in support of the project activities.

The institutions responsible for water resource management in each country—the designated national focal points for the Inter-American Water Resource Network (IWRN)—will act as the National Executing Agencies for the project. These institutions will have responsibilities for monitoring and executing the technical activities of the project within their respective jurisdictions, in coordination with and supported by the Permanent National Commissions, as described above. The National Executing Agencies have been tentatively identified as follows:

- Bolivia: National Hydrology and Meteorology Service
- Brazil: National Water Agency (ANA)/Ministry of Environment
- Colombia: Institute of Hydrology, Meteorology, and Environmental Studies
- Ecuador: National Water Resources Board
- Guyana: Guyana Water Authority/Hydraulic Research Division
- Peru: National Institute of Natural Resources (INRENA)
- Suriname: Ministry of Public Works
- Venezuela: Directorate of Hydrographic Basins/Ministry of Environment.

During the project preparation phase, the National Executing Agencies will be responsible for coordinating and conducting, within each country, the seminars, workshops, hearings, and other activities to ensure the participation and involvement of academic institutions, civil society, indigenous groups, stakeholder organizations, and governmental institutions at all levels engaged in activities relevant to the project. These Agencies also will endeavor to incorporate the results of these consultations into their technical proposals to be implemented during the project. It is envisioned that the National Executing Agencies will facilitate day-to-day inter-ministerial discussion, coordination, and participation in project activities, and ensure the active involvement of sister units of government having interests and mandates in the area of land and water resource management, and climate change response, in the Amazon River Basin.

The OTCA, on behalf of the riparian countries and their respective national Executing Agencies, GS/OAS, and UNEP, will form part of a Steering Group, which will meet on average twice per year or when ever deemed necessary to review and discuss progress, achievements, and difficulties encountered in project execution. The Steering group will also review the scientific and technical aspects of the project for the Amazon River Basin as a whole. Representatives of the other GEF implementing agencies (UNDP and the World Bank) and of regional and international financing agencies (CAF, IDB, etc.) could be invited to attend and participate in meetings of the Steering group in an *ex officio* capacity and when deemed appropriate.

A Technical Committee will also be set up to establish general guidelines for the work and supervise overall implementation of the project. This technical Committee will be structured along the same lines as the Amazon Cooperation Council (CCA), and act through the CCA Coordination Committee, as the Treaty authority responsible for ensuring that activities undertaken in the Basin are consistent with the aims of the Treaty. The CCA Coordination Committee is tasked by the CCA with taking decisions concerning the bilateral or multilateral execution of projects and studies. For the purposes of the project, representatives of GS/OAS and UNEP, as well as other agencies and entities cooperating in the project, will be invited to attend meetings of the Technical Committee which will be arranged possibly back to back with Steering Group meetings for ease of attendance. The composition of this Technical Committee will be further defined and agreed at the inaugural Steering Group meeting.

A comprehensive organigram picturing the institutional arrangement for the project will be presented and agreed at the inaugural steering group meeting.

Public Participation and Involvement

The present PDF-B proposal is based upon the results of various seminars, workshops and meetings conducted within the framework of the Amazon Cooperation Treaty. The basic elements of the project were discussed during the meeting of the IWRN focal points from the Amazon River Basin countries, convened at the margins of the DELTAMERICA MSP (UNEP-OAS) meeting, with the participation of the National Hydrology and Meteorology Service of Bolivia; the National Water Agency (ANA), the Secretariat for Water Resources (SRH), and the Ministry of Environment of Brazil; the Institute of Hydrology, Meteorology, and Environmental Studies of Colombia; the National Water Resources Board of Ecuador; the National Institute of Natural Resources (INRENA) of Peru; and the Department of Hydrographic Basins of the Ministry of Environment of Venezuela.

During the project preparation phase, activities will be designed to ensure greater and more effective participation and involvement by civil society, particularly by stakeholders and indigenous groups, at the level of the principal sub basins. For each sub-basin, a program of meetings and consultations with civil society will be conducted, involving local authorities, universities, academic and research groups, governmental institutions, NGOs, industry, etc. A series of pilot demonstration projects also will be conducted in each subbasin to address the issues and areas most representative of the transboundary problems affecting the specific area. In this way, the direct participation and involvement of affected communities in the selection and characterization of priority problems, and in the development of the

technical proposals to solve them, will be facilitated. A Public Participation Program and Public Involvement Plan will be developed during the project preparation phase for implementation during subsequent phases of the project.

Sustainability

Sustainability of the project is related to the strengthening of the OTCA and participating national institutions (particularly those concerned with water resource management), the direct involvement and participation of affected communities, the involvement of financing agencies during the initial stages of project execution, and the incorporation of project results in the environmental agendas of each country and each of the economic sectors involved. The participation of the Permanent National Commissions of the TCA, as Inter-ministerial Committees, and the National Executing Agencies will enhance the sustainability of the project and contribute to the replication of sustainable practices within the Amazon River Basin. The participation and involvement of these agencies, as well as agencies of local government, stakeholder organizations, and other interested groups from within civil society, will ensure that adequate institutional, human, and financial resources are available to implement agreed strategic actions in the Basin.

MONITORING AND EVALUATION INDICATORS

UNEP, as the GEF Implementing Agency and in co-operation with the OAS as Executing Agency, will ensure that the project conforms to GEF requirements relative to reporting and financial management. In addition, UNEP, the OAS, and the OTCA, through the Steering Committee structure, will ensure that the project addresses the GEF-IW monitoring and evaluation indicators. Utilising these key process and status indicators will be an intrinsic part of the project. These indicators will be implemented through the establishment and integration of monitoring tools into project components, as agreed by the Steering Committee, as set forth above. The objective of this monitoring is to contribute to improving, and, if needed, adapting management of work program activities as well as creating the basis for project evaluation. Implementing Agency supervision will be exercised through the Executing Agency and by participation in the regular meetings of the Steering Committee, wherein the work plan and terms of reference for project staff and consultants will be discussed and agreed. A project implementation review would be undertaken jointly by the governments of the Basin countries and UNEP-OAS within one year after the end of the project.

The principal performance indicator against which the Project will be measured is the existence of an overall framework (Strategic Action Program), including technical, scientific, institutional and legal aspects, for the sustainable management and protection of the Amazon River Basin in the Basin countries. Key performance indicators with regard to this overall framework will include process indicators, stress reduction indicators, and environmental status indicators:

Process Indicators

- the existence of a strengthened multi-country agreement on the institutional and technical framework for the management of the Amazon River Basin based upon the OTCA with effective stakeholder involvement;
- the existence of a completed and endorsed Vision and framework mega basin-wide Transboundary Diagnostic Analysis setting forth:
 - priority areas for intergovernmental co-operation;
 - root causes of specific transboundary concerns.

- the existence of a Framework Strategic Action Program for the sustainable management of the Amazon River Basin, including programs for:
 - the operation and maintenance of the data and monitoring system;
 - the implementation of the legal-institutional framework once such a framework is approved and adopted by the countries;
 - investments in pollution prevention and mitigation measures, and conflict resolution.

