



PROJECT EXECUTIVE SUMMARY

GEF COUNCIL SUBMISSION

AGENCY'S PROJECT ID: P091932
GEFSEC PROJECT ID: 2551
COUNTRY: Colombia
PROJECT TITLE: Colombian National Protected Areas Conservation Trust Fund Project
GEF AGENCY: World Bank
OTHER EXECUTING AGENCY(IES): Ministry of the Environment, Housing and Territorial Development, National Natural Parks Unit (UAESPNN) and Fondo para la Conservacion de Areas Protegidas (FONCAP)
DURATION: 5 years
GEF FOCAL AREA: BD
GEF OPERATIONAL PROGRAM: OP 2, OP 3, OP4
GEF STRATEGIC PRIORITY: BD-1
Pipeline Entry Date: July 2005
ESTIMATED STARTING DATE: March 2006

FINANCING PLAN (US\$)	
GEF PROJECT/COMPONENT	
Project	15,000,000
PDF A	
PDF B	350,000
PDF C	
Sub-Total GEF	15,350,000
CO-FINANCING*	
GEF Agency	0
Government (UAESPNN and CARs)	11,939,559
Bilateral (Other Donors)	5,964,564
NGOs	
Others (TFCA debt-for-nature swap)	9,495,877
Sub-Total Co-financing:	27,400,000
Total Project Financing:	42,750,000
FINANCING FOR ASSOCIATED ACTIVITIES IF ANY:	
LEVERAGED RESOURCES IF ANY:	

CONTRIBUTION TO KEY INDICATORS OF THE BUSINESS PLAN: Progress toward the 2010 CBD targets for Colombia supported by specific biodiversity use and conservation policies

RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT(S):

Ministry of the Environment, Housing and Territorial Development
Juan Pablo Bonilla

Date: April 16, 2004

Approved on behalf of the *World Bank*. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for work program inclusion

Steve Gorman
GEF Executive Coordinator, World Bank
Date: September 28, 2005

Jocelyne Albert
Project Contact Person
Tel. and email: (202) 473-3458
jalbert@worldbank.org

PROJECT SUMMARY

Protected area systems are the cornerstone of biodiversity conservation. Reaching conservation goals require strategies for managing whole landscapes including areas allocated to both production and conservation, and long term financing of the recurrent costs for this management. As a megadiverse country under strong social conflict, Colombia presents a unique opportunity for an initiative that combines biodiversity conservation and sustainable use with support to the formation of social capital and institutions. To respond to these challenges, this project will establish a new model for managing and financing the system of protected areas in Colombia adopting a conservation mosaic approach, which includes the direct participation of local government, and direct financing of protected areas. The US\$ 15 million GEF grant will contribute to the establishment of FONCAP (Fondo para la Conservación de Areas Protegidas) as an innovative, specialized and long-term financing vehicle with significant potential for leveraging local and international resources.

FONCAP will be a new, independent institution with private sector representation on its board that will increase transparency, accountability and sectoral coordination. Following a rigorous technical and legal analysis, the GoC chose to establish FONCAP for several reasons: Colombian existing funds have a number of benefits, including their proven track record and efficient structures. However, existing funds are oriented primarily towards NGOs, have difficulties in following public mandates regarding protected areas management, and have a limited capacity to attract resources from a wide range of international donors.

The project supports the establishment and consolidation of conservation mosaics rather than simply “core” conservation areas in part because of Colombia’s social conflict. Conservation mosaics (CM) are defined as networks of protected areas (PAs) and complementary surrounding landscapes. Working with CMs instead of strict conservation PAs emphasizes the need to complement National Parks with other management categories and conservation strategies, while promoting the sustainable use of biodiversity and seeking local development through use agreements and benefit sharing with local communities.

The CM approach is also consistent with the implementation of the Policy of Social Participation in Conservation adopted by the National Parks Unit in 1999. The policy seeks to develop short, medium and long-term strategies generating sustainable economic and social alternatives and improving the quality of life of inhabitants in National Park buffer zones. This strategy has increased communities’ commitment to protecting PAs and helped curb illicit crop cultivation, inappropriate land use, poverty and the lack of sustainable economic alternatives. The project will build upon established PSPC methodology to establish and effectively consolidate conservation mosaics as opposed to “core” conservation areas so that it may address poverty issues without affecting natural ecosystems contained in National Parks, and deter the unsustainability of the “conservation island” concept.

The GEF and WB possess a clear and well-recognized comparative advantage in creating and capitalizing conservation trust funds. Active donors in Colombia, including the Netherlands and international NGOs (TNC, CI and WWF) look to the WB-GEF to lead and coordinate this type of initiative. Best practices and lessons learned from similar operations are widely available and

are being applied to the proposed fund's design. The WB team includes specialists in trust fund development with expertise developing similar financial mechanisms in countries such as Brazil, Mexico, Bolivia and Ecuador.

Project Rationale

Colombia is among the world's five most biodiversity-rich countries. With an area of 1.1 million square kilometers, Colombia represents only 0.8% of the world's surface, yet houses 15% of all known terrestrial species. The country possesses 18 ecological regions, the second highest of any country in Latin America, and 65 ecosystem types. National Parks and collectively-titled ethnic territories represent 37% of Colombia's national territory, harboring among the highest levels of biodiversity in the world. However, Colombia's Biodiversity is under threat from a variety of factors, including pressures on natural resources due to widespread poverty and unsustainable production models, financial constraints, scarce inter-institutional coordination, and low levels of community organization.

A high proportion of Colombia's natural endowment is conserved in a National Natural Parks System (NNPS) comprising 51 National Parks and in several different Protected Area categories. Diverse PAs are administered by Regional Autonomous Corporations (CARs), municipalities and private reserve owners. Additionally, collectively-titled ethnic territories are not considered Protected Areas, but represent enormous potential for conservation and sustainable management due to their historical and cultural resource use. All such PAs could potentially conform to an integrated National Protected Areas System (NPAS). The National Parks Unit (UAESPNN) (Decree 216/03) is in charge of establishing and developing this System

Colombia has a well-developed legal framework for conservation. Since ratifying the Convention on Biodiversity in 1994, the GoC has approved various policies focused on conservation, knowledge, and sustainable use, including the National Policy for Biodiversity (1996) and the Policy for the Creation and Consolidation of a Protected Areas System (1997). Furthermore, the Colombian government's National Development Plan (2003-2006) stresses the need to consolidate a National Protected Areas System and appoints the UAESPNN as the system's main coordinator and promoter.

Despite important advancements to date in Colombia's legal framework for conservation, several factors limit the consolidation of a strong institutional framework that effectively promotes biodiversity conservation, including: (i) pressures on natural resources due to widespread poverty and unsustainable production models; (ii) financial constraints throughout the PA system; (iii) incipient levels of coordination between complementary PA management categories and sustainable use strategies; (iv) scarce levels of inter-institutional coordination, and (v) low levels of community organization.

Managing National Parks as unsustainable "conservation islands" fails to respond adequately to the multiple threats and pressures on biodiversity and to ensure sufficient ecosystem representation and functionality. For this reason, the Project seeks to consolidate Conservation Mosaics including National Parks, buffer zones, complementary PAs and agricultural landscapes.

Most National Parks in Colombia were not optimally designed, since they were created after human occupation had occurred. Under current (assumed stable) climatic conditions, National Parks are insufficient to protect biodiversity, because they do not always include a representative sample of all ecosystem types and combinations and are too small to secure long-term population viability. Since climate change is likely to be an important threat to biodiversity, conservation policies and actions in Colombia will need to face up to new challenges, especially to provide territorial scenarios suitable for adaptive management. Conservation Mosaics proposed in the Project would not only provide for ecological complementarity under current climatic conditions, but could also improve the adaptability of ecosystem management under a scenario of climate change.

Global biodiversity benefits of the Project would result from: (i) consolidating National Parks and other PA categories containing biodiversity of global importance; (ii) complementing original design failures in National Parks by seeking consolidation and connectivity between PAs and their surrounding landscapes, and (iii) making regional ecosystems more resilient and persistent in the face of additional threats, such as climate change, through the creation of Conservation Mosaics.

The Project is designed to be successful in the midst of Colombia's social conflict. Within a context where local communities have learned to deal with the presence of armed groups, it is not likely that the UAESPNN can impose conservation without taking into account local interests. The Project is designed to work with buffer zone and rural communities, supporting increased community participation in local environmental planning. Additionally, project areas will include sustainable production schemes, including bio-commerce and eco-tourism, that support local benefit generation in order to obtain local community support for conservation strategies.

Project Objectives

The *Global Environmental Objective (GEO)* is to arrest and reverse trends of biodiversity loss in Colombia's globally important ecosystems. The *Project Development Objective (PDO)* is to support the consolidation of the Colombian National Protected Areas System by launching a Protected Areas Conservation Trust Fund (*Fondo para la Conservación de Areas Protegidas, or FONCAP*). The fund is being designed as a foundation under a private-sector legal regime with a public-private board composition and a mandate to execute public-sector conservation policies related to the National Protected Areas System. FONCAP is envisioned to contain a mixed composition of endowment and sinking funds; while the endowment will seek long-term financial sustainability for the National Protected Areas System, the sinking account will channel direct investments in the consolidation of selected protected areas and rural productive landscapes as part of enlarged conservation mosaics.

Key Project outcome indicators are:

- (i) FONCAP established and operational, with at least US\$15 million in its endowment account;

- (ii) at least 2.8 million hectares of core conservation areas (National Parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems;
- (iii) FONCAP's institutional capacity sufficient to implement the project in coordination with the National Protected Areas System's development process; and
- (iv) 90% of baseline natural vegetation cover maintained in core conservation areas.

Project components

Component 1: *Capitalization and Consolidation of FONCAP* (US\$8.0 m GEF)

The aim of this component is for FONCAP to be established, raising additional funds, and effectively channeling resources to the National Protected Areas System (NPAS) by project-end. The project would support FONCAP's start-up phase, and as such would finance pilot experiences for replication in the NPAS. The Fund's design will allow the constitution of additional sub-accounts and steering committees to be managed according to the various donor's interests and requirements. Additionally, this first phase would consolidate administrative and institutional mechanisms according to best practices, develop and implement a fundraising strategy, and strengthen links within the NPAS. A detailed description of the fund's creation and proposed governance structure is described in Annexes 4 and 18.

GEF investments in conservation mosaics will maintain a ratio of 65% of resources directed to National Parks (NPs) and 35% to other PA categories. This ratio was determined following an agreement with the National Parks Unit. Allocating resources to other PA categories and territorial management strategies seeks to involve various public and private environmental organizations and to promote local community benefits, involvement and appropriation of Project activities related to conservation and sustainable natural resource use.

