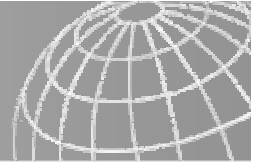


Synergies between conservation and development through incentive agreements in Northwestern Ecuador



Marina Kosmus
German Agency for Technical Cooperation (GTZ)
Poverty and Environmental Partnership
11th Meeting, Copenhagen
19th, June 2007



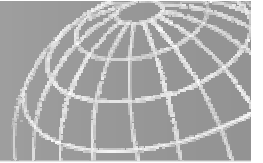


The Context:

- The Ecuadorian Chocó: Biodiversity **Hotspot** (Dinerstein *et al.* 1995, WWF, 1997; Myers *et al.* 2000)
- **Chachi** and Afro-Ecuadorian Communities
- High levels of **Poverty**
- **Stratified** Socio-Economical **Scenery**.

- Industry: Shrimps, Oil Palm and Timber
- **60 %** of the national timber comes from the **region (70 % illegal)**
- Ecosystem is **being destroyed** (def. rate 4,2 % p.y.)
- Local Communities **do not receive** adequate benefit.
- In the region: no willingness to pay **for conservation**.





The Scheme:

- **3 Chachi Centres (300 families)** provide voluntarily part of their land to create a communal protected area
- Environmental Service: **Biodiversity**
- **Intermediaries and initial investors:** CI and GTZ
- **Financial Sources:** International community (Conservation Inter. = Coldplay, CGF, CSP and hopefully more) through Trust Fund
- Objectives: **Conservation** + improve living conditions
communal benefits
(financial) sustainability
- **Biological Monitoring:** transects, remote sensing, rangers
- **Participatory Monitoring:** impacts of the activities





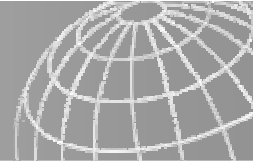
The Scheme (ii):

Average annual long-term expenditures of the pilot area are estimated at approx. US\$ **105.000**.

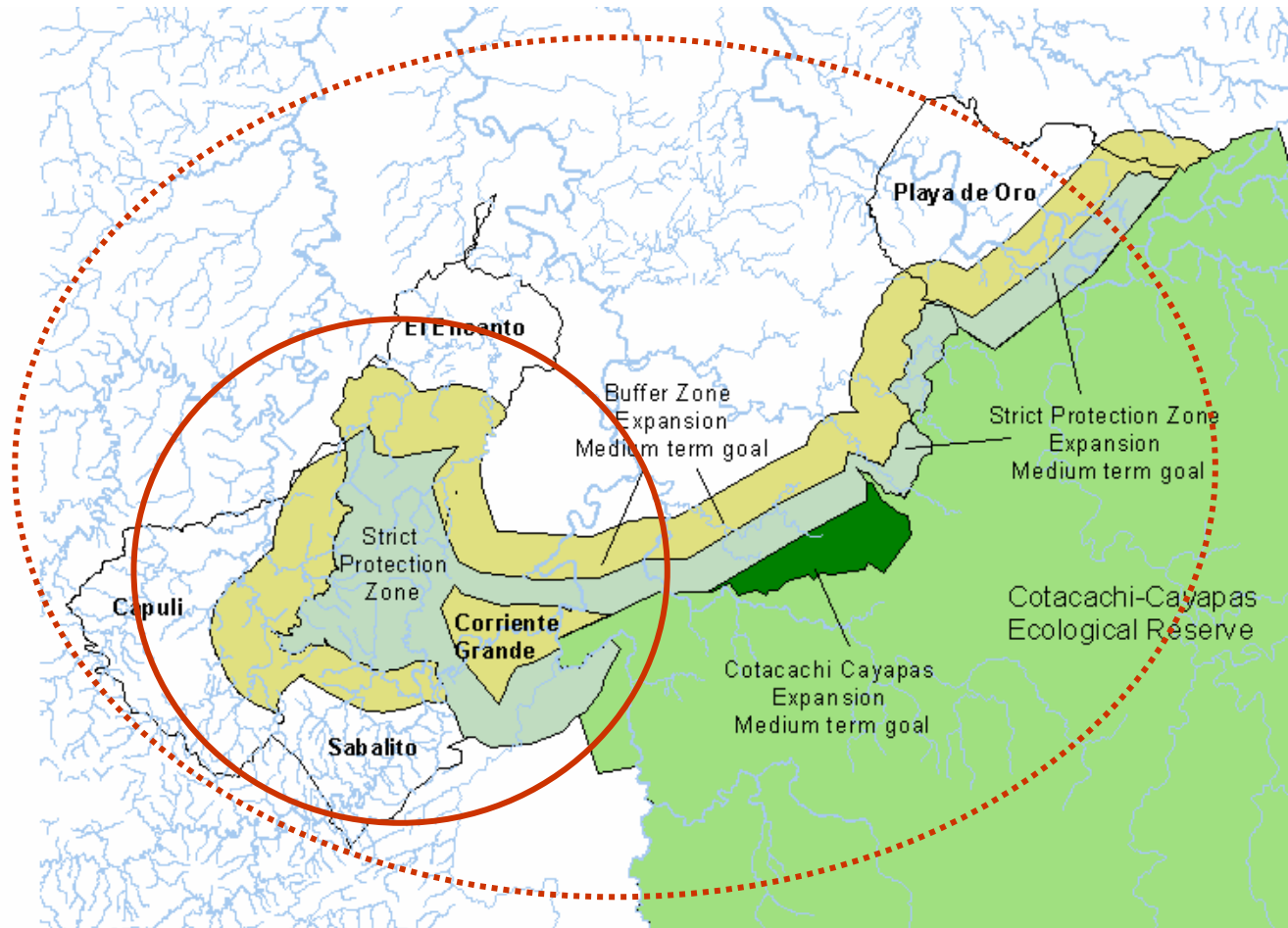
Trust fund targeted to contain 2,1 million US\$.