Stress Reduction Indicators

- the existence of an up-to-date, functioning database shared among the Basin countries;
- agreed, identified, and quantified water quality threats and shared systems for assessing such threats;
- identified and documented pollution mitigation and management measures implemented and monitored in specific “hot spots”.

Environmental Status Indicators

- an operational communications campaign, with a defined percentage of the target population reached;
- increased stakeholder awareness throughout the Amazon River Basin.

ACRONYMS USED

CCH	Amazon Cooperation Council
DSS	Decision Support System
EMINWA	Environmentally-sound Management of Inland Water
FSAP	Framework Strategic Action Program
GPA	Global Plan of Action for the Protection Marine Environment from Land-Based Activities
GEF	Global Environment Facility
GEF-IW	Global Environment Facility, International Waters focal area
GS/OAS	General Secretariat of the Organization of the American States
IA	GEF Implementing Agency
ISP	Principles for Public Involvement
ITCZ	Inter-Tropical Convergence Zone
IW-LEARN	International Water Lessons Learned Network
IWRN	Inter-American Water Resources Network
LME	Large Marine Ecosystem
M&E	Monitoring and Evaluation
NGO	Nongovernmental Organization
OAS	General Secretariat of the Organization of American States
OTCA	Organization of the Amazon Cooperation Treaty
PDF-B	Project Development Facility, Block B
SAP	Strategic Action Program
TCA	Amazon Cooperation Treaty
TDA	Transboundary Analysis of the Basin
WMP	Watershed Management Program
UDSMA	Unit for Sustainable Development and Environment
UNDP	United Nations Development Program
UNEP	United Nations Environment Programme
WB	The World Bank
WSSD	World Summit on Sustainable Development

LIST OF ANNEXES

1. Text of the Amazon Cooperation Treaty (TCA)
2. Protocol of Amendment for the Creation of the OTCA
3. National Permanent Committees of OTCA
4. Endorsement letters
5. Basin Map
6. Budget in UNEP Format
7. Project Review Sheet and response

Treaty for Amazonian Cooperation

The Republics of Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela,

CONSCIOUS of the importance to each one of the Parties of their respective Amazonian regions as an integral part of their respective territories,

INSPIRED by the common aim of pooling the efforts being made, both within their respective territories as well as among them-selves, to promote the harmonious development of the Amazon region, to permit an equitable distribution of the benefits of said development among the Contracting Parties so as to raise the standard of living of their peoples and so as to achieve total incorporation of their Amazonian territories into their respective national economies,

CONSCIOUS of the usefulness of sharing national experiences in matters pertaining to the promotion of regional development,

CONSIDERING that, so as to achieve overall development of their respective Amazonian territories, it is necessary to maintain a balance between economic growth and conservation of the environment,

CONSCIOUS that both socio-economic development as well as conservation of the environment are responsibilities inherent in the sovereignty of each State, and that cooperation among the Contracting Parties shall facilitate fulfillment of these responsibilities, by continuing and expanding the joint efforts being made for the ecological conservation of the Amazon region,

CONFIDENT that cooperation among the Latin American nations on specific matters which they have in common shall contribute to progress on the road towards the integration and solidarity of all Latin America,

CONVINCED that this Treaty represents the beginning of a process of cooperation which shall benefit their respective countries and the Amazon region as a whole,

RESOLVE to sign the following Treaty:

ARTICLE I

The Contracting Parties agree to undertake joint actions and efforts to promote the harmonious development of their respective Amazonian territories in such a way that these joint actions produce equitable and mutually beneficial results and achieve also the preservation of the environment, and the conservation and rational utilization of the natural resources of those territories.

PARAGRAPH: to this end, they would exchange information and prepare operational agreements and understandings as well as the pertinent legal instruments which will permit the aims of the present Treaty to be attained.

ARTICLE II

This Treaty shall be in force in the territories of the Contracting Parties in the Amazonian Basin as well as in any territory of a Contracting Party which, by virtue of its geographical, ecological or economic characteristics is considered closely connected with that Basin.

ARTICLE III

In accordance with and without prejudice to the rights granted by unilateral acts, to the provisions of bilateral treaties among the Parties and to the principles and rules of International Law, the Contracting parties mutually guarantee on a reciprocal basis that there shall be complete freedom of commercial navigation on the Amazon and other international Amazonian rivers, observing the fiscal and police regulations in force now or in the future within the territory of each. Such regulations should, insofar as possible, be uniform and favor said navigation and trade.

PARAGRAPH: This article shall not apply to cabotage.

ARTICLE IV

The Contracting Parties declare that the exclusive use and utilization of natural resources within their respective territories is a right inherent in the sovereignty of each state and that the exercise of this right shall not be subject to any restrictions other than those arising from International Law.

ARTICLE V

Taking account of the importance and multiplicity of the functions which the Amazonian rivers have in the process of economic and social development of the region, the Contracting Parties shall make efforts aimed at achieving rational utilization of the hydro resources.

ARTICLE VI

In order to enable the Amazonian rivers to become an effective communication link among the Contracting Parties and with the Atlantic Ocean, the riparian states interested in any specific problem affecting free and unimpeded navigation shall, as circumstances may warrant, undertake national, bilateral or multilateral measures aimed at improving and making the said rivers navigable.

PARAGRAPH: For this purpose, they shall carry out studies into the means for eliminating physical obstacles to the said navigation as well as the economic and financial implications so as to put into effect the most appropriate operational measures.

ARTICLE VII

Taking into account the need for the exploitation of the flora and fauna of the Amazon region to be rationally planned so as to maintain the ecological balance within the region and preserve the species, the Contracting Parties decide to:

- a. Promote scientific research and exchange information and technical personnel among the competent agencies within the respective countries so as to increase their knowledge of the flora and fauna of their Amazon territories and prevent and control diseases in said territories.
- b. Establish a regular system for the proper exchange of information on the conservationist measures adopted or to be adopted by each State in its Amazonian territories; these shall be the subject of an annual report to be presented by each country.

ARTICLE VIII

The Contracting Parties decide to promote coordination of the present health services in their respective Amazonian territories and to take other appropriate measures to improve the sanitary conditions in the region and perfect methods for preventing and combating epidemics.

ARTICLE IX

The Contracting Parties agree to establish close cooperation in the fields of scientific and technological research, for the purpose of creating more suitable conditions for the acceleration of the economic and social development of the region.

PARAGRAPH ONE: For purposes of this Treaty, the technical and scientific cooperation among the Contracting Parties may be as follows:

- a. Joint or coordinated implementation of research and development programs;
- b. Creation and operation of research institutions or centers for improvement and experimental production;
- c. Organization of seminars and conferences, exchange of information and documentation, and organization of means for their dissemination.

PARAGRAPH TWO: The Contracting Parties may, whensoever they deem it necessary and convenient, request the participation of international agencies in the execution of studies, programs and projects resulting from the forms of technical and scientific cooperation defined in Paragraph One of this Article.