The proposed structure of FONCAP contains two innovative features. First, the Fund would have a mix of endowment and direct capacity-building investments, seeking effective consolidation of 14 CMs (9 using GEF resources and 5 using TFCA resources), and long term finance of recurrent operational costs for at least three conservation mosaics (CMs). Second, a competitive selection process will be undertaken during PY3 whereby CMs will be rated according to their resource execution and consolidation capabilities. Project Mosaics with the highest ratings will sign on to the Endowment to receive financial resources to perpetuity to cover their incremental, recurrent costs.

Component 2: *Conservation Mosaics Program* (US\$5.3m GEF)

This component's objective is to test and develop PA management strategies and conservation practices in 14 conservation mosaics (CMs), to encompass 19 National Parks, buffer zones and surrounding landscapes. Project areas were selected using biological criteria (i.e., global biodiversity importance and increased ecosystem representation) and socio-institutional criteria (to ensure investment sustainability and effectiveness). See Annexes 19 and 20 for CM definition, descriptions and selection criteria.

The Project will invest in National Parks and in surrounding PAs/landscapes, seeking cost-effectiveness and maximum impact on biodiversity conservation in its interventions. Regarding

investments in National Parks, the Project has selected the key management issues contained in each National Park's Management Plan that most effectively address the main threats to conservation faced by each respective Project Area. Lessons learned from targeted interventions will be more replicable throughout the National Protected Areas System. Additionally, monitoring of resource execution and impact will be more effective. Regarding conservation mosaics, these will be delimited and their stakeholders assessed during the initial stages of project execution. Key management issues will be selected for these Mosaics and institutional arrangements legally enacted between key stakeholders and FONCAP. During the Mid-term review (MTR), the Project team will undertake an evaluation of investments in CMs and re-assess their size as well as the impact of Project activities on addressing CMs' root causes of natural resource degradation.

Investments in conservation mosaics will seek the following objectives: (i) contribute to the conservation and functionality of strategic ecosystems; (ii) develop effective management schemes that integrate National Parks to their surrounding landscapes; (iii) leverage additional resources for conservation from private and public organizations; (iv) collect lessons learned from previous GEF projects related to sustainable natural resource management and conservation in rural settings; and (v) serve as pilot experiences to be replicated throughout the NPAS.

Component 3: Project Management and Institutional Coordination (US\$1.7 m GEF)

The main objective of this component is improved institutional capacity to support the consolidation of the National Protected Areas System (NPAS). This component will monitor Project impacts and disseminate lessons learned through the following activities: (i) intra-and inter-institutional coordination for effective project management; (ii) Project dissemination to stakeholders, and (iii) monitoring and evaluation of Project activities.

1. COUNTRY OWNERSHIP

a) COUNTRY ELIGIBILITY

Colombia ratified the Convention on Biological Diversity on 28th November, 1994.

b) COUNTRY DRIVENNESS

The Colombian National Policy for Biodiversity (1996) focuses on conservation, knowledge, and sustainable use. It establishes national guidelines and strategies which include: sustainable renewable resource management plans, assessments of economic potential to ensure equitable use, protected areas management, legislative and institutional strengthening, technology transfer, biodiversity information systems, and community training and participation. The development of a National Protected Areas System is considered a priority in a number of environmental policies in Colombia such as: the National Policy for Biodiversity, the Policy for Integrated Planning and Sustainable Development in the Atlantic Coast, Guidelines for a National Policy of Environmental Land Planning, National Forest Policy and Strategic Plan for the Restoration and Establishment of Forests. It is also closely related to the Policy of Private Participation in the Environmental Management and with the Policy for Integral Water Management.

In 1997, the Colombian government adopted the Policy for the Creation and Consolidation of a Protected Areas System. In turn, this strategy is part of "Technical proposal for the creation of a National Action Plan for Biodiversity, Biodiversity XXIst Century" (IAVH and DNP, 1999.) This document is a guide for the planning and execution of agreements made by Colombia

within the CBD framework. Furthermore, the Colombian government's National Development Plan (2003-2006) defines the need to consolidate a National Protected Areas System, and particularly the presence of the NPA in areas of greatest biodiversity. Likewise, this Plan defines the need to develop ecotourism projects in protected areas, with the participation of the private sector and communities.

Likewise, the Conservation Trust Fund (CTF) for the Conservation of the Protected Areas in Colombia has been included in the World Bank's Country Assistance Strategy: "The National Parks Fund Project, financed by a grant from the Global Environment Facility, will complement a creative portfolio of natural resources management projects, strengthening protected areas and ensuring environmental services which provide water to 25 million Colombians and support the nation's hydropower generation." (Colombia CAS, December 24, 2002)

Colombia also has a well-developed legal framework for conservation. In addition to the National Biodiversity Policy, Decree 216 of 2003 defines the NPA's primary functions: (i) to propose and implement policies, plans, programs, projects and norms that contribute to the structuring and consolidation of a NPAS; and (ii) to coordinate with other environmental and ethnic authorities, territorial entities, community organizations, the strategies for the formation and consolidation of the NPAS. Consequently, the NPA is developing the legal framework for the NPAS, in coordination with other governmental and non-governmental organizations.

The country's legislation is also strong in the protection of indigenous rights. Legislation grants indigenous communities the possibility of self-government in their respective territories and legally recognizes indigenous organizations. This situation has allowed the NPA to develop innovative co-management schemes in parks that overlap with indigenous territories. The country's legal framework has allowed for the incorporation of environmental, ethnic and social considerations into long-term development policies.

Decentralization and local empowerment have allowed the country to consolidate different categories within the NPAS. Specifically, Law 99 of 1993 assigns to autonomous regional corporations (CARs) the task of creating natural regional parks (Article 31) and creates a protected area category covering Civil Society Natural Reserves (Article 109,) thus creating the possibility for active citizenship participation in the NPAS. . National Natural Parks, Regional Natural Parks, Forest Reserves, Private Reserves and Indigenous Territories represent around 34% of Colombia surface area.

2. PROGRAM AND POLICY CONFORMITY

a) FIT TO GEF OPERATIONAL PROGRAM AND STRATEGIC PRIORITY

This project fits within the GEF Strategic Priorities related to biodiversity. Due to its coverage of selected PAs located in various geographic regions, the project contributes to GEF Operational Program objectives relating to the conservation and sustainable use of biological diversity, resources under threat and endemic species in: (i) OP 2 -coastal, marine, and freshwater ecosystems; (ii) OP 3 - forest ecosystems, and (iii) OP 4 - mountain ecosystems.

The project supports the objective of Strategic Priority (SP) 1 "Catalyzing Sustainability of Protected Areas" through a comprehensive intervention that will: (a) establish a long-term financing mechanism—the Protected Areas Conservation Trust Fund (FONCAP)—for key

protected areas in Colombia, and (b) test and develop new PA management strategies and conservation practices in 14 conservation mosaics, to encompass National Parks, buffer zones and surrounding landscapes.

b) SUSTAINABILITY (INCLUDING FINANCIAL SUSTAINABILITY)

Financial sustainability is central to Project design. FONCAP will contribute to long-term sustainability by leveraging national and international resources, seeking new debt swap agreements and managing financial portfolios with a conservative, capital-preservation approach. In the long term, FONCAP may potentially support social and economic incentives to guarantee financial sustainability in Project zones, including payments for environmental services (PES), tax exemptions and bio-commerce.

Social sustainability of Project activities will be achieved through high levels of community participation in PA conservation and management, the strengthening of social capabilities, and sustainable natural resource use alternatives. Specifically, the Project will support: (i) active community participation in PA planning and management; (ii) co-management schemes in PAs overlapping with collectively-owned territories; (iii) sustainable production systems and other economic incentives as a strategy to reverse inadequate land use, poverty and a lack of economically sustainable alternatives in conservation mosaics, and (iv) participatory Management Plan implementation. The voluntary nature of project-supported agreements would generate greater legitimacy and governance in CMs.

The Project will promote **institutional sustainability** through the following activities: (i) social and institutional strengthening in Project areas; (ii) greater coordination and complementarities between National Environmental System institutions, (iii) public-private partnerships for conservation; (iv) stronger NPAS coordination mechanisms and (v) greater agility, transparency and flexibility in resource investment and management.

c) REPLICABILITY

Replicability will be achieved through various mechanisms supported by the Project. At the FONCAP level, mechanisms will be designed to guarantee transparency and cost-effectiveness, seeking follow-on contributions. At the PA system level, pilot experiences in selected areas, accompanied by standardized monitoring and reporting of lessons learned, will support the replicability of project outcomes in other areas throughout the PA system. Additionally, the Project will support regional PA system committees to promote coordination and exchange at a regional level.

d) STAKEHOLDER INVOLVEMENT

Key Project stakeholders include (i) government institutions implementing projects and initiatives related to PA conservation (including the UAESPNN, research institutes, CARs and some municipalities and departments; (ii) public authorities of indigenous and afrocolombian groups inhabiting in or overlapping with PAs and buffer zones; (iii) private nongovernmental and local community organizations; (iv) private reserve owners, and (v) international NGOs and donors.

Stakeholder Involvement. The Project is directed at strengthening the commitment of the project's social and institutional stakeholders. Emphasis will be made on developing participatory mechanisms and alliances. The participation strategy will be applied during the project design stage and during project execution.

Project Design Stage

The following activities have been developed during this stage:

1. Identification of key stakeholders.
2. Consultations with stakeholders to discuss the FONCAP's initiative and incorporate their comments and viewpoints into the project proposal, including the legal and institutional design of FONCAP, the financing priorities as well as participation and coordination mechanisms. Stakeholders included:
 - National public institutions (MAVDT, UAESPNN)
 - Association of Autonomous Regional Corporations (ASOCARS)
 - Alexander von Humboldt Research Institute
 - Directive Committee of the Memorandum of Understanding (MOU)
 - NPAS National Facilitation Committee
 - Colombian Association Network of Civil Society Reserves
 - International NGOs (WWF, TNC and CI)
 - Experts of national environmental policy and public sector, including previous Environmental Ministers and Vice-Ministers, prior directors in the National Planning Department, previous Directors from Inderena and the NPA, private sector representatives with experience in biodiversity conservation and in business administration, public and private financial sector representatives, lawyers and biologists.
3. Discussion with potential founders of FONCAP to analyze their participation and incorporate their comments and viewpoints into the project proposal
 - Alejandro Angel Escobar Foundation
 - CIPAV Foundation
 - Corona Foundation
 - Colombian Association Network of Civil Society Reserves
 - Natura Foundation
 - ECOFONDO
 - CORPACOT
 - Javeriana University and IDEADE (research institute on rural development and environmental analysis)
4. Consensus reached within UAESPNN on strategic lines and objectives for Project areas, local communities and related institutions to be involved in project execution.
5. Consultations with various individuals, communities, organizations and institutions in relation to the different project components.
6. Identification of relevant operational models and mechanisms for participation.
7. Design and implementation of strategies, methodologies and tools for participation and execution.
8. Standardization of processes and lessons learned.

