

## TC ABSTRACT

### I. Basic project data

Country/Region:	Regional
TC Name:	Conservation of BES in Trinational Corridor of Iguazu N.P.
TC Number:	BR-T1307
Team Leader/Members:	Team Leader: Helena Landazuri de Piaggese (INE/RND); Members: Annette Killmer (RND/CBR); and Rosario Gaggero (INE/RND).
Indicate if: Operational Support, Client Support, or Research & Dissemination.	Client Support
If Operational Support TC, give number and name of Operation Supported by the TC:	N/A
Reference to Request: (IDB docs #)	38727256
Date of TC Abstract:	April 16, 2014
Beneficiary:	Atlantic forest ecoregion in southern Brazil
Executing Agency and contact name	World Wide Fund for Nature – Brazil
IDB Funding Requested:	US\$500,000
Local counterpart funding, if any:	US\$250,000
Disbursement period (which includes execution period):	24 months
Required start date:	August, 2014
Types of consultants (firm or individual consultants):	Consulting Firms and individual consultants
Prepared by Unit:	INE/RND
Unit of Disbursement Responsibility:	INE/RND
Included in Country Strategy (y/n); TC included in CPD (y/n):	No
GCI-9 Sector Priority	Protecting the environment, responding to climate change. 2.5.4 Proportion of terrestrial areas protected to total territorial area.

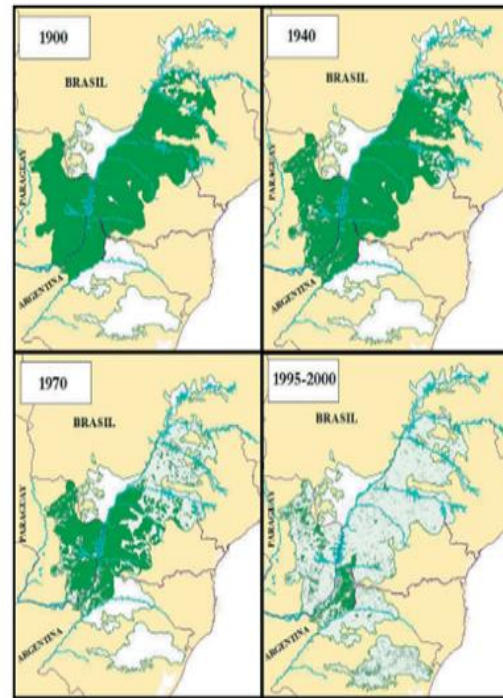
### II. Objective and justification

- 2.1 **Objective.** The objective of the proposed project is to introduce the design, planning, monitoring and evaluation of BES-based activities in the management of the Iguazu National Park, incorporating best-practices developed in other cross-boundary conservation units. Implementation of this project will support the consolidation of the landscape of the Atlantic Forest in the tri-national biodiversity-ecological corridor in the *Parque Nacional do Iguazu* (Iguazu National Park), in Brazil and Argentina and associated territories in Paraguay, by stimulating the development of new BES-derived business opportunities associated with the Atlantic Forest, and generating

positive social and environmental impacts resulting from partnerships between the public and private sectors for this purpose.

2.2 **Justification.** *Biodiversity hotspot.* The Southwestern Atlantic Forest (AF) in South America is identified as the Upper Paraná Atlantic Forest Ecoregion (UPAF), which extends from the western slopes of Serra do Mar in Brazil to eastern Paraguay and the Misiones Province in northeast Argentina. A continuous subtropical semi-deciduous forest originally covered this entire area – 471,200 sq Km - with a high biodiversity.

2.3 The Atlantic Forest is one of the most endangered and biologically diverse biomes on Earth. It is one of Conservation International's “Hot Spots”, a WWF Global 200 Ecoregion, and overlaps significantly with Birdlife International's Endemic Bird Areas of the World as well as the IUCN/WWF Centers of Plant Diversity. The Argentinean portion of UPAF, in Misiones Province, still has about 50% of the original forest cover, which includes the largest forest block of the Atlantic Forest with viable populations of top predators as jaguar, cougar, and panther. It is estimated that more than 550 species of birds, 120 species of mammals, 79 species of reptiles and 55 of amphibians can be found in this part of the ecoregion. The extreme degree of deforestation for agricultural expansion, pine plantations and cattle ranching has created a highly fragmented landscape.