ARTICLE X

The Contracting Parties agree on the advisability of creating a suitable physical infrastructure among their respective countries, especially in relation to transportation and communications. They therefore undertake to study the most harmonious ways of establishing or improving road, river, air and telecommunication links bearing in mind the plans and programs of each country aimed at attaining the priority goal of fully incorporating those respective Amazonian territories into their respective national economies,

ARTICLE XI

In order to increase the rational utilization of the human and natural resources of their respective Amazonian territories, the Contracting Parties agree to encourage joint studies and measures aimed at promoting the economic and social development of said territories and generating complementary methods for reinforcing the actions envisaged in the national plans of their respective territories.

ARTICLE XII

The Contracting Parties recognize the benefit to be derived by developing, under equitable and mutually beneficial conditions, retail trade of products for local consumption among the respective Amazonian border populations, by means of suitable bilateral or multilateral agreements.

ARTICLE XIII

The Contracting Parties shall cooperate to increase the flow of tourists, both national and from third countries, in their respective Amazonian territories, without prejudice to national regulations for the protection of indigenous cultures and natural resources.

ARTICLE XIV

The Contracting Parties shall cooperate in ensuring that measures adopted for the conservation of ethnological, and archeological wealth of the Amazon region are effective.

ARTICLE XV

The Contracting Parties shall seek to maintain a permanent exchange of information and cooperation among themselves and with the agencies for Latin American cooperation in the areas pertaining to matters covered by this Treaty.

ARTICLE XVI

The decisions and commitments adopted by the Contracting Parties under this Treaty shall not be to the detriment of projects and undertakings executed within their respective territories, according to International Law and fair practice between neighboring and friendly countries.

ARTICLE XVII

The Contracting Parties shall present initiatives for undertaking studies for the elaboration of programs of common interest for developing their Amazonian territories and in general terms provide for the fulfillment of the actions contemplated in the present Treaty.

PARAGRAPH: The Contracting Parties agree to give special attention to the consideration of initiatives presented by the least developed countries which require joint action and efforts by the Contracting Parties.

ARTICLE XVIII

Nothing contained in this Treaty shall in any way limit the rights of the Contracting Parties to conclude bilateral or multilateral agreements on specific or generic matters, provided that these are not contrary to the achievement of the common aims for cooperation in the Amazonian region stated in this instrument.

ARTICLE XIX

Neither the signing of this Treaty nor its execution shall have any effect on any other international treaties in force between the Parties nor on any differences with regard to limits or territorial rights which may exist between the Parties nor shall the signing or implementation of this Treaty be interpreted or invoked to imply acceptance or renunciation, affirmation or modification, direct or indirect, express or tacit, of the position or interpretation that each Contracting Party may hold on these matters.

ARTICLE XX

Notwithstanding the fact that more adequate frequency for meetings can be established at a later date, the Ministers of Foreign Affairs of the Contracting Parties shall convene meetings when deemed opportune or advisable, in order to establish the basic guidelines for common policies, for assessing and evaluating the general development or the process of Amazonian cooperation and for taking decisions designed to carry out the aims set out in this document.

PARAGRAPH ONE: Meetings of Foreign Affairs Ministers shall be convened at the request of any of the Contracting Parties, provided that the request has the support of no fewer than four Member States.

PARAGRAPH TWO: The first Meeting of Foreign Affairs Ministers shall be held within a period of two years following the date of entry into force of this Treaty. The venue and date of the first meeting shall be established by agreement among the Ministries of Foreign Affairs of the Contracting Parties.

PARAGRAPH THREE: Designation of the host country for the meetings shall be by rotation and in alphabetical order.

ARTICLE XXI

The Amazonian Cooperation Council comprising of top level diplomatic representatives shall meet once a year. Its duties shall be as follows:

- 1 . To ensure that the aims and objectives of the Treaty are complied with.
2. To be responsible for carrying out the decisions taken at meetings of Foreign Affairs Ministers.
3. To recommend to the Parties the advisability and the appropriateness of convening meetings of Foreign Affairs Ministers and of drawing-up the corresponding Agenda.
4. To take under consideration initiatives and plans present by the Parties as well as to adopt decisions for undertaking bilateral or multilateral studies and plans, the execution of which as the case may be, shall be the duty of the Permanent National Commissions.
5. To evaluate the implementation of plans of bilateral or multilateral interest.
6. To draw-up the Rules and Regulations for its proper functioning.

PARAGRAPH ONE: The Council shall hold special meetings through the initiative of any of the Contracting Parties with the support of the majority of the rest.

PARAGRAPH TWO: The venue of regular meetings shall be rotated in alphabetical order among the Contracting Parties.

ARTICLE XXII

The functions of the Secretariat shall be performed *Pro Tempore* by the Contracting Party in whose territory the next regular meeting of the Amazonian Cooperation Council is scheduled to be held.

PARAGRAPH: The *Pro Tempore* Secretariat shall send the pertinent documentation to the Parties.

ARTICLE XXIII

The Contracting Parties shall create Permanent National Commissions charged with enforcing in their respective territories the provisions set out in this Treaty, as well as carrying out the decisions taken at meetings of Foreign Affairs Ministers Amazonian Cooperation Council, without jeopardizing other tasks assigned them by the State.

ARTICLE XXIV

Whenever necessary, the Contracting Parties may set up special Commissions to study specific problems or matters related to the aims of this Treaty.

ARTICLE XXV

Decisions at meetings held in accordance with Articles XX and XXI shall always require the unanimous vote of the Member Countries of his Treaty. Decisions made at meetings held in accordance with Article XXIV shall always require the unanimous vote of the participating countries.

ARTICLE XXVI

The Contracting Parties agree that the present Treaty shall not be susceptible to interpretative reservation or statements.

ARTICLE XXVII

This Treaty shall remain in force for an unlimited period of time, and shall not be open to adherence.

ARTICLE XXVIII

This Treaty shall be ratified by all the Contracting parties and the instruments of ratification shall be deposited with the Government of the Federative Republic of Brazil.

PARAGRAPH ONE: This Treaty shall become effective thirty days after the last instrument of ratification has been deposited by the Contracting Parties.

PARAGRAPH TWO: The intention to denounce this Treaty shall be communicated by a Contracting Party to the remaining Contracting Parties at least ninety days prior to formal delivery of the instrument of denunciation to the Government of the Federative Republic of Brazil. This Treaty shall cease to have effect for the Contracting Party denouncing it one year after the denunciation has been formalized.

PARAGRAPH THREE: This Treaty shall be drawn up in English, Dutch, Portuguese and Spanish, all having equal validity.

IN WITNESS WHERE OF the undersigned Ministers of Foreign Affairs have signed the present Treaty.

EXECUTED in the city of, Brasilia on July 3, 1978, to be deposited in the archives of the Ministry of Foreign Affairs of Brazil which shall provide the other signatory countries with true copies.