Project Execution

For the structuring of the Fund (Component 1), the Strategy contemplates the following:

1. Participation from various social and institutional sectors in the management board and/or account -committees.
2. Feedback regarding administrative procedures and execution of resources involving PAs and conservation strategies.

For the conservation mosaics program (Component 2), the Participation Strategy covers the following points:

1. Establishment of CM baseline assessments, including ecological as well as social and institutional aspects. This would include a consultation process to allow feedback and enrich the analysis.
2. Delimitation of CMs and prioritization of PAs and complementary strategies to be included in the project execution.
3. Consensus among the project team, National Park and CM stakeholders regarding strategic lines, project goals and indicators for project execution.
4. Design and implementation of strategies, methodologies, and tools for participation and execution of activities in CM, in coordination with the National Parks' Management Plan execution.
5. Establishment of agreements and coordination instances for conservation mosaics.
6. Join systematization of processes with local populations.
7. Development of agreements for the ordering and management of buffer zones.
8. Establishment and operation of instances of local participation and concertation.
9. Processes for the strengthening of local organizations.
10. Improvement in well-being by means of sustainable production strategies in rural agricultural landscapes.

For the Project Management initiative (Component 3), the Strategy will undertake Participatory design of a monitoring and evaluation system to allow feedback for processes and incorporation of lessons and new knowledge.

Key social impact indicators will include:

- 9 National Park Management Plans designed and under implementation with high levels of community participation;
- Agreements signed with 250 families in Parks and buffer zones regarding environmental ordering processes and restoration practices;
- 45 participatory workshops undertaken regarding planning, decision making and conservation practices;
- 14 agreements with local communities regarding conservation management and sustainable use practices;
- 4 agreements signed or under implementation with ethnic authorities for conservation and PA management, and
- 4 regional committees established for coordination of activities.

Beneficiaries and Other Social Sectors. The target population consists of communities inhabiting in the project's 14 conservation mosaics, which include Protected Areas, their surrounding buffer zones and complementary rural agricultural landscapes. In general, protected areas and strategic ecosystems coincide with the most peripheral zones in the national economy, with incomes significantly below the national average. Principal benefits from the project's conservation strategies will include:

- ③ Economic alternative generation through sustainable production systems to be developed in conservation mosaics, including eco-tourism, economic and institutional incentives for conservation, tax exemptions and environmental services provision agreements;
- ③ Higher levels of local community participation in PA management plans, which will include strategic planning for buffer zones and support to private-sector conservation and sustainable production initiatives, and
- ③ Local communities' social and organizational strengthening.

e) MONITORING AND EVALUATION

The project's Monitoring and Evaluation (M&E) System, to be designed before appraisal, will track the evolution of: (i) project execution at FONCAP and in project zones, according to the project's M&E arrangements and indicator tables shown in Annex 3; (ii) project impact on biodiversity conservation and sustainable natural resource use in productive landscapes; (iii) the strengthening of social and institutional capabilities for more effective PA management, and (iv) the formation of conservation mosaics to include various PA categories and complementary conservation and sustainable use strategies.

A Project Impact Monitoring Plan (PIP) will be designed as part of the M&E System to provide timely and accurate information on project component activities, outputs and indicators. Impact evaluation will begin with a comprehensive biological and socio-economic baseline assessment for the National Parks forming part of the project's selected conservation mosaics. The plan will track the implementation of "key management issues" predefined within each National Park's Management Plan.

During the project's first two years of execution, conservation mosaics will be delimited, its principal stakeholders assessed, and relevant impact indicators developed. Natural ecosystem cover would be evaluated in conservation mosaics with the support of satellite images and aerial photographs. An initial mapping would be undertaken and updated by project-end. This mapping would be complemented by field information and National Park execution reports.

To monitor the management effectiveness of National Parks, the UAESPNN and the WWF designed an instrument known as AEMAPPS, based on the GEF SP1 Tracking Tool for Biodiversity. This methodology has already been applied to 44 of the 51 National Parks. This system would be applied at baseline, during the project mid-term review (MTR) and at the end of the project (EOP) to the National Parks belonging to the project's conservation mosaics. The UAESPNN has also developed an information system with models to monitor "key management issues". This system will be evaluated before appraisal for its inclusion in the project's M&E system.

The M&E System will be under the responsibility of the Project Coordination Unit with specific activities carried out by the UAESPNN. Additionally, the PCU would monitor financial and procurement management, planning and direct investment implementation. Specific monitoring data would be provided on standardized report formats and would be required for Bank supervision missions. Key data would include Bank Project Management Reports (PMRs) and Financial Monitoring Reports (FMRs), quarterly reports from FONCAP and the Asset Manager(s) tracking investment returns and fundraising, and the Bank's Mid-term Review and Implementation Completion Report (ICR).

3. FINANCIAL MODALITY AND COST EFFECTIVENESS

Total Project cost is US\$42.4 million; a GEF grant is being requested for US\$15 million. The costs of each component and subcomponent are summarized in the following table.

Project Costs by Component and Subcomponent and Financing (million US\$)

	Total		GEF		TFCA ¹		UAESPNN		CARs		Other Donors	
	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%	US\$	%
Component 1: Capitalization and Consolidation of FONCAP												
1.1. FONCAP start- up and operational costs	0.5	1.2	0.5	3.4	0.0	-	0.0	-	0.0	-	0.0	-
1.2. Capitalization of FONCAP	15.0	35.4	7.5	50.0	5.0	52.6	0.0	-	0.0	-	2.5	42.0
Subtotal	15.5	36.6	8.0	53.4	5.0	52.6	0.0	-	0.0	-	2.5	42.0
Component 2: Conservation Mosaics Program												
2.1. National Park Management Plans	8.3	19.6	3.4	22.9	0.0	-	3.6	48.3	0.0	-	1.3	21.1
2.2. Conservation Mosaic investments	5.3	12.5	1.8	12.2	0.0	-	0.0	-	3.5	77.2	0.0	-
2.3. TFCA corridors	10.8	25.6	0.0	-	3.8	40.3	3.8	50.4	1.0	22.8	1.6	26.3
Subtotal	24.4	57.6	5.3	35.1	3.8	40.3	7.4	98.6	4.5	100.0	2.8	47.4
Component 3: Project Management and Institutional Coordination												
3.1. Project Management	0.8	1.9	0.8	5.5	0.7	7.1	0.0	-	0.0	-	0.0	-
3.2. Institutional Coordination	1.2	2.8	0.5	3.2	0.0	-	0.1	1.0	0.0	-	0.6	10.6
3.3. Monitoring and Evaluation	0.4	1.0	0.4	2.8	0.0	-	0.03	0.4	0.0	-	0.0	-
Subtotal	2.5	5.8	1.7	11.5	0.7	7.1	0.1	1.4	0.0	-	0.6	10.6
Total Project Costs	42.4		15.0		9.5		7.5		4.5		6.0	

Institution

Source of Counterpart Funds

Amount (US\$)

¹ Tropical Forest Conservation Act debt-for-nature swap agreement. This agreement was signed between the Colombian and U.S. governments

Institution	Source of Counterpart Funds	Amount (US\$)
Government of Colombia (GoC)	TFCA debt-for-nature swap resources	9.5 million
National Parks Unit (UAESPNN)	Budget Contributions to National Park recurrent costs	7.5 million
Regional Autonomous Corporations (CARs)	Budget Contributions	4.5 million
The Government of the Netherlands		2.2 million
Spain's National Park Authority	Improved Management Systems in 4 National Parks	2.7 million
US-AID	Support for the Effective Institutional Presence of the National Parks Unit for the Conservaiton of National Natural Parks	1.1 million
Total		27.4 million

4. INSTITUTIONAL COORDINATION AND SUPPORT

a) CORE COMMITMENTS AND LINKAGES

The Country Assistance Strategy's (CAS) principal directive is to support economically and ecologically sustainable development for national reconciliation and durable peace. The project will contribute to this objective by: (i) promoting globally important biodiversity conservation and sustainable use; (ii) supporting participatory environmental management plans that address root causes of natural resource degradation and reduce conflict over unsustainable resource exploitation in protected areas; (iii) undertaking community-led initiatives in PAs and complementary landscapes that contribute to environmental territorial ordering and regional development; (iv) supporting the formation of social capital and increasing institutional capabilities, and (v) promoting the valuation and payment of environmental services with local benefits. The project has been specifically included in the CAS: "The National Parks Fund project, financed by a grant from the Global Environment Facility, will complement a creative portfolio of natural resources management projects, strengthening protected areas and ensuring environmental services that provide water to 25 million Colombians and support the nation's hydropower generation".

Conservation Trust Funds' Best Practices. International experience points to the multiple long-term benefits of conservation trust funds: they promote funding and planning of environmental activities among public and private institutions, leverage long-term resources for conservation,

promote resource coordination, strengthen institutional mechanisms and develop PA conservation objectives. FONCAP would address sector issues, including constraints in institutional and financial capacity and lack of inter-institutional coordination. Key lessons applied to the project are that funds should have independent legal structures, wide and qualified board representation and stable objectives in order to withstand volatile political environments.

FONCAP's structure seeks to incorporate the following best practices resulting from evaluations of GEF-supported Trust Funds:

- Clear and measurable goals and objectives, and a results-oriented management culture that learns from experience and is open to changes in approach based on feedback.
- Members of governing bodies who are prepared to commit their time, engage in fund policy-making and leadership, and build support with varied constituencies.
- Linkages between the fund and the National Environmental Strategy and its action plan. Links to the current GoC's National Development Plan (2002-2006).
- An ability to attract dedicated competent staff, especially a strong executive director.
- Basic technical and other capabilities that permit the fund to become a respected and independent actor in the community. Access to and effective use of training mentoring and technical assistance resources to build capacity.
- Harmonious and productive board-staff relationship.
- Constructive relationship with relevant government agencies, intermediary organizations that provide services to clients, and other organizations in the environment community. The fund should avoid becoming an executing agency itself.
- Financial and administrative discipline, combined with program flexibility and transparency, and procedures that support this and are consistently applied.
- Mechanisms for continuing to involve a wide range of stakeholders in the fund's programs and direction, tempered with enough strategic direction and leadership to avoid program fragmentation.
- Asset management competitively selected, a diversified portfolio of investments, financial expertise to provide regular reporting, and oversight by fund boards comparing actual performance to benchmark.