**Figure 1: Habitat loss and fragmentation of UPAF 1900-2000. Source: adapted from Holtz & Fiacchi, 2002**

2.4 Within this terrestrial ecoregion, the Upper Paraná Rivers & Streams is one of the WWF’s endangered Large River Headwaters Ecoregions with 900,000 sq. km. With a remarkably diverse fauna, including over 300 species of fish, in addition to diverse aquatic vertebrates and invertebrates, the Upper Paraná basin has a high degree of endemism of freshwater species that is likely the result of isolation by waterfalls. The areas of Iguazu National Park in Brazil and Iguazú National Park in Argentina are among the best-studied sites in the ecoregion. More than 250 species of trees were recorded in these protected areas. Between 53 and 73 species of trees (>10cm dbh) per hectare have been recorded in study plots within the Iguazu National Park.

2.5 **Threats.** Mainly due to agricultural expansion in Brazil and Paraguay, first for coffee, then sugar and now soybeans, UPAF has been reduced to 7,8% of its original extent<sup>1</sup>. Of the original forest cover, only 2% remains in Brazil, 10%

<sup>1</sup> Biodiversity vision of Upper Parana.

in Paraguay and 50% in Argentina. Main rivers and their tributaries are being affected by deforestation, water contamination by agricultural pesticides and untreated domestic sewage. The loss of native forests that capture water from rains and the above activities in the actual water catchments are affecting the quality and quantity of water, promoting soil erosion and desertification of the land. The Biodiversity Vision of the Upper Parana, a planning and conservation tool developed by WWF in 2003, has identified the main tributaries of the Parana River as priority and sustainable use areas because they are important corridors connecting large forest fragments.

- 2.6 **Conservation efforts.** The UPAF Ecoregion is the setting for one of the most spectacular sights in nature: the Iguaçu Falls on the border between Argentina and Brazil. Fifteen km before joining the Paraná River, the Iguaçu River flows over uneven land, hurling down approximately 275 waterfalls that average 65 meters in height and are 2,700 meters wide. This natural phenomenon attracts about one million tourists every year. One of the most beautiful waterfalls is in the "Devil's Throat", at almost 80 meters in height. Situated in the very heart of the ecoregion, both National Parks – the Iguaçu in Argentina and the Iguaçu in Brazil – have been declared UNESCO Natural World Heritage sites. In 2001, it was elected as the 7<sup>th</sup> Wonders of Nature. Approximately 1.5 million visitors visit the INP, driving the local economy with the creation of new jobs and increasing regional economy.
- 2.7 However, all the tourism and other BES-based activities are heavily concentrated in the Waterfalls area, with little or no spill-over to other areas of the Parks endowed with similar biodiversity but left without actual conservation management or control. WWF-Brazil and its partner organizations, *Fundación Vida Silvestre Argentina* (FVSA) and WWF-PR in Paraguay, aim to expand the concept of BES-based Park planning and management to other priority conservation areas currently exposed to the threat of deforestation. In doing so, these organizations intend to develop M&E sub-systems that can be tested in a number of not-so-visible yet priority settings, to be later introduced in the management of the more complex locations such as the waterfalls vicinities themselves.
- 2.8 **Contribution to Bank Strategy in the Biodiversity and Ecosystem Services sector.** This project would contribute to the GCI-9 (9<sup>th</sup> General Capital Increase) expected results indicators related to protecting the environment and responding to climate change, as enhanced conservation of the AF is a high priority for both in Brazilian and international conservation agendas. The project would also contribute to the main objectives of the Special Program and Multi-donor Fund for Biodiversity and Ecosystem Services, which aims to create opportunities and utilize the comparative advantage of the Region in biodiversity and ecosystems services for sustainable and inclusive development in LAC.