For the Government of the Republic of Bolivia
Oscar Adriazola Valda

For the Government of the Federative Republic of Brazil
Antonio F. Azeredo Da Silveira

For the Government of the Republic of Colombia
Indalecio Lievano Aguirre

For the Government of the Republic of Ecuador
Jose Ayala Lasso

For the Government of the Cooperative Republic of Guyana
Rashleigh Esmond Jackson

For the Government of the Republic of Peru
Jose de la Puente Radbill

For the Government of the Republic of Suriname
Henck Alfonsus Eugene Arron

For the Government of the Republic of Venezuela
Simon Alberto Consalvi

Protocol of Amendment for the Creation of the Organization of the Amazon Cooperation Treaty (OTCA)

The Republics of Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela:

Reasserting the principles and objectives of the Amazon Cooperation Treaty,

Taking into account the convenience of institutionally improving and strengthening the cooperation process developed under the auspices of the aforementioned instrument,

Do hereby agree to:

- I) Create the Organization of the Amazon Cooperation Treaty (OTCA), with corporate body status, and empowered to enter into agreements with Contracting Parties, non-member States and other International organizations.
- II) Modify Article XXII of the text of the Treaty as follows:

The Organization of the Amazon Cooperation Treaty will have a Permanent Secretariat, based in Brasilia, which will be responsible for implementing the objectives established in the Treaty in conformity with the decisions taken in the meetings of Ministers of Foreign Affairs and the Amazon Cooperation Council.

Paragraph one: The powers and functions of the Permanent Secretariat and of its head will be established in the regulations, which will be approved by the Ministers of Foreign Affairs of the Contracting Parties.

Paragraph two: The Permanent Secretariat will prepare, in coordination with the Contracting Parties, its work plans and program of Activities, as well as its budget-program, which will need to be approved by the Amazon Cooperation Council.

Paragraph three: The Permanent Secretariat will be headed by a Secretary General, who will be empowered to enter into agreements on behalf of the Organization of the Amazon Cooperation Treaty, whenever the Contracting Parties unanimously authorize him/her to do so.
- III) This amendment will be subject to compliance with the internal constitutional requirements of all Contracting Parties and will enter into force on the date of the receipt, by the Government of the Federal Republic of Brazil, of the last note by means of which the compliance with such requirements is advised.

Subscribed hereto in Caracas, this fourteenth day of the month of December of nineteen ninety eight, in eight (8) original copies, in the languages of Spanish, English, Portuguese and Dutch, all equally authentic.

National Permanent Committees of the Treaty for Amazonian Cooperation

Bolivia

The NPC of Bolivia is currently being restructured. It is to be presided by the Ministry of Foreign Affairs and Cultural Affairs, and composed of the following Viceministries:

- Viceministry of Government Coordination
- Viceministry of Sustainable Development
- Viceministry of Planning
- Viceministry of Natural Resources and Environment
- Viceministry of Transportation
- Viceministry of Education
- Viceministry of Science and Technology
- Viceministry of Health
- Viceministry of Agriculture and Fisheries
- Viceministry of Indigenous Affairs
- Viceministry of Tourism
- Viceministry of Defense
- Civil society, international cooperation agencies, as invited by the NPC.

Brazil

Instituted by Presidential decree on November 8, 2002, the NPC of Brazil includes representatives from:

- Minister of Foreign Affairs, who presides the Committee;
- Ministry of Environment and Planning;
- Ministry of Science and Technology;
- Ministry of Justice;
- Ministry of Health;
- Ministry of Development, Industry, and Trade;
- Ministry of Education, Sports, and Tourism;
- Ministry of Transport, Communication;
- Ministry of Defense;

Colombia

The Colombian NPC is being restructured. It is expected to be composed of:

- Ministry of Foreign Affairs
- Ministry of Interior and Justice
- Ministry of National Defense
- Ministry of Social Protection
- Ministry of Environment, Housing, and Territorial Development
- Ministry of Trade, Industry, and Tourism
- Ministry of Transport
- Ministry of Education
- Department of National Planning

- Colombian Institute for the Development of Science and Technology-(COLCIENCIAS)
- Colombian Institute for Amazonian Research SINCHI

Ecuador

The NPC of Ecuador is composed of:

- Ministry of Foreign Affairs, who presides the Committee
- Ministry of National Defense
- National Planning Office – ODEPLAN
- Institute for the Ecodevelopment of the Ecuadorian Amazon Region-ECORAE, which acts as Technical Secretariat of the NPC.

Guyana

- Ministry of Foreign Affairs, who presides the Committee
- National Geologic Commission
- Institute for Applied Science and Technology
- Ministry of Public Works and Communication
- Ministry of Agriculture
- Ministry of Education
- Ministry of Health
- Ministry of Tourism, Industry and Trade
- Ministry of Defense
- Office for National Statistics
- Guyana University

Perú

- Ministry of Foreign Affairs, who presides the Committee
- Ministry of Defense
- Ministry of Education
- Ministry of Trade and Tourism;
- Ministry of Health
- Ministry of Transport and Communication;
- Ministry for Women Development and Human Development;
- National Environmental Council
- National Council for Science and Technology
- National Institute for Natural Resources
- National Agrarian University
- Institute for Amazon Research, which acts as Technical Secretariat
- National Commission for Amazon Communities and Indigenous groups
- Peruvian Agency for International Cooperation

Suriname

- The NPC of Suriname is composed of the Ministries and Institutions responsible for the Special Commissions of the Amazon Cooperation Treaty: Health, Education, Environment, Science and Technology, Communication and Transport, Indigenous Affairs, Tourism.
Note: The Government of Suriname is presently restructuring the NPC in light of the recent institutionalization of the Treaty with the creation of OTCA.

Venezuela

- Ministry of Foreign Affairs, which presides the CNP;
- Ministry of Internal Affairs;
- Ministry of Finance;
- Ministry of Defense
- Ministry of Development
- Ministry of Education;
- Ministry of Sanitation and Social Assistance
- Ministry of Agriculture;
- Ministry of Transport and Communication
- Ministry of Justice
- Ministry of Energy and Mines
- Ministry of Environment and Renewable Natural Resources;
- President of the Central Coordination and Planning Office of the Presidency of the Republic
- Director of the Venezuelan Corporation of the Guayanas
- President of the National Institute for Scientific and Technological Research

Endorsement letters

ENDORSEMENT LETTER FROM BRAZIL



MINISTRY OF PLANNING, BUDGET AND MANAGEMENT
SECRETARIAT OF INTERNATIONAL AFFAIRS
Esplanada dos Ministérios, Bloco K, 5º andar
70040-096 Brasília DF

Ofício nº 10.2 /2004/MP/SEAIN

Brasilia, April, 29, 2004

Mr. AHMED DJOGHLAF
Executive Coordinator
GEF Coordination Office
United Nations Environment Programme – UNEP
P.O Box 30552
Nairobi, Kenya

Subject: Project GEF – *“Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin”*

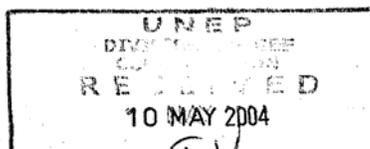
Dear Mr. DjoghlaF,

I would like to inform you that this Secretariat, in its capacity as GEF's Operational Focal Point in Brazil, endorses the annexed proposal (PDF-B) *“Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin”*, in the amount of US\$ 1,450.0 mil.