Colombia's GEF portfolio includes four projects under implementation. All Colombia-GEF projects share a similar vision and strategy, which support: (i) the conservation of biodiversity of global importance;; (ii) the identification and removal of barriers to sustainable production systems, as part of the strategy to prevent biodiversity loss; (iii) the participation of local communities in the definition and execution of conservation strategies; (iv) the establishment of a broad range of protected area management categories, and (v) decentralized environmental management. GEF-sponsored and other projects support Colombia's CBD commitments and the National Biodiversity Policy.

b) CONSULTATION, COORDINATION AND COLLABORATION BETWEEN IAS, AND IAS AND EXAS, IF APPROPRIATE.

All Colombia-GEF projects share a similar vision and strategy, and support: (i) the conservation of biodiversity of global importance;; (ii) the identification and removal of barriers to sustainable production systems, as part of the strategy to prevent biodiversity loss; (iii) the participation of local communities in the definition and execution of

conservation strategies; (iv) the establishment of a broad range of protected area management categories, and (v) decentralized environmental management. The relevant projects are listed in the Project Brief Annex 2. The project will coordinate and collaborate with those relevant during the preparation and the implementation stage. Especially, the project has learned from the previous and ongoing UNDP and WB-GEF projects in Colombia on the importance of involving local communities in project formulation and implementation.

The project's other partnerships and coordination arrangements include:

Debt-for-Nature Swap. The principal co-financing source for the project is a debt-for-nature swap signed with the US Government under the Tropical Forest Conservation Act (TFCA) and a complementary donation made by three international NGOs (WWF, TNC and CI), obtained as counterpart funding for the FONCAP Endowment and Sinking Accounts. The TFCA debt-for-nature swap will capitalize the Endowment Account in US\$5 million and the sinking account in US\$4.5 million. A *coordination agreement* between the TFCA Oversight Committee and the FONCAP will be signed, in order to guarantee management and investment coordination.

Netherlands cooperation. Prior to GEF disbursement, the GoC will conclude negotiations with the Government of the Netherlands regarding two potential projects, which would serve as counterpart financing to the project. The first project would finance institutional strengthening activities in the National Protected Areas System and investments in selected key management issues of 20 National Parks, which would coincide with core areas of the project's selected conservation mosaics. The second project supports Amazon region PA management plan implementation. Funds will not be pooled, but operations in project areas will, by common agreement, be closely coordinated in day-to-day activities, planning, technical emphasis and project implementation arrangements.

Memorandum of Understanding (MOU). Another potential source of co-financing arises from Colombia's participation in the seventh CBD-COP 7 conference in Kuala Lumpur, where the country ratified the protected areas work program whose main objective is the establishment of national and regional PA systems that are efficiently managed and ecologically representative. Specific issues of cooperation, signed in an MOU between UAESPNN, ASOCARS, CI, TNC, WWF, INVEMAR, IAvH and the private natural reserve association, include: (i) increasing ecosystem representation in the NPAS; (ii) completing a NPAS financial sustainability strategy; (iii) improving PA planning and management capabilities; and (iv) establishing a PA monitoring system. These themes are related to the project's overall objective, and their development will be closely coordinated with the project's execution.

Cooperation agreements will be signed between FONCAP and stakeholders responsible for conservation and sustainable use activities in conservation mosaics (Component 2). These stakeholders would potentially include: Regional Autonomous Corporations, territorial entities, ethnic authorities, private reserve owners and producers. A model of the cooperation agreement would be included in the Project Operational Manual.

C) PROJECT IMPLEMENTATION ARRANGEMENT

Annex 6 of the Project Brief contains a more detailed explanation of institutional and implementation arrangements as well as a graphic showing the proposed implementation arrangements.

The GoC has decided to create FONCAP as a new foundation under the private-sector legal regime, with majority representation from private sector board members, while containing public sector board members and executing public-sector policies. (See Annex 18 for a detailed description of FONCAP, its objectives and legal structure).

FONCAP will be the project's grant recipient and executing agency. FONCAP's responsibilities will include: (a) project activity supervision; (b) procurement of goods and contracting services needed for project execution with GEF grant resources; (c) project financial execution and accounting; (d) technical and administrative monitoring and overview; (e) fundraising and (f) establishing and operating the various investment accounts (See Annex 18).

A Project Coordination Unit (PCU) would be established within FONCAP's jurisdiction and facilities; it would be staffed by a coordinator, one administrative assistant, a specialist in financial management, a specialist in procurement and one technical specialist who will be responsible for coordination with the National Parks Authority. This unit would have its own operating budget, which includes funds for project management and for project monitoring and evaluation.

A *grant agreement* will be signed between the World Bank (as representative for the GEF), FONCAP, the National Parks Administrative Unit (UAESPNN, as representative for the Ministry of the Environment, Housing and Territorial Development, or MAVDT, and as NPAS Coordinator), and the Colombian Agency for International Cooperation (ACCI).

A specific *implementation agreement* between the National Parks Unit (UAESPNN) and FONCAP will be signed before the GEF's first disbursement. This implementation agreement shall define each organization's responsibilities and obligations. The responsibilities of the UAESPNN will include: i) planning and execution of activities in National Parks; ii) coordination of a participatory process with stakeholders to define activities and objectives in project conservation mosaics; iii) execution of activities related to the institutional strengthening of the UAESPNN; iii) monitoring of project implementation and conservation impact in National Parks; and iv) technical orientation/assessment of the project. This arrangement will also define the coordination of fundraising efforts to finance the national parks system between FONCAP and the UAESPNN.

ANNEX A: INCREMENTAL COST ANALYSIS

Context and Broad Development Goals

Colombia is one of the world's five most biodiversity rich countries containing almost 15% of all known terrestrial species in eighteen ecological regions and 65 ecosystem types, all an area of less than 0.8% of the world's surface. The country contains more bird and amphibian species than any other country and one of the highest numbers of vascular plant and vertebrate species. Protected areas and indigenous reserves represent 34% of Colombia's national territory and they possess some of the highest levels of biodiversity in the world.

The core of Colombia's protected area system is comprised of 51 government-administered National Parks. In addition to this, 34 Regional Autonomous Corporations (CARs) have the authority to define and manage protected areas and areas of productive use outside these National Parks. In many cases, but not all, these CAR-managed areas surround the National Parks and act as buffer zones. However, management by the CARs is undertaken in almost complete isolation to that undertaken by the government in the National Parks. Budgets and management structures are separate and no coordinated mechanisms exist even for passing information between adjacent areas. In addition, there is very little baseline funding for these protected areas which means that the biodiversity in Colombia's protected areas is disappearing at a very high rate.

In the absence of this project, a loss of biodiversity and loss of opportunities for carbon sequestration would continue as usual. In particular, under the baseline scenario no improvements in management or significant increases in funding are likely to occur meaning that global benefits continue not to be realized.

This project would counter both of these threats by providing increased, secure and sustained funding through an endowment fund and by integrating management of the various systems to improve efficiency. These improvements would be sustainable and would leverage continued investment in Colombia's Protected Areas by enabling future investments: to be made simply; to be targeted to specific key activities; and to provide sustainable benefits.

It also will help to build up the knowledge bank of best practice for such activities so that more such trust funds can be replicated in other countries in the future.

These objectives support both the policy of the Colombian government and of the World Bank. In particular, in 1997 the government adopted the Policy for the Creation and Consolidation of a Protected Areas System and includes achieving such consolidation as an objective in its National Development Plan (2003-2006). In addition, FONCAP (the endowment fund) is mentioned in the World Bank's Country Assistance Strategy as the principal financing vehicle for the consolidation of the National Protected Areas System.

The Baseline Scenario

None of the activities of this project would replace planned baseline funding and in particular, an essential part of the project would be an agreement with the government to maintain the funding to the National Parks that it would have given under the baseline scenario. However, it should be stressed that this project would ensure that these baseline funds are used in a successively more efficient manner both during and after the project is completed, thus ensuring that the baseline funding achieves greater global benefits than it would in the absence of this project.

The project's first component would create an endowment fund that, by the end of the project, will be receiving further external investments, be funding improved management of at least 3 conservation mosaics, that will have a detailed plan of how it will expand to fund further protected areas and that crucially would be designed to attract further investment after the project finishes. Under the baseline, no trust funds exist in Colombia upon which this project could build and all costs related to capitalizing this endowment fund are incremental. It is also important to stress that the money that is used to create this endowment fund will not come from funding that would otherwise be earmarked for other conservation activities. (For instance the debt swap with the US government that forms the TFCA donation would, in the absence of this project, be used to fund social activities and drug production eradication efforts.)

Although the endowment fund will be fully functioning by the end of the project, it will only be possible to appreciate the full global benefits of the project in the years following its completion when it has leveraged further capitalization investments. For this reason, the following analysis estimates the amounts that will be pledged up until 2016 (up to five years after the end of the project). These estimates come from detailed discussions with various funders. Based on the calculations of the conservation activities these will fund, an estimate is then made of the baseline costs that would normally be spent on these activities.

In order to make this clear in the analysis below, the baseline costs are presented separately for activities funded during the project and activities that are expected to be funded during the five years after the project's completion. In order to highlight the tentative nature of the predictions for the latter baseline costs, these are given in *italics*.

The second component of this project would conduct pilot projects to test integrated management of 9 protected area mosaics and 5 corridors together containing 19 National Parks. These pilot projects would develop the integrated management systems for protected areas and by the end of the project, these would begin to be funded through the endowment fund created by the first component.

Currently no money is going towards integrating management of National Parks and surrounding areas and the baseline costs for the disparate management activities being undertaken come from: government funding of core National Parks; revenues from the core national parks; very minor amounts from the CARs (Regional Autonomous Corporations) that manage the surrounding protected areas and productive use zones; and external donors. Detailed baseline costs for these 14 areas containing a total of 19 National Parks are given in the following section. This baseline funding would still occur in the alternative scenario, under which it would be used far more effectively and produce far greater global benefits than it does currently.

The third component of the project is management and coordination which in particular would monitor project impacts and ensure dissemination of lessons learned for the benefit of Colombia's nationwide protected area system and of further conservation activities globally. Many of these activities (such as creating management committees led by CARs) have no baseline costs associated with them. However, some build on activities that have already or are taking place, including current monitoring activities in the National Parks and dissemination activities carried out by other projects. Detailed costs of these baseline activities is given in the following section.