### III. Project Components and Main Activities

- 3.1 The project will focus on the Brazilian Iguazu National Park, helping local authorities to revise its Management Plan to include BES-based activities in park areas other than the Iguazu Falls themselves. In order to promote the expansion of BES-based activities capable of providing sustainable income for local communities, the project will work with local organizations -municipalities, in particular— to raise awareness of the main drivers of deforestation in the area and how BES-based activities can reduce and counter such drivers. Finally, the project will work with the Park to develop Monitoring and Evaluation capabilities that would permit the follow-up and control of the areas where BES-based activities can be expected to prosper, with a view to expanding the M&E sub-system to the Argentinian and Paraguayan counterparts. Thus, the proposed project would be organized in three components:
- 3.2 **Component 1. Park management guidelines for BES-based activities.** This component will support the updating of the management plan of the Iguazu National Park (Brazil) to be developed by ICMBio, with WWF-BR acting as facilitator and coordinator of a trans boundary participatory awareness raising and participatory planning process, involving affected communities and representatives of major local stakeholders. This update will base itself in an analysis and protection of potentially-viable BES-based activities to be promoted in the Park's buffer zone, with a view to developing complementary proposals for the Argentinian and Paraguayan sides.
- 3.3 **Component 2. Promotion of BES-based activities in buffer zone.** This component will help identify main drivers of deforestation in the project area, and identify BES-based activities that can be successfully undertaken in the project area, creating sustainable business opportunities as alternatives to unsustainable economic activities that are driving the deforestation in those same areas. Additional funding sources will be sought to complement the effort started with the proposed project.
- 3.4 **Component 3. Monitoring and evaluation sub-system.** This component will permit the design and testing of a M&E system tailored to the needs of the INP, to follow-up progress in the adoption of the sustainable activities promoted by the project, as well as the trends in the expansion or retraction of deforestation in the same areas. Under this component, WWF-BR will work with its partners in neighboring AR and PR to promote the identified BES-based activities and M&E sub-system, expanding project benefits to the Argentinian and Paraguayan counterparts.
- 3.5 **Preliminary results framework.** The proposed activities of the first phase are described in a results matrix table in annex. Expected outputs and results are fully consistent with the IDB's Biodiversity and Ecosystem Services (BES) Program.

### IV. Budget

- 4.1 The total budget for this technical cooperation has been estimated in US\$750,000, of which US\$500,000 would be financed by the Bank and US\$250,000 will be counterpart contribution, as shown in the following table.

**Table IV-I. Indicative Budget**

<b>Items</b>	<b>IDB</b>	<b>Counter-part</b>	<b>Total</b>	<b>%</b>
Project team	84,300	153,000	237,300	31.6%
C1: Park BES management guidelines	208,100	50,000	258,100	34.4%
C2: Promotion of BES in buffer zone	127,500	47,000	174,500	23.3%
C3: M&E Sub-system	80,100		80,100	10.7%
<b>Total</b>	<b>500,000</b>	<b>250,000</b>	<b>750,000</b>	<b>100%</b>
%	67%	33%	100%	

**V. Executing agency and execution structure**

5.1 The Executive Agency for the Project will be the WWF Brazil. Consulting Firms with relevant demonstrated experience in monitoring, development of concept maps and geographic information systems – GIS, and fair market solutions, innovation using tools and technologies, will be hired to advance and support this project. Additionally, the Organization will support engaging dialogue, disseminate knowledge, and build strong relationships with other participating organizations, governmental agencies and other stakeholders.

**VI. Project risks and issues**

6.1 Proposed project activities will be linked to the larger process of updating of the INP overall management plan. That process is complex and takes time as it involves numerous stakeholders and factors. For the project to generate all expected output and thus contribute to the accomplishment of expected outcomes, WWF-BR will have to work closely with the authorities of the Park to tune its intervention to the Park’s calendar. WWF-BR will secure a letter of support from INP management, stating their commitment to participating in the process and openness to incorporate the results of the project into the revised management plan.

**VII. Environmental and social classification**

7.1 It is not anticipated that the activities to be financed in this project will have negative direct or indirect social or environmental effects. Therefore the team considers that, according to the Bank’s Safeguards Screening Toolkit, this operation should be given a classification of “C”: (i) no environmental or social risks; and (ii) direct contribution to solve an environmental issue.