Sincerely,

CARLOS EDUARDO LAMPERT COSTA
GEF's Operational Focal Point in Brazil

39.639\Isis.Trabalho\corresp\oficioPNUMA-Endosso



ENDORSEMENT LETTER FROM COLOMBIA



Ministerio de Ambiente, Vivienda y Desarrollo Territorial
Despacho Viceministro de Ambiente
República de Colombia

Bogotá D.C., March 15, 2004

2000-2 17643-
19 MAR 2004

Mr
Ahmed Djoghlaif
Director
Division of GEF Coordination
United Nations Environment Programme
Fax (254 2) 624041 0092542
P.O. Box 30552
Nairobi
Kenya

04/0491

Dear Mr. Djoghlaif,

The Government of Colombia and the Ministry of the Environment, Housing and Territorial Development, in its capacity as GEF Focal Point, fully endorse the pdf B proposal "Regional Strategy for the Conservation and Sustainable Use of Natural Resources in the Amazon" for GEF support and funding.

This Ministry considers that the proposal is consistent with national priorities according to the National Development Plan and therefore, supports the development and implementation of this project. It is also important to notice that the Colombian Executing Agency will be the Instituto de Estudios Ambientales - IDEAM- in order to enhance co-ordination with other national authorities.

Sincerely,

JUAN PABLO BONILLA
Viceminister of Environment

GAI/ elaboró Octavio Aguirre/ revisó Alvaro José Rodríguez ATL



Ministerio de Desarrollo Sostenible
Viceministerio de Recursos Naturales y Medio Ambiente

La Paz, julio 6 de 2004
MDS/VRNMA N°1676/04

Señor
Klaus Trupfer
Director Ejecutivo del PNUMA
Nairobi, Kenia
África

De mi consideración:

Tengo el agrado de dirigirme a usted para referirme al proyecto "Manejo Integrado y Sostenible de los Recursos Hídricos Transfronterizos en la Cuenca del Río Amazonas", a ser implementado por la Secretaría Permanente de la Organización del Tratado de Cooperación Amazónica como Agencia Local Ejecutora del proyecto y por el PNUMA, con fondos del GEF, en la modalidad de PDF - Bloque B, con el apoyo técnico administrativo del Secretario General de la Organización de Estados Americanos, a través de la Unidad de Desarrollo Sostenible y Ambiental.

El proyecto antes mencionado, permitirá la formulación de un programa regional de vasto alcance, que reunirá diversos esfuerzos para asistir a los países que integran la mencionada cuenca, en el diseño y establecimiento de políticas, medidas, acciones colectivas y coordinadas, en favor de un desarrollo económico y social ambientalmente sostenible, basadas en la protección y gestión integrada de los recursos hídricos y en la adaptación a la variabilidad y al cambio climático.

En ese sentido y de acuerdo a lo que antecede, el Viceministerio de Recursos Naturales y Medio Ambiente, otorga el endoso al proyecto antes mencionado. Asimismo, debo manifestar que para la ejecución de las actividades que el proyecto requiere, el Gobierno de Bolivia a través de este Viceministerio, tiene la capacidad técnica necesaria y se compromete a aportar el equivalente a \$us 39.000, en tiempos de personal técnico, de apoyo, equipamiento y ambientes para el desarrollo de las actividades.

Sin otro particular, reitero a usted las consideraciones más distinguidas.

CC: arch
CRV/GAZ


Carlos René Mandujano Aro
VICEMINISTRO DE RECURSOS
NATURALES Y MEDIO AMBIENTE
Ministerio de Desarrollo Sostenible

ENDORSEMENT LETTER FROM ECUADOR



REPUBLICA DEL ECUADOR



ministerio del
ambiente
República del Ecuador

Quito, 30 de Mayo de 2004.
Oficio No. 63948-D-CG

Señor
Klaus Toepfer
Director Ejecutivo del PNUMA
Nairobi, Kenia.

Señor Director Ejecutivo:

Tengo el agrado de dirigirme a usted, para referirme al Proyecto "Manejo Integrado y Sostenible de los Recursos Hídricos Transfronterizos en la Cuenca del Río Amazonas", a ser implementado por el PNUMA, con fondos en la modalidad de PDF - Bloque B, y por la Secretaría Permanente de la Organización del Tratado de Cooperación Amazónica como agencia local ejecutora del proyecto, con el apoyo técnico y administrativo del Secretariado General de la Organización de los Estados Americanos, a través de la Unidad de Desarrollo Sostenible y Ambiental.

El referido proyecto, permitirá la elaboración de un programa regional de vasto alcance, que reunirá diversos esfuerzos para asistir a los países que integran la mencionada cuenca, en el diseño y establecimiento de políticas, medidas y acciones colectivas y coordinadas, en favor de un desarrollo económico y social ambientalmente sostenible, basadas en la protección y gestión integrada de los recursos hídricos y en la adaptación a la variabilidad y al cambio climático.

De acuerdo a lo que antecede y tomando en cuenta que a través de la ejecución de la iniciativa presentada se obtendrán importantes beneficios económicos, sociales y ambientales, tanto para nuestro país como para los restantes que integran la mencionada Cuenca, una vez recibida la conformidad por parte del Consejo Nacional de Recursos Hídricos como contraparte local para la ejecución del referido proyecto en los términos y compromisos establecidos, comunicamos el endoso a la referida propuesta, a tiempo de manifestar que, para la ejecución de los trabajos que el proyecto requiere, el Gobierno de la República del Ecuador, tiene la capacidad técnica necesaria y se compromete a aportar el 6.5 %, equivalente a US\$ 74.074, en tiempos de personal diplomático, técnico y de apoyo, así como facilitar instalaciones y equipamiento.

Sin otro particular, hago propicia la ocasión para reiterar a usted, las seguridades de mi distinguida consideración.


Fabián Valdivieso Eguiguren
MINISTRO

ENDORSEMENT LETTER FROM GUYANA



Environmental
Protection
Agency

July 28, 2004

Mr. Ahmed Djoghlaif,
Executive Coordinator,
GEF Coordination Office,
United Nations Environment Programme - UNEP
P.O. Box 30352
Nairobi, Kenya

Dear Mr. Djoghlaif

**Integrated and Sustainable Management of Transboundary Water Resources in the
Amazon River Basin**

I refer to the proposed project proposal (PDF-B) "Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin" and wish to inform that this project has been approved by a Cabinet Decision of June 8, 2004 in Guyana. As the GEF Operational Focal Point I fully endorse this proposal.

Thanks for your usual cooperation.