The Scope and Benefits of the GEF Alternative Scenario

Under this project, the alternative scenario would develop a system to integrate and provide increased funding for the management systems. In particular, it would create an endowment fund that, by the end of the project would be funding integrated management of at least three protected area mosaics and be

attracting continued investment in the future. It would do this without diverting any baseline funding from current activities.

The first component would develop an endowment fund called FONCAP (Fondo para la Conservación de Areas Protegidas) using purely incremental funds. By the end of the project, this fund would contain a least \$15 million in capital (US\$ 7.5 million from the GEF, US 5 million from the TFCA and US\$2.5 million from further donors), would be financing integrated management practices in at least three parks and would be ready to receive further capitalization, particularly from debt swaps. Table 1 below gives a very conservative estimate of the further capitalization that would be expected from debt swaps. This table only includes those where discussions are most advanced and even these are only estimated as having 25% probability of happening. In these cases, the first two years of debt swap resources are not counted due to the time needed to undertake negotiations.

All this funding would be incremental as Colombia has no past history of debt swaps being used to fund public PAs and currently has no capacity or plans to use debt swaps to fund conservation activities. However, as it is not a formal deliverable of the project and will bring most of its benefits only after the project has finished, the incremental costs associated with this are presented separately in the following analysis and their tentative nature is signaled by presenting them in italics.

Table 1. Expected Capitalization of the FONCAP Endowment Account

Year	Guaranteed investment from this project / \$US million	Expected Investment from debt swaps / \$US million*	Total investment from both the project and debt swaps / \$US million*	Minimum estimate of interest generated (GEF + Other)*	Total number of mosaics / National-Parks-within-corridors that were piloted in component 2 and are now able to be funded by FONCAP**
2006	4,54	-	4,54		
2007	1,82	-	6,36		
2008	1,82	<i>0,43</i>	8,61		
2009	1,82	<i>3,21</i>	13,63	0,33	3,00
2010	2,01		15,64	0,32	4,00
2011	3,00	<i>1,67</i>	20,31	0,48	5,00
2012			20,31	0,69	7,00
2013			20,31	0,68	7,00
2014			20,31	0,68	7,00
2015			20,31	0,68	8,00
2016		<i>2,50</i>	22,81	0,74	8,00
2017			22,81	0,82	10,00
Total	15,00	7,81	22,81	5,44	

* Italics indicates that estimations are not formal project deliverables.

** The total number of mosaics that could have their recurrent integrated management costs sustainably supported *after the project has finished* is calculated using the estimate of \$US 85 605 per Conservation Mosaic in a managed corridor per year. Interest from the trust fund is estimated to be around 5.5%.

The second component of this project would develop methods of funding integrated management of protected area mosaics in order to: improve conservation in these areas immediately; lay the groundwork for FONCAP to fund the integrated management of these areas in the future, and to serve as a model for future management of further areas. The component will do this by conducting pilot projects to integrate the management systems of National Parks and adjacent protected areas for 9 mosaics each containing

one national park and 5 corridors containing a total of 10 national parks. This would feed into the first component by demonstrating how the endowment fund would be used in the future and, by the end of the project, at least 3 areas would have their management funded by the endowment fund along the lines developed in this component. The costs of activities directed by this would be paid partly by incremental funding and partly by baseline funding that would have been used to manage these areas in the absence of this project. These baseline costs will not change due to this element but they will be used more effectively through integrating the activities they fund with those activities being funded in adjacent areas. Details of the incremental costs associated with this component appear below in the section entitled “Incremental Costs and Benefits of the GEF Alternative Scenario”.

The third component of the project is management and coordination and the incremental costs of this would fund institutional strengthening, monitoring and dissemination of lessons learned for the benefit of this project and further conservation activities globally. The following section gives details of the incremental funding for this.

This alternative scenario would therefore revolutionize funding of conservation in Colombia, leveraging significant further investment both during the project and in the future and making more effective investment that is already occurring. The global benefits that would occur because of this would include significant and sustainable reductions in the current losses of biodiversity in Colombia increases in carbon sequestration and reductions of atmospheric emissions.

Costs and Benefits of the Baseline Scenario

The disaggregated costs and benefits of activities that have been contributing, and will contribute in the future, to the baseline scenario are given below.

Component 1: Capitalization and Consolidation of FONCAP (Fondo para la Conservación de Areas Protegidas).

The baseline costs for creating the trust fund are zero as no such trust funds already exist and there is nothing that the trust fund will be building upon. However, during the life of the project and afterwards, the trust fund will support conservation activities that are currently being funded by baseline costs. From study of data over the last five years, best estimates for baseline amounts that would be spent on a typical National Park and surrounding protected areas each year in the absence of this project are:

	\$US 78 094 by the government / National-Park . year
	\$US 3 017 from revenue generated / National-Park. year
	\$US 3 780 from the CAR / Surrounding-areas. year
	\$US 20 301 from donor funding / National Park-and-surrounding-areas. year
Total	\$US 105 193 / National-Park-and-surrounding-areas. year

As explained in the previous and following sections, during the life of the project, the endowment fund would fund at least 4 National-Parks-and-surrounding-areas years² of integrated management. The baseline costs associated with this would be **\$US 420 772**.

During the five years after the end of the project, further incremental investment in the fund is predicted to contribute to the management of a further 47 National-Parks-and-surrounding-areas . years of

² The units “National-Parks-and-surrounding-areas . years” refer to the amount of money needed to manage one National Park and its surrounding areas for one year.

integrated management (see the previous and following sections). The baseline costs for this would be US\$ 4 944 071.

Total baseline costs of park management that this project would affect are therefore: **US\$ 420 772** during the life of the project.

US\$ 4 944 071 in the first five years after the project has finished.

Component II: Support to consolidated management of 14 Conservation Mosaics

\$US 7 068 297 would be spent by the government in 19 Project National Parks.

\$US 286 115 would be spent from self-generated revenues in 19 Project National Parks.

\$US 359 119 would be spent from CARs the areas surrounding the 19 National Parks.

\$US 851 286 would be spent by Donors in the 19 National Parks and their surrounding areas.

The total baseline cost of the disparate management activities that will go towards managing the 9 Protected areas and 5 corridors covered by this component would therefore be **US\$ 8 564 819**

Component III: Project management and coordination

The baseline costs of activities that this component would build on are:

US\$ 130 383 will be spent by the government on NPAS coordination activities, M&E and dissemination for the 19 National Parks.

US\$ 754 927 will be spent by donors on coordination and dissemination activities in project areas.

The total baseline cost of the activities that would contribute to project management and coordination would therefore be **\$US 885 311**.

Incremental Costs and Benefits of the GEF Alternative Scenario

Component 1: Capitalization and Consolidation of FONCAP (Fondo para la Conservación de Areas Protegidas).

During the lifetime of the project the guaranteed incremental costs will be:

US\$ 7.5 million from the GEF to capitalize the trust fund.

US\$ 5 million from the TFCA to capitalize the trust fund.

US\$ 2.5 million from other donors.

In addition, incremental costs for setting up the fund will be US\$ 515 022, funded by the GEF and US\$ 333 069 funded by investment yields from the Endowment account.

The total incremental costs of setting up and capitalizing the fund are therefore **US\$ 15 848 091**.

This funding is entirely incremental and during the project will sustainably fund at least **4 National-Parks-and-surrounding-areas . years** of integrated management activities.

As explained above in “the scope and benefits of the GEF alternative scenario”, the main global benefits provided by the endowment fund will be achieved after the project has been completed and are expected to benefit considerably from further incremental investments. However, these costs are not formal project

deliverables and are therefore indicated as tentative and are presented in italics throughout this analysis. From data presented in table 1 above, expected additional incremental investments made in FONCAP are **US\$ 7.81 million** by 2016.

The additional benefits that are expected to have achieved by the fund by 2016 are at least **47 National-Parks-and-surrounding-areas . years of integrated conservation activities.**

Component II: Support to consolidated management of 9 Conservation Mosaics and 5 conservation corridors

US\$ 5.3 million would be spent by the GEF on management of the 9 individual National Parks and their surrounding areas. This will be beyond the baseline costs mentioned in the previous section, which will still continue to be spent on these areas.

US\$ 4.5 million would be spent by TFCA (Tropical Forest Conservation Act – a debt swap between US and Colombian government that in the absence of this project would be spent on social activities) on management of the 5 corridors surrounding the 10 National Parks. This will be beyond the baseline costs mentioned in the previous section, which will still be spent on these areas.

US\$ 4.5 million will be spent by CARs on improved management in 14 conservation mosaics. This will be beyond the baseline costs mentioned in the previous section.

US\$ 2.8 million of funding will be provided by international donors on management of the 9 National Parks and their surrounding areas and the 5 corridors. This will be beyond the baseline costs mentioned in the previous section.

The total incremental costs spent on this component will therefore be **\$US 17 074 590.**

Component III: Project management and coordination

The incremental costs spent on this component of the project will be \$US 1.72 million by the GEF and \$US 634 399 by the International Donations.

Total incremental cost for this component is therefore **\$US 2 354 193 million.**

Incremental Costs

The total incremental cost – the amount beyond the baseline that would be guaranteed to be spent under the GEF alternative - would be US\$ 35 276 873 during the life of the project of which US\$ 15 million would be financed by the GEF. By the time the project ends, the guaranteed funding would have FONCAP implementing improved management practices and would already have led to improved, integrated management practices being developed in nine National Parks and their surrounding areas and the 5 conservation corridors containing a total of 19 National Parks.

In addition to this guaranteed funding, US\$ 7.81 million of further leveraged investment in the FONCAP endowment fund would be expected by 2016. It is calculated that this will enable FONCAP, by 2016, to have begun funding the integrated management of 10 of the areas that have been piloted under this project.

The matrix below summarizes the baseline and incremental costs over the project's five year period and in italics also gives the projected incremental costs and their associated baseline costs of further investment in the endowment fund for up to 5 years after the project has been completed.