5 % of net annual returns targeted.

Item	Costs (US\$)	Notes
Community incentive payments	36,000	Based on 7,200 ha @ \$5/ha/yr
Reserve management	13,600	Includes 6 community rangers, equipment, etc
Project coordination	23,600	Project coordinator and technical assistance
Monitoring	9,100	Biological, socioeconomic monitoring and sat. images
Field logistics	7,100	Road and river travel, food supplies
External technical support	5,200	Consultants, occasional technical or legal support
Administrative costs	5,200	Telephone, computer, office rent, etc.
Misc. unplanned expenses	4,700	5% of direct costs
Audits and evaluation	2,500	External financial audits



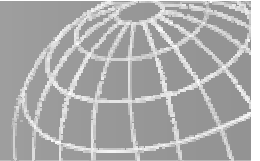
The Area:



Now ———

Future ·····

we would like to extend the core area to 20.000 has



The Process

Agreement with 3 Chachis communal territories to conserve **7200 has** (core area) of forest (total community area **30.000 has**)

1. **Voluntary approach**: Presentation, discussion and grounding the concept in communal assemblies (2004)
2. **Participatory design**: Location, regulations, investment plans, enforcement, offset valuation (2004)
3. Agreement **for one year** (trial in 2005) + **renegotiation** (2006-2007)
4. Benefit package: **Conditional** on conservation performance (in cash to each of the center regarding the number of ha inside the core area)
5. Agreement with the **National Environmental Fund** and Environmental Ministry (on process).
6. Since 2007 3 new centers (about 7000 new ha under conservation management) start to join the agreement (**scaling up**)



Some Results:

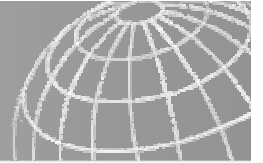
Indirect / General:

- Improved **transparency** (e.g. in management of community cash)
- Improved social **control** (e.g. financed activities and use of resources)
- **Women´s enterprises**
- Interest in improving implementation (enforcement, **benefit sharing**)



Project Sustainability:

- Legal options for protection under discussion (Protected Forest)
- **Seed capital** raised for trust fund (\$300.000 of \$2,1 million)
- CI committment to support the capitalization of the fund.
- Cooperation with **Ecuador´s National Environmental Fund** (Chachi account)



Some Impacts

Conservation:

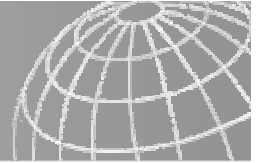
- Key species are becoming **more abundant** in the core area than outside
- Logging in the core area has virtually **ceased**
- **10 communal rangers** trained



Supported activities:

- Community enterprises are **profitable** (gas station, stores)
- **Infrastructure** is working (e.g. piped water, roofs)
- Contingency funds (mixed results)
- Cocoa **production**
- Benefits sharing (mixed results)
- First aid kit in each community

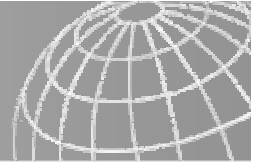




The Role of the GTZ and CI (I):

- Create the **enabling environment**, especially by securing land use and tenure **rights, institutional settings**
- **Define** and **value** ecosystem services
- Analyze the market for ES, **designing cost-efficient** financially **sustainable** schemes.
- Find a market (fundraising)
- Advise on designing a **fair contractual arrangement** and **appropriate monitoring** mechanism





The Role of the GTZ and CI (II):

- Ensure a **fair participation** of weaker actors
- Adapt the scheme to the local **reality**, **needs** and particular **context**
- **Build and strength** local organizations and actors capacities
- Support economic alternatives to make them work (**mechanisms**)
- Ensure the financial and institutional **sustainability** of the scheme
- Advise on **monitoring** for socio-economic and governance indicators

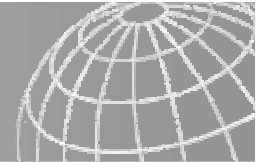




Challenges and Opportunities

- Low **transaction costs** (security vs efficiency)
- **Sustainability** of the scheme (flexibility, adaptation, costs)
- Scarce **demand** (donors as usual, low participation of private sector)
- **Risks** (**external threats** by guerrilla, timber ind. and also mining)
- Conflict of **interests** (centers - communities - families)
- Overload of the project with **multiple objectives** (from biodiv. to education)

- Demand from **neighboring communities** to participate
- Extension through **horizontal learning** (from the chachis to the chachis)
- **Project ownership** of the leaders.
- The centers want to extend the reserve area. (+ **2000 ha**)



Thanks!



Coldplay



CD X & Y