Sincerely,

Doorga Persaud
Executive Director and GEF- Operational Focal Point

Guyana / END

IAST Building, U.G. Campus, Turkeyen
Greater Georgetown, GUYANA
Tel.: (592)-222-5784 / 2277 / 5785 / 2442 / 4224
Fax (592)-222-2442
Email: spa@networksgy.com

ENDORSEMENT LETTER FROM PERU

INAM

NO. DE TEL : 2251202

02 JUL. 2004 17:40 P1



CONAM
POR EL DESARROLLO SOSTENIBLE

Carta N° 1672-04-CONAM/SE
Lima, 02 de julio de 2004

FAX 1

Amazonas

04/0749

Señor
Ahmed Doghlaef
PNUMA
Presente.-



De mi consideración:

Tengo el agrado de dirigirme a usted para expresar el respaldo del Consejo Nacional del Ambiente – CONAM, en su condición de punto focal operacional del GEF en el Perú, al Proyecto "Manejo Integrado y Sostenible de los Recursos Hídricos Transfronterizos de la Cuenca del Río Amazonas", presentado por el Instituto Nacional de Recursos Naturales - INRENA.

Este respaldo se da en función de la decisión del Comité GEF Perú, expresada en su sesión del día 02 de julio de 2004.

Hago propicia la oportunidad para manifestarle las expresiones de mis consideraciones mas distinguidas.

Atentamente,

Mariano Castro
Mariano Castro Sánchez-Moreno
Secretario Ejecutivo

DSC/ectf

END sr fm PERU

CONSEJO NACIONAL DEL AMBIENTE

Av. Guardia Civil 205 - San Borja - Lima- 41 – Perú Teléfono: (51-1) 225-5370 Fax: (51-1) 225-5369
E-mail: conam@conam.gob.pe Página Web: www.conam.gob.pe

ENDORSEMENT LETTER FROM SURINAME

FROM :

2207
04

FAX NO. :

Jul. 22 2004 01:25PM P1

A. D. JOUHLAF

E.D.S

Mail

Amazon/9.
04/0887

MINISTERIE VAN ARBEID,
TECHNOLOGISCHE ONTWIKKELING EN
MILIEU

MINISTRY OF LABOUR,
TECHNOLOGICAL DEVELOPMENT AND ENVIRONMENT

Wagenwegstraat no.22- Tel. : 475241, Fax : 410465 - e-mail: arbeid@sr.net

Uw kenmerk:
Your reference:

Uw brief van
Your letter dated

Ons kenmerk
Our reference

Bijlage(a):
Enclosure(s):

Onderwerp:
Subject: endorsement project proposal "Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin"

Paramaribo: 22 July 2004

To: Mr. Klaus Toepfer
Executive Director to the
United Nations Environment Programme
Nairobi
Kenya

03 AUG 2004
IV
PDF & Amazon

Dear Sir,

As the GEF Operational Focal Point in Suriname, I come on behalf of this, to formally present the Project "Integrated and Sustainable management of Transboundary Water Resources in the Amazon River Basin" regional initiative, that counts with the approval of the Government of Suriname having assigned the Permanent Secretariat of the Amazon Cooperation Treaty Organization (ACTO) as the executor organism, with the technical support and contribution of the General Secretariat of the Organization of American States, by means of its Unit of Sustainable Development and Environment, and of the United Nations Environment Programme - UNEP - as agency of implementation of the World Environmental Fund.

As indicated in the document of the project attached, the Government of Suriname will place at the disposal of this important initiative, as counterpart amount to the project equivalent to US\$ 29,000, corresponding to working hours of diplomat, consultant and support staff, as well as installations and equipments.

With no further comments, I avail myself of this opportunity to renew the assurances of highest consideration.

Sincerely,

M. Kerkhoffs-Zerp

M. Kerkhoffs-Zerp
Environmental Policy Officer/
GEF Operational Focal Point

~~for comments / draft response~~
A. D. Jouhlaf
cc: C. Boelcke

UNEP
COMMUNICATIONS &
PUBLIC INFORMATION
RECEIVED
23 JUL 2004
Action
Acknowledged
Completed
No action required

AB 2/8 END³ SURIN

ENDORSEMENT LETTER FROM VENEZUELA

12/03 2004 11:30 FAX 0059 212 3644586

M.R.E. CRIPTOGRAFIA #2

@001/001



REPUBLICA BOLIVARIANA DE VENEZUELA
MINISTERIO DE RELACIONES EXTERIORES
Dirección General de Economía y Cooperación Internacionales
Unidad de Medio Ambiente

TELEFAX N°

000210

Para: EMBAJADOR
N° Fax: SERGIO SANCHEZ BALLIVIAN
SECRETARIO PERMANENTE DE LA ORGANIZACIÓN DEL TRATADO
DE COOPERACION AMAZONICA-BRASILIA
(005561) 411.60.44
De: DIRECTOR GENERAL DE ECONOMÍA Y COOPERACIÓN
INTERNACIONALES
N° Fax: MINISTERIO DE RELACIONES EXTERIORES - CARACAS
(580212) 806.43.70
Asunto: PROYECTO DE LA OTCA AL GEF-FMAM
Fecha: 22 MAR 2004
Páginas: 1 (incluida ésta)

Tengo el agrado de dirigirme a usted en la oportunidad de hacer referencia al proyecto "Manejo integral y sostenible de los recursos hídricos transfronterizos en la cuenca del río Amazonas", presentado por la Organización que usted preside, a fin de solicitar asistencia financiera no reembolsable del Fondo para el Medio Ambiente Mundial (FMAM-GEF), a través del Programa de las Naciones Unidas para el Medio Ambiente (PNUMA).

Sobre el particular, cumpla en informarle, en calidad de Punto Focal Político ante el mencionado Fondo, el apoyo de Venezuela a esta propuesta, la cual ya ha recibido el correspondiente aval técnico por parte del Ministerio del Ambiente y de los Recursos Naturales.

En tal sentido, mucho sabré agradecer se sirva comunicar al Servicio de Formulación y Preparación de Proyectos del FMAM-GEF la conformidad de Venezuela.