	Cost Category	US\$ Million	Domestic Benefit	Global Benefit
Component I Capitalization and Consolidation of FONCAP (Fondo para la Conservación de Areas Protegidas)				
	Baseline	<p>\$US 420 772 for activities funded by the project during its implementation</p> <p><i>An additional \$US 4 944 071 for activities that would be funded within the first five years after completion of the project through leveraged investments in the endowment fund.</i></p>	No trust fund supplying sustainable funding. Limited domestic benefits coming from current protected areas	Continued loss of biodiversity and carbon sinks linked to uncoordinated, underfunded management of protected area systems. Very limited global benefits.
	With GEF Alternative	<p>US\$ 16 268 862 spent within the lifetime of the project on conservation in areas which will be affected by this component.</p> <p><i>\$US 7 807 000 of additional funds spent within 5 years after the project.</i></p>	Domestic benefits from increased conservation including particularly increased provision of environmental services.	<p>By the end of the Project:</p> <p>Endowment fund of \$15 million ready to receive further donations and funding improved management of at least 3 Protected Area complexes.</p> <p>By 5 years after Project completion Endowment fund capitalized with at least \$US 22.8 million and paying for consolidation of management of protected area complexes surrounding at least 10 of Colombia's 50 National Parks.</p> <p>Global benefits linked to this vastly improved management of protected area systems come from particularly from conservation of globally significant biodiversity and carbon sequestration.</p>
	Incremental	<p>US\$ 15 848 091 by end of project to set up and capitalize endowment fund which will then fund PA management and direct the use of the baseline costs given above</p> <p><i>Projected additional US\$ 7 807 000 leveraged by 2016 which will then fund PA management and direct the use of the baseline costs given above.</i></p>		
Component 2 Support to consolidated management of 9 National parks and adjacent managed areas and 5 conservation corridors				
	Baseline	\$US 8 564 819	Limited benefits coming from these 9 protected area complexes and 5 corridors	Inadequate management plans and coordination and funds to carry out plans leading to minimal consolidation of "core" areas, unsustainable activities in buffer zones. Continued loss of biodiversity and carbon sinks linked to uncoordinated, underfunded systems surrounding these nine national parks and in these 5 corridors. Very limited

				global benefits.
	With GEF Alternative	\$US 25 639 409	Domestic benefits from increased conservation including particularly increased provision of environmental services.	Consolidated management of 10 National Parks and their protected areas ready to be funded by the endowment fund. Global benefits linked to this vastly improved management of protected area systems come from particularly from conservation of globally significant biodiversity and carbon sequestration.
	Incremental	\$US 17 074 590		
Component 3 Project management and coordination				
	Baseline	\$US 885 311	Few domestic benefits	Very limited global benefits through transfer of information and lessons learned mainly aimed at specific areas of Colombia's Protected area system.
	With GEF Alternative	\$US 3 630 018	Domestic benefits from increased conservation including particularly increased provision of environmental services.	Increased dissemination capacity leading to improvements in conservation throughout Colombia and contributing to similar schemes in other countries. Global benefits linked to this vastly improved management of protected area systems come from particularly from conservation of globally significant biodiversity and carbon sequestration.
	Incremental	\$US 2 744 707		
Total Baseline: \$US 9 870 901 (and an additional \$US 4 994 071 spent on activities expected to be funded by leveraged investments made in the first five years after the project has been completed.)				
Total GEF Alternative: \$US 45 538 289 (and an additional \$US 12 801 071 within the five years after the project has finished)				
Total Incremental Costs: \$US 35 667 388 of which \$US 15 million will come from the GEF (and an additional \$US 7 807 000 is expected from leveraged investment within the five years after the project has finished)				

ANNEX B: PROJECT LOGICAL FRAMEWORK

Results Framework

PDO/Global Environmental Objective	Outcome Indicators	Use of Project Outcome Information
<p>Project Development Objective:</p> <p>To support the consolidation of the Colombian National Protected Areas System (NPAS) by launching a National Protected Areas Conservation Trust Fund (<i>Fondo para la Conservación de Areas Protegidas, or FONCAP</i>).</p>	<p>FONCAP created and operational with at least US\$ 15 million in endowment by PY5.</p> <p>At least 2.8 million hectares of core conservation areas (National Parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems³ by PY5.</p> <p>FONCAP's institutional capacity sufficient to implement project in coordination with NPAS demands in project target areas by PY5.</p>	<p>PY3 reevaluate fundraising strategy if endowment fund capitalization is less than 50% of target.</p> <p>PY3 revise implementation strategy if area under improved management systems is less than 60% of target.</p> <p>PY3 gauge demand from protected areas managers and beneficiaries and revise strategy if less than 50% of financial resources disbursed.</p>
<p>Global Environmental Objective:</p> <p>To arrest and reverse trends of biodiversity loss in Colombia's globally important ecosystems.</p>	<p>90% of baseline natural vegetation cover maintained in core conservation areas by PY5.</p>	<p>PY3 revise strategy if there is a net increase in natural vegetation losses in target areas.</p>
Intermediate Outcomes One per component	Intermediate Outcome Indicators	Use of Intermediate Outcome Monitoring
<p>Component 1: Capitalization and Consolidation of FONCAP</p> <p>FONCAP established and effectively channeling resources to the National Protected Areas System (NPAS).</p>	<p>FONCAP decision-making structures (Board, management and administrative team) implemented and operational.</p> <p>Fundraising strategy designed and under implementation, incorporating diverse financial mechanisms, by PY3.</p> <p>FONCAP achieving goals on investment returns (at least 5% annual return on endowment accounts).</p>	<p>PY2 reevaluate board composition and management performance if FONCAP operations are not satisfactory.</p> <p>PY3 reevaluate FONCAP operation if fundraising strategy is not operational.</p> <p>PY3 revise investment strategy if financial returns are lower than the established goal.</p>

³ Defined as a sum of effective conservation practices that contribute to improved PA management. Desired objectives include threat reduction, adoption of biodiversity-friendly practices, stronger governance and social legitimacy.

	Three conservation mosaics' recurrent costs financed by the endowment to perpetuity by EOP.	PY4 reevaluate fundraising and investment strategies if endowment lacks sufficient funding capacity.
<p>Component 2: Conservation Mosaics Program</p> <p>Conservation practices and protected area management strategies developed/tested and local capacity improved to support biodiversity conservation and sustainable use in 14 conservation mosaics.</p>	<p>At least 7 core areas (National Parks) of conservation mosaics with key management issues⁴ addressed by effective conservation practices⁵ by EOP.</p> <p>Improved scores of effectiveness indicators (AEMAPPS) for at least 4 National Parks by PY5.</p> <p>At least 14 signed and/or implemented conservation agreements with stakeholders in conservation mosaics by PY5.</p> <p>At least 250 families adopting sustainable natural resource use practices by PY5.</p>	<p>PY1 revise strategy if less than 2 core areas under implementation.</p> <p>PY3 revise component implementation strategy if results of AEMAPPS scores are not satisfactory.</p> <p>PY3 adjust efforts if less than 50% of targeted agreements in place.</p> <p>PY3 adjust efforts if less than 50% of targeted people adopting sustainable practices.</p>
<p>Component 3: Project Management and Institutional Coordination</p> <p>Improved institutional capacity to support the consolidation of the National Protected Areas System (NPAS), to monitor project implementation impacts and to disseminate lessons learned.</p>	<p>At least 4 regional NPAS committees led by CARs and linked to conservation mosaics established and functional by PY3.</p> <p>Project monitoring program under satisfactory implementation and generating quality information to aid decision-making processes by PY3.</p> <p>Project results and lessons learned disseminated to key stakeholders through 8 workshops by PY5, and home page by PY1.</p>	<p>PY2 review the NPAS coordination strategy if less than 50% of regional committees established.</p> <p>PY3 adjust efforts if project monitoring program is not under full implementation.</p> <p>Adjust dissemination strategy if targets are not reached successfully.</p>

⁴ Defined as structural issues affecting a particular PA and upon which the PAs' level of conservation as a whole depends upon. Management Plans of National Parks contain a number of strategic lines of action; however, not all of them are as relevant to conservation objectives. The Project selects the key issues most affecting each National Park's effective level of conservation.

⁵ Defined as practices that generate positive changes in a selected area's level of conservation, while responding to the area's ecological and socio-economic particularities. Such practices may include zoning agreements, sustainable production systems and restoration practices.

Arrangements for results monitoring

Outcome Indicators	Baseline	Target Values					Data Collection and Reporting		
		YR1	YR2	YR3	YR4	YR5	Frequency and Reports	Data Collection Instruments	Responsibility for Data Collection
FONCAP created and operational with at least US\$ 15 million in endowment by PY5.	N/A	\$0.0m	\$5.4m	\$7.3m	\$10.0	\$15.0m	Quarterly Reports from asset manager	Asset Manager reports	FONCAP
At least 2.9 million hectares of core areas of National Parks, and 20% of areas to form part of selected conservation mosaics, under improved management systems by PY5.	None	0%	10%	40%	80%	100%	Annual cumulative project management reports (PMRs)	M&E reports and recording of all planned and executed activities	UAESPNN/FONCAP
FONCAP's institutional capacity sufficient to implement project in coordination with NPAS demands in project target areas by PY5.	N/A	10%	20%	50%	75%	100%	Report from MTR	Mid-term Review Mission	FONCAP/UAESPNN/WB
							World Bank implementation completion report	Data reviewed by World Bank supervision and implementation completion missions	WB
Results Indicators for Each Component									
Component One : FONCAP decision-making structures (Board, management and administrative team) implemented and operational.	N/A	60%	100%	100%	100%	100%	Quarterly Reports from asset manager	Asset Manager reports	FONCAP
Fundraising strategy designed and under implementation, incorporating diverse financial mechanisms, by PY3.	N/A	20%	50%	100%	100%	100%	Annual cumulative project management reports (PMRs)	M&E reports and recording of all planned and executed activities	UAESPNN/FONCAP
FONCAP achieving goals on investment returns (at least 5% annual return on endowment accounts).	N/A	0%	5%	5%	5%	5%	Report from MTR	Mid-term Review Mission	FONCAP/UAESPNN/WB
Three conservation mosaics' recurrent costs financed by the endowment to perpetuity by EOP.	0	0	0	0	1	3	World Bank implementation completion report	Data reviewed by World Bank supervision and implementation completion missions	WB

Component Two : At least 7 core areas of conservation mosaics with key management issues addressed by effective conservation practices by PY5. Improved scores of management effectiveness indicators (AEMAPPS) for at least 4 National Parks by PY5. At least 14 signed and/or implemented conservation agreements with stakeholders in conservation mosaics by PY5. At least 250 families adopting sustainable natural resource use practices by PY5.	0	1	2	3	5	7	Annual cumulative project management reports (PMRs)	M&E reports and recording of all planned and executed activities	UAESPNN/FONCAP
							Report from MTR	Mid-term Review Mission	FONCAP/UAESPNN/WB
	0	-	-	2	-	4	AEMAPPS methodology applied to project areas at baseline, MTR and EOP	AEMAPPS scorecard applied to project areas	UAESPNN
	0	-	-	7	-	14	World Bank implementation completion report	Data reviewed by World Bank supervision and implementation completion missions	WB
Component Three: At least 4 regional NPAS committees led by CARs and linked to conservation mosaics established and functional by PY3. Project monitoring program under satisfactory implementation and generating quality information to aid decision-making processes by PY3. Project results and lessons learned disseminated through 8 workshops by PY5, and website by PY1.	0	0	2	4	4	4	Annual cumulative project management reports (PMRs)	M&E reports and recording of all planned and executed activities	UAESPNN/FONCAP
							Report from MTR	Mid-term Review Mission	FONCAP/UAESPNN/WB
	None	0%	50%	100%	100%	100%	World Bank implementation completion report	Data reviewed by World Bank supervision and implementation completion missions	WB
	0	1	2	4	6	8			
	0	1			-				

MONITORING AND EVALUATION

The project's Monitoring and Evaluation System, to be designed before appraisal, would facilitate continuous project evaluation and allow for corrective measures whenever appropriate. This system would monitor the evolution of: (i) project activity execution at FONCAP and in project zones, according to the project's Results Framework and additional indicator tables shown in Annex 20; (ii) project impact on biodiversity conservation and improved landscape management strategies; (iii) the strengthening of social and institutional capabilities for more effective protected areas management, and (iv) the formation of conservation mosaics that include various PA categories and complementary conservation and sustainable use strategies. Data generated from this System would provide valuable inputs to policies, strategies and programs supporting the National Protected Areas System's consolidation.

The M&E system will support the project supervision process by ensuring that baseline and follow-up data for key performance indicators are collected and made available on an ongoing basis and at strategic times including project start-up (a baseline study would be underway before effectiveness), mid-term review and closing. The System would monitor the following inputs, among others defined before appraisal: (i) Management Plans and their corresponding annual operational plans related to the key management issues financed by the project, to be submitted by each National Park belonging to the selected CM, and (ii) a management effectiveness assessment undertaken at baseline, at the MTR and EOP for the National Parks belonging to the project's selected Conservation Mosaics (AEMAPPS), jointly designed by the UAESPNN and the WWF.

The Project Coordination Unit (PCU) would monitor financial and procurement management, planning and direct investment implementation. Specific project monitoring data would be provided on standardized report formats and would be required for Bank supervision missions. Key data would include: Bank Project and Financial Management Reports (PMRs and FMRs), quarterly reports from FONCAP and the Asset Manager(s) tracking investment returns and fundraising, and the Bank's Mid-term Review and Implementation Completion Report (ICR).

Monitoring of Project Progress

The project would be guided by annual assessments led by the PCU and accompanied by Bank supervision missions, in order to identify specific measures to: (i) address any areas of implementation weaknesses; and (ii) adapt project design to ensure objectives are met. These measures would be reflected in the project Coordination Unit's proposal for the forthcoming year's Annual Operating Plan including project budget, and in assessments made by FONCAP's Board, respectively.

Monitoring and evaluation of project outcomes/results (both intermediate and end of project) would be carried out by the Project Coordination Unit (PCU), in close coordination with the National Parks Authority. Relevant staff would have the responsibility to collect, analyze, archive and distribute relevant and timely information to assist in effective decision making for project management.

The PCU would be established within FONCAP's jurisdiction and facilities; it would be staffed by a coordinator, one administrative assistant, a specialist in financial management, a specialist in procurement and one technical specialist who will be responsible for coordination with the National Parks Authority. This unit would have its own operating budget, which includes funds for project management and for project monitoring and evaluation.

The PCU would also monitor the project's financial management, including inputs, outputs, budgeting, treasury, accounting and audits. The project team would send to the Bank bi-annual financial management and procurement reports. Monitoring and processing of procurement of services, goods,

works and sub-projects would be carried out by the PCU. Information from the monitoring system would be analyzed by project management and appropriate stakeholders. The project would provide to the Bank progress reports and an update on legal covenants compliance every six months.

The Bank's supervision team, with support from a team of external reviewers, would conduct a mid-term evaluation of project execution, to be conducted no later than three years after the first disbursement. The external review would: (i) assess the degree of advancement in achieving project outcomes, (ii) propose changes in intermediate outcomes and/or in project design; (iii) evaluate institutional arrangements for project implementation and (iv) evaluate FONCAP's operations and effectiveness.

A final evaluation would be conducted upon project closing. The key objectives of the final evaluation would be to: i) assess the degree of compliance with the expected project results, ii) use the results to design a strategy for replication in future projects, and, iii) design a strategy for financial sustainability.

Monitoring of Results and Impacts

A Project Implementation Plan (PIP) would be designed as part of the M&E System to provide timely and accurate information on project component activities, outputs and indicators. This plan would assess FONCAP's role and administrative structure, but would focus mainly on gauging improvements in protected area management strategies obtained as a result of the project.

Impact evaluation would begin with a comprehensive biological and socio-economic baseline assessment the National Parks forming part of the project's selected conservation mosaics. The plan will track the implementation of "key management issues" predefined within each National Park's Management Plan and described in further detail in Annex 20.

During the first two years of execution, conservation mosaics will be delimited, its principal stakeholders assessed, and relevant project impact indicators developed. Natural ecosystem cover would be evaluated in conservation mosaics with the support of satellite images and aerial photographs. An initial mapping would be undertaken and updated by project-end. This mapping would be complemented by field information and National Park execution reports.

To monitor the management effectiveness of National Parks, the UAESPNN and the WWF designed a monitoring instrument known as AEMAPPS, based on the GEF SP1 Tracking Tool for Biodiversity. This methodology has been applied to 44 out of the 50 National Parks, and would be applied at baseline for all of the National Parks belonging to the project's conservation mosaics. This system would also be applied during the MTR and at EOP to measure the evolution of management effectiveness in selected National Parks. The UAESPNN has also developed an information system with models to monitor "key management issues". This system will be evaluated before appraisal for its inclusion in the Project's M&E System.

The M&E System, that includes impact monitoring and results evaluation, will be under the overall responsibility of the Project Coordination Unit. Nonetheless, the National Parks authority will undertake data collection as well as indicator monitoring and evaluation, in order to fully integrate the Project's M&E System into its institutional planning and evaluation processes. Since some of the indicators to be monitored will continue beyond the project, terms of cooperation with universities and research institutions would be established to assure the continuity of monitoring. It is anticipated that professional services, consultants or specialized agencies might be hired to perform monitoring of selected activities

Results evaluation would be undertaken with the support of an independent consulting firm, to be hired during the project's mid-term review and final evaluations. Results and lessons learned would be

disseminated widely seeking sustainability, replicability and strengthening of the National Protected Areas System. The table below presents performance targets and indicators for project activities described in Annex 4.

Project Output Indicators and Implementation Targets

Activities	Unit	Indicator					Target
		PY1	PY2	PY3	PY4	PY5	
Component 1: Capitalization and Consolidation of FONCAP							
1.1 To carry out Board meetings	No. meetings	3	3	2	2	2	12
	No. Aide Memoires	3	3	2	2	2	12
1.2 To consolidate and strengthen FONCAP management staff	No. of staff hired (person/month)	3	3	3	3	3	3
1.3 To provide working equipment (computers, furniture and office space) for adequate operation	Office Units (Equipment/Computers)	3	3	3	3	3	3
1.4 Individual courses for staff technicians	No. of courses	1	1	1	1	1	5
1.5 Fundraising strategy designed and adjusted during PY3	Fundraising Strategy	1	-	-	-	-	1
Component 2: Conservation Mosaics Program							
<i>2.1. National Park Investments</i>							
2.1.1 To carry out selected key management issues contemplated in Strategic Action Plans of Management Plans	No. of MP under implementation	2	2	2	2	1	9 Parks with MP under implementation
2.1.2. To involve local inhabitants of Parks and buffer zones in environmental ordering processes and restoration practices	No. of families	0	50	50	50	100	250
2.1.3. To promote community participation in planning, decision making and conservation practices	No. of participatory meetings/works hops	9	9	9	9	9	45
2.1.4. To establish agreements with local communities for conservation management and sustainable use practices	No. agreements	1	1	1	2	2	7
2.1.5. To promote watershed ordering and management processes	No. of watersheds with conservation practices	-	1	1	1	1	4
<i>2.2. Conservation Mosaics Investments</i>							
2.2.1. To draw the boundaries of Conservation Mosaics	Mosaic delimitation	3	3	3	-	-	9
2.2.2. To define a biological and socio-economic baseline assessment	No. of reports	3	3	3	-	-	9
2.2.3. To establish agreements with stakeholders in conservation mosaics	No of agreements	-	-	2	2	3	7
2.2.4. To invest in protected areas and conservation strategies	No. of projects	-	-	2	2	2	6
<i>2.3. TFCA corridors</i>							

2.3.1. To invest in conservation projects in selected corridors	No. projects	1	1	1	1	1	5
Component 3: Project Management and Institutional Coordination							
<i>Subcomponent 3.1 – Project Management</i>							
3.1.1. To consolidate and strengthen project management staff	No. of staff hired (person/month)	5	5	5	5	5	5
3.1.2. Individual courses for staff technicians	No. of courses	1	1	1	1	1	5
3.1.3. To submit PMRs to FONCAP Board and bank	No. of reports	2	2	2	2	2	10
3.1.4. Software development	Software	1	-	-	-	-	1
<i>Subcomponent 3.2 – Institutional Coordination and Dissemination</i>							
3.2.1. At least 4 regional committees established	Committees	0	2	2	-	-	4
3.2.2. Regional committees producing Aide Memoires of meetings	Aide Memoires	0	4	8	8	8	36
3.2.3. At least two Working Plans designed by regional committees	Working Plans	0	1	1	-	-	2
3.2.4. Design and establish a project website	Websites	1	-	-	-	-	1
3.2.5. Conduct 8 workshops with key stakeholders	Workshops	-	1	1	1	1	4
<i>Subcomponent 3.4 – Monitoring and Evaluation System</i>							
3.4.1. To design relevant indicators and monitor project impacts in 9 conservation mosaics	Reports	1	2	2	2	2	9
3.4.2. To carry out baseline assessments where needed	Assessments	9	-	-	-	-	9
3.4.2. To monitor management effectiveness in beneficiary National Parks through AEMAPPS applications	AEMAPPS applications	1	-	1	-	1	3
3.4.3. To provide inputs for mid-term and final evaluations	Reports			1		1	2

The following table summarizes baseline AEMAPPS assessments for 14 of the 19 project National Parks, undertaken in 2004. The remaining Parks will be surveyed using the same tool upon the first disbursement.