Atentamente,

Oscar Hernández Bernalette
Oscar Hernández Bernalette
Embajador

Basin Map



Budget in UNEP Format

Annex 6

Budget in UNEP Format

		2005	2006	TOTAL
		GEF	GEF	
10	PROJECT PERSONNEL COMPONENT			
1100	Project Personnel w/m			
1101	Technical Co-ordinator (23 p/m @4000/m)	48,000.00	44,000.00	92,000.00
1102	Admin./technical assistant (23p/m @1,500/m)	18,000.00	16,500.00	34,500.00
1199	Sub-Total	66,000.00	60,500.00	126,500.00
1600	Travel			
1601	Technical Unit travel (23x 3000/m)	35,000.00	34,000.00	69,000.00
1699	Sub-Total	35,000.00	34,000.00	69,000.00
1200	Consultants w/m			
1201	Consultants activity 1 (act. 1.1, 1.2, 1.4, 1.5, 6 p/m @4000/m)	24,000.00		24,000.00
1202	Consultant activity 2 (act. 2.1, 2.2, 2.3, 2.4) 6 p/m @4000/m	24,000.00		24,000.00
1203	Consultant activity 4 (act. 4.1, 4.2, 4.3, 4.5) 6p/m @3,500/m	21,000.00		21,000.00
1299	Sub-Total	69,000.00	0.00	69,000.00
11999	Component Total	170,000.00	94,500.00	264,500.00
20	SUB-CONTRACT COMPONENT			
2200	Sub-contracts			
2201	Contract activity 1(act. 1.6)	48,000.00		48,000.00
2202	Contract activity 2 (act.2.5, 2.6, 2.7)	73,000.00		73,000.00
2203	Contract activity 3 (act. 3.1, 3.2, 3.3, 3.4)	24,000.00		24,000.00
2204	Contract activity 4 (act. 4.4)	18,000.00		18,000.00
2205	Contract activity 5 (act. 5.1, 5.2, 5.3, 5.4)	39,000.00		39,000.00
2299	Sub-Total	202,000.00	0.00	202,000.00
19999	Component Total	202,000.00	0.00	202,000.00
30	TRAINING COMPONENT			
3300	Meetings/conferences			
3301	Workshops activity 1 - including travel costs - 3 technical meetings + 3 regional workshops + international seminar	55,000.00	50,000.00	105,000.00
3302	Workshop activity 2 - including travel costs	9,000.00	9,000.00	18,000.00
3303	Workshop activity 3 - including travel costs - 3 subregional workshops	18,000.00	18,000.00	36,000.00
3399	Sub-Total	82,000.00	77,000.00	159,000.00
19999	Component Total	82,000.00	77,000.00	159,000.00
40	EQUIPMENT & PREMISES COMPONENT			
4100	Expendable Equipment			
4101	Computer Software	2,000.00		2,000.00
4199	Sub-Total	2,000.00	0.00	2,000.00
4200	Non-expendable equipment			
4201	Computer /audio equipment	8,500.00		8,500.00
4299	Sub-Total	8,500.00	0.00	8,500.00
19999	Component Total	10,500.00	0.00	10,500.00
50	MISCELLANEOUS COMPONENT			
5200	Reporting costs			
5220	Translation of documents		23,000.00	23,000.00
5221	Reproduction costs		21,000.00	21,000.00
5299	Sub-Total	0.00	44,000.00	44,000.00
5300	Sundry			
5301	Contingency	20,000.00		20,000.00
5399	Sub-Total	20,000.00	0.00	20,000.00
19999	Component Total	20,000.00	44,000.00	64,000.00
Grand Total		484,500.00	215,500.00	700,000.00

Project Review Sheet and response



GEF SECRETARIAT CONCEPT AGREEMENT REVIEW

Country/Region :	Regional (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, Venezuela)		
Project Title :	Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin		
GEFSEC Project ID :	2364		
Operational Program :	9	Implementing Agency(ies) :	UNEP
Anticipated project financing (\$ million) :	PDF \$ 0.70	GEF Project Allocation \$	10.00 Total Project Cost : 22.00
Scheduled Project Review Dt :	10/22/2003	Target Work Program Date :	November 2006
Program Manager :	Andrea Merla	IA Contact Person :	Ahmed Djoghlaif

Summary

Objective of the project is to strengthen, in a coordinated and coherent manner, the institutional framework for planning and executing activities for the protection and sustainable management of the water resources of the Amazon River Basin, endeavoring to realize a shared vision of sustainable development in the region based upon the protection and integrated management of transboundary water resources and adaptation to climatic changes.

Specific Objectives

To this end, the Basin countries have agreed to:

- i. Make progress toward the integrated management of water resources, and adaptation to climatic variation and change, through more effective decision-making by the relevant national institutions, based upon the forecast impacts of climatic variations and changes on water resources.
- ii. Strengthen the shared strategic vision for the Basin as the basis for integrated water resource planning and management, adaptation to climatic change, and sustainable development.
- iii. Strengthen the technical-institutional structure for the identification of water resources at risk of environmental impairment (critical areas or "hot spots") in order to recommend measures, plans, and projects to protect and/or rehabilitate them and, in association with the responsible institutions in each country, initiate remedial measures.
- iv. Generate more knowledge about the types and sources of water pollution in the Basin, monitor them, and attack their root causes.

- v. Generate more knowledge about the effects of droughts, monitor them, and mitigate extreme events in vulnerable regions.
- vi. Make progress toward legal harmonization, and development of economic instruments, technical and institutional capacity, and public participation in the management of water resources in the Basin.
- vii. Strengthen the TCA Secretariat as an effective coordination agency for countries in the Basin in the short-, medium-, and long-terms

Expected Outputs

- (I) Consolidated shared vision for the Amazon River Basin and formulation of a Transboundary Diagnostic Analysis (TDA) for the Amazon River Basin
- (ii) Strengthened National Water Resources Institutions and the OTCA for Integrated Water Resource Management in the Amazon River Basin
- (iii) Hydrological-environmental information system to support decision-making in place
- (iv) Establishment of capacity for Forecasting the hydrological impact of climate variation and change and the implications for development
- (v) Enhanced sustainable management of water use and the protection of aquatic ecosystems
- (vi) Increased Participation and education for sustainable water resource management in the Amazon River Basin

1. COUNTRY OWNERSHIP

Country Eligibility: Countries are eligible under para 9(b) of GEF Instrument

Country Drivnness:

At pipeline entry:

The Amazon Cooperation Treaty, as strengthened and amended (2003 Protocol), into the Organization of the Amazon Cooperation Treaty (OACT) calls for joint actions among riparians for the management and protection of the water resources of the basin. All countries are now fully committed to the Treaty and will support with co-financing the GEF project.

Expected at Work Program inclusion:

Expected at CEO endorsement:

Endorsement :

The OACT has endorsed the concept.

Expected at Work Program inclusion:
All riparian countries will endorse the proposal

Expected at CEO endorsement:

2. PROGRAM AND POLICY CONFORMITY

Program Designation and Conformity

At pipeline entry:

The concept outlines a three phase plan for the full implementation of joint management measures and institutional framework. The present submission refers to the first phase only, which is dedicated to setting the foundations for

Expected at Work Program inclusion:

Expected at CEO endorsement:

joint actions in terms of knowledge, monitoring systems, capacity building and institutional strengthening and priority setting. Focus is on prevention of degradation (pollution, overfishing) and adaptation to climatic fluctuations. The orject hence fits well with OP9 criteria and with IW strategic priority #2 and with the adaptation new strateigic priority

Strategic priority fit not included in Cover page---please add IW-2 and cc adaptation in resubmission.

Project Design

At pipeline entry:

Well developed foundational work design but perhaps too many activities in one project. Perhaps simplify the design somewhat.

Expected at Work Program inclusion:

Expected at CEO endorsement:

For adaptation argument, some emphasis on vulnerability assessment and characterization should be included in components 3 and 4 and reduced emphasis on floods when indeed droughts are the larger issue during El-Nino years.

The SAP should also include some actions and alternatives for adapting to the reduced flows from glaciers in headwaters and the periodic droughts. Seems as if at least one half if not more

of the project is aimed at the key transboundary issue of climatic fluctuations...especially droughts.

Sustainability (including financial sustainability)

At pipeline entry:

The project aims at building the knowledge base and the enabling environment for joint on the ground actions that would follow, and would support the countries bold decision to work together and establish effective permanent and sustainable cooperation mechanisms.

Expected at Work Program inclusion:

Expected at CEO endorsement:

Replicability:

At pipeline entry:

Expected at Work Program inclusion:

Full project will include strategy to enhance replication of best practices and pilots.

Expected at CEO endorsement:

Stakeholder Involvement:

At pipeline entry:

Expected at Work Program inclusion:

To be fully addressed

Expected at CEO endorsement:

Monitoring and Evaluation:

At pipeline entry:

Expected at Work Program inclusion:

To be fully addressed

Expected at CEO endorsement:

3. FINANCING

Financing Plan

At pipeline entry:

Expected at Work Program inclusion:

indicative sources of cofinance

Expected at CEO endorsement:

cofinancing confirmed by endorsement.

identified.

With key transboundary concern being fluctuating climate..especially droughts... expect a project with at least half the funding from the adaptation strategic priority to accompany IW financing.

Implementing Agency Fees

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

4. INSTITUTIONAL COORDINATION AND SUPPORT

Core Commitments and Linkages

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

Consultation, Coordination, Collaboration between IAs, and IAs and EAs, if appropriate

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

5. RESPONSE TO REVIEWS

Council

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

Convention Secretariat

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

GEF Secretariat

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

Other IAs and RDBs

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

STAP

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

Review by expert from STAP Roster

At pipeline entry:

Expected at Work Program inclusion:

Expected at CEO endorsement:

PDF B

6. Terms of Reference (relate to translating the pipeline entry criterion (met) to the WP inclusion criterion):

Concept includes draft TOR. A specific discussion of PDF-B activities should follow revisions and agreement on concept.

In December 2004, a request for PDF-B funding was submitted for CEO approval. The program manager requests the following revisions:

(i) Cover page: add indication on allocations from IW (\$5m) and Adaptation (\$5m), and correct figure for total co-financing.

(ii) Page 4 - Revise to stress focus on transboundary issues, and on drought management for adaptation, including prevention of fires. Add emphasis on water sector/water use efficiency, and land aspects related to drought management and fire prevention.

(iii) page 6, under "i" add "determine vulnerability of people and ecosystems"

page 7, excessive emphasis on environment, need to highlight CC adaptation focus;

page 8, activity 1, bullet 1: add at the end "including vulnerability to climatic fluctuations";

page 9, activity 3, add: "determination of vulnerability of people and ecosystems";

page 10, need for M&E Plan, including necessary resources;

page 13, include among outputs: "TOR for the execution of vulnerability analysis".

7. Budget line items related to the TOR (including schedule):

GENERAL COMMENTS

(for records purpose only, not pre-conditions)

At pipeline entry:

The submission of this concept marks a fundamental political shift towards cooperation on water and environment among Amazon riparians. The project would assist the countries to strengthen this process and help countries focus on major threats, such as climatic fluctuations and droughts, pollution from the cities such as sewage pollution, and over-fishing hot spots near the main cities where the fish are "exported" out of the basin to main cities.

If focused from the beginning on the main transboundary concerns: adaptation of drought, mercury from gold mining, and overfishing with some emphasis on proper sewage treatment in the large cities, the project may be able to move toward on-the-ground results more rapidly.

Expected at Work Program inclusion:

Expected at CEO endorsement:

SUMMARY RECOMMENDATIONS BY PROGRAM MANAGER

At pipeline entry:

The program manager would recommend pipeline entry upon review of a revised concept addressing the recommendations described under "further processing".

A bilateral was held with UNEP on

Expected at Work Program inclusion:

Project is at least one half related to climate change adaptation to transboundary fluctuations in flows and precipitation. Brief should be at least one-half in adaptation area in terms of financing.

Expected at CEO endorsement:

October 29, 2003. The comments were shared with UNEP, including those under "further processing". UNEP agreed to revise the concept per these comments. GEFSEC did note that the pipeline is full in international waters and that this project would have a better chance of being submitted to Council in late FY 2006 if at least half the funding came from the new adaptation strategic priority. Otherwise, it would need to wait until FY 2007.

On Nov. 7th a revised concept was received. It addresses satisfactorily all issues raised in this review. The program manager recommends CEO approval of pipeline entry.

A request for PDF-B funding was submitted in December 2004. The program manager would recommend CEO approval upon receipt of a document revised according to the comments made in this review under TORs.

FURTHER PROCESSING

At pipeline entry:

It is recommended that the following revision to the concept document be considered:

- (i) Simplification of design - Make an effort to reduce the number of activities foreseen under the project,

Expected at Work Program inclusion:

Expected at CEO endorsement:

focusing on main critical components.
(ii) Focus on droughts - to strengthen the focus on droughts and fires related with extreme climatic variations (as opposed to floods, which are needed to keep the Amazon ecosystem functioning).

As a consequence, strategic priority on first page should not only be "expand transboundary areas for capacity-building foundational work" but also "Climate Change Adaptation".

(iii) Vulnerability to climatic fluctuations - include in Component 4 vulnerability assessments of ecosystems and communities, and an analysis of adaptation options.

(iv) Land issues - Emphasize the importance of land management and degradation in the integrated management of the basin given the need for adaptation.

(v) Participation - Strengthen the participation section, excessively focused on awareness raising only, to introduce participation as a decision making process.

(vi) Country role - Provide assurances that each country will actively participate to undertake project activities and the OTCA secretariat is in a coordinating role.

(vii) Interministerial committees - Give full consideration to the establishment in each country, as part of the project,

of such inter-sectoral bodies.
(viii) Website - Provide assurances that the project will establish a website consistent with IW LEARN guidance(S devoted to a component of the project) and participate in IW:LEARN activities and the Biennial IW Conference.

Response to GEF Sec comments as per the above mentioned review sheet.

Overall, the PDF-B document was reviewed to add clarity amongst the different components and emphasize the climate change adaptation focus. Further, the IA discussed internally how to best work jointly with the cc adaptation team and leading through successful incorporation in their pipeline.

More specifically, the identifier page (cover page) has been modified to show the split in funding between cc adaptation and IW for the FP.

The background section, on page 4, has been revised emphasizing, in the list of main environmental problems, the changes in the hydrological cycle associated with changes in the global climate (see bullet 3).

On page 7, the summary of project objective has been clarified to emphasize the vulnerability of people and ecosystems to climate variability (see i., v., and vi)

On page 8, in the chapeau prior to discussing the PDF-A activities, the focus on cc adaptation has been emphasized.

On page 9, activity 1 is including an assessment of the vulnerability of communities and ecosystems due to the fluctuations of climate.

On page 10, activity 3, in its chapeau, emphasizes the impact of climatic variability on people and ecosystems.

On page 11, activity 5 now caters for an M&E plan.

On page 14, under the PDF-B output section, ii) covers TORs for a vulnerability analysis.