AEMAPPS Baseline Management Effectiveness Analysis Results for Selected National Parks

<i>VARIABLES</i>	PNN FARALLONES	PNN SANQUIANGA	PNN SUMAPAZ	PNN CAHUINARI	RNN PUINAWAI	PNN EL TUPARRO	PNN TINIGUA	VIA PARQUE ISLA DE SALAMANC A	SFF CIENAGA GRANDE DE SANTA MARTA	PNN CORALES DEL ROSARIO Y SAN BERNARDO	SFF GUANENTA ALTO RIO FONCE	PNN LAS ORQUIDE AS	PNN ENSENAD A DE UTRIA	SFF GALERAS
LONG TERM EFFECTIVENESS	80%	60%	40%	80%	80%	23%	23%	66%	60%	63%	80%	46%	63%	70%
Degree of Favorability in Management	80%	60%	50%	80%	0%	20%	60%	70%	70%	80%	80%	50%	70%	50%
Degree of Legitimacy	74%	72%	46%	90%	40%	56%	38%	80%	72%	80%	64%	22%	70%	80%
Level of Coherence between Conservation Objectives and PA Characteristics, and Relation to Regional Context	100%	20%	95%	95%	25%	60%	100%	90%	90%	85%	80%	55%	60%	75%
IMPROVEMENT IN MEDIUM TERM EFFICACY	81%	58%	57%	88%	25%	46%	57%	79%	75%	81%	72%	43%	68%	70%
Advancement in Situational Outlook	72%	48%	44%	40%	64%	20%	56%	56%	56%	68%	60%	52%	36%	80%
Advancement in Quality of Management Strategies	84%	72%	26%	58%	43%	36%	55%	68%	66%	59%	48%	36%	50%	81%
IMPROVEMENT IN MEDIUM TERM EFFICIENCY	79%	62%	33%	51%	51%	30%	56%	63%	62%	62%	53%	42%	44%	81%
MEDIUM TERM EFFECTIVENESS	80%	60%	45%	69%	38%	38%	56%	71%	69%	72%	62%	43%	56%	75%
Improvement in Area under Effective Management	56%	69%	28%	70%	60%	39%	56%	76%	62%	78%	87%	32%	46%	74%
IMPROVEMENT IN SHORT TERM EFFICACY	56%	69%	28%	70%	60%	39%	56%	76%	62%	78%	87%	32%	46%	74%
Advancement in Quality of Operational Planning	80%	88%	32%	88%	76%	68%	52%	92%	88%	92%	76%	40%	76%	96%
Advancement in Quality of Execution	90%	70%	30%	90%	80%	80%	50%	70%	70%	70%	80%	60%	70%	90%
Advancement in Quality of Monitoring Processes	64%	64%	28%	20%	24%	20%	52%	60%	64%	52%	32%	32%	20%	28%
Advancement in Quality of Management Evaluation	90%	85%	60%	80%	65%	40%	65%	75%	75%	75%	65%	24%	65%	75%
Advancement in Quality of Administrative Procedures	50%	41%	37%	48%	48%	46%	52%	37%	32%	55%	45%	51%	57%	61%
IMPROVEMENT IN SHORT TERM EFFICIENCY	75%	70%	37%	65%	59%	51%	54%	67%	66%	69%	60%	41%	58%	70%
SHORT TERM EFFECTIVENESS	65%	69%	33%	68%	59%	45%	55%	71%	64%	73%	73%	37%	52%	72%

ANNEX C: RESPONSE TO PROJECT REVIEWS

- a) Convention Secretariat comments and IA/ExA response
- b) STAP expert review and IA/ExA response

STAP REVIEW OF THE COLOMBIAN NATIONAL PROTECTED AREAS CONSERVATION TRUST FUND PROJECT

Prepared by

Hernán Torres

**Consultant on Environmental Planning and Assessment, Biodiversity
Conservation and Protected Areas
Chair, IUCN/SSC South American Camelid Specialist Group
Member of IUCN World Commission on Protected Areas
Member of IUCN Commission on Ecosystem Management**

1. Assessment of the scientific and technical soundness of the project.

The project is well structured and the contents of its three components are consistent with its objective: To support the consolidation of the Colombian National Protected Areas System by launching a Protected Areas Conservation Trust Fund (*Fondo para la Conservación de Areas Protegidas, or FONCAP*).

From a conceptual point of view the project follows current conservation biology and ecosystem knowledge and principles. The ecosystem approach proposed, considering 14 Conservation Mosaics formed by protected areas of appropriate size and shape as core zone, with connectivity to other territories to ensure adaptive potential to change, migration, and dispersal, all included within a greater system, social and community participation, is a coherent strategy for in “situ” conservation of biological diversity.

On the social side, it reflects current research and practice guidelines in terms of shifting to decentralized approaches in planning and managing protected areas, including participatory mechanisms with local communities.

2. Identification of the global benefits of the project.

The conservation of the rich biological diversity content in Colombia is a task of great priority, recognized by many interested organizations and groups. In this context, the global benefits of the project are clear and well presented.

The 14 Conservation Mosaics proposed encompass areas of highly valued biological diversity. Therefore, the project is an important experiment in the design, test and application of current conservation theory and practice.

3. Evaluation of the project compliance with GEF objectives, operational strategy and guidance in biodiversity focal areas

The proposed project coincides with the GEF Operational Strategy objectives relating to the conservation and sustainable use of biological diversity, resources under threat and endemic species for the following important reasons:

- It strengthens the participation of local communities in the conservation of biological diversity and its components.
- It offers a means to conserve biological diversity as well as to make a sustainable use of its components and can serve as example for other cases in South America.
- It is aimed at achieving the conservation of biological diversity and the sustainable use of its components with the integration of social and cultural groups, many of them affected by poverty.

In addition to this, the project is consistent with the operational programs N° 2 Coastal, Marine, and Freshwater Ecosystems, N° 3 Forest Ecosystems, and N° 4 Mountain Ecosystems.

The project supports the objective of Strategic Priority (SP) 1 *Catalyzing Sustainability of Protected Areas* because:

- It will establish a long-term financing mechanism for key protected areas in Colombia.
- It will test and develop new protected area management strategies and conservation practices in 14 Conservation Mosaics, encompassing national parks, buffer zones and surrounding landscapes.

4. Assessment of the project's significance and potential benefits.

The project proposes to extend the conservation of biological diversity to territories of Colombia that will be added to the area under protection currently covered by protected areas. This is significant, since this approach could be an effective way to expand the conservation of biological diversity in Colombia.

The potential benefits of the project, therefore, are based on the addition of territories to the area currently covered by protected areas, thus enlarging the biological diversity conservation area in Colombia.

In addition to this, the project has a clear focus on poverty reduction and achieving more sustainable livelihoods.

5. Potential replicability of the project to other sites

The 14 Conservation Mosaics are similar to other sites of Colombia and neighboring countries. This way, with project's success, the global benefits could expand to territories beyond the Conservation Mosaics through demonstration and replicability.

This is particularly important, considering the fact that protected areas in South America are facing the most common threats to the conservation of biological diversity:

- Lack of social support, mainly from local communities that do not see any reason to participate in biodiversity conservation and protected areas management
- Lack of governmental financial support to properly manage protected areas.

6. Estimation of the project's sustainability in institutional, financial and technical terms

The description of the project allows to assume that it will be financially and technically sustainable for the following reasons:

- The project plans to extend over a reasonable period, allowing for meaningful monitoring and evaluation and adaptive management.
- Plans include self-finance mechanisms for protected areas, as well as for community-managed buffer zones and sustainable development programs carried out at the village level.
- It proposes to develop mechanisms to capture rents obtained from the natural resources and ways to distribute them so as to generate stewardship among local communities.
- It has the engagement of national, regional, and local government, NGO's, and local communities.
- The sources of support are diverse, suggesting a broad-based involvement of donors and technical assistance groups.

7. Extent to which the project will contribute to the improved definition and implementation of the GEF strategies and policies.

The project is an interesting experience in the search of non traditional alternatives to achieve the conservation of biological diversity in South America. The conservation of biological diversity beyond formal protected areas is an innovative strategy in the implementation of the GEF policies.

The lessons learned from this project will certainly have important implications for other GEF supported projects. The analysis, synthesis and sharing of the lessons learned will be an important outcome from this project.

8. Linkages to other focal areas

The proposed project is also linked with the operational program N° 12 Integrated Management Ecosystems. It is also in accordance with the recommendations established in the technical publication ***Conservation of the Terrestrial Ecoregions of Latin America and the Caribbean*** (1995), which identifies the ecological regions where the project will be developed as being of high priority for conservation.

It also coincides with the policies, strategies and programmatic priorities established by the Convention on Biological Diversity (Art. 8.)

9. Degree of involvement of relevant stakeholders in the project

The project proposes an active participation of indigenous and non indigenous grassroots organizations that will implement the activities. It provides adequate opportunities for the engagement of indigenous and non indigenous communities and local authorities.

Arrangements are proposed for collaborative work in protected areas planning, buffer zone management, and in support to those populations living within the Conservation Mosaic (Greater Ecosystem).

Mechanisms are proposed for coordination among different types of management regime and responsible agencies. There are also mechanisms for conflict resolution and communication that appear to be adequate.

10. Role, potential and importance of capacity building elements and innovativeness of the project

The project presents an innovative strategy to build the capacity of indigenous and non indigenous communities to exchange experiences and to share work standards prepared with a strong cultural base. This is an interesting element of the project, since up to now the exchange of experiences and strategies in terms of resource management has taken place only in the formal national systems of protected areas.

The innovativeness of the project can be summarized as follows:

- It incorporates local communities not as co-managers but as actual managers of resources.
- It expands the society of people and groups taking responsibility and accepting to exercise authority over biodiversity conservation at the entire landscape scale, establishing then a management capacity consistent with the concept of the ecosystem approach.
- It employs the concepts and tools from conservation biology and landscape ecology.
- It shifts the balance of funding away from exclusively public sector to a mix of sources.
- It provides an internal feedback so that the training process benefits from lessons learned during the project's duration.

11. Specific Comments:

- Monitoring and evaluation.

During implementation, the monitoring and evaluation scheme of the project might be separated in two areas: the managerial activities of the project and the progress in the conservation and sustainable use of the components of biological diversity in the Conservation Mosaic. This means that the monitoring mechanisms and their respective indicators should be different.

As an example, the monitoring and evaluation of biodiversity conservation progress might be based on the following general indicators:

- (a) Stabilization or improvement of demographic status of key bio- indicators specific to each Conservation Mosaic.
- (b) Reduction in adverse impacts of resource use (e.g. grazing, forest products, etc.) on the biological diversity of the Conservation Mosaics.

This evaluation scheme seems appropriate to measure the progress in the implementation of the project on the ground. To take advantage of this approach, it could be useful to prepare and implement specific and simple monitoring and evaluation mechanisms in order to know when and what to measure, and to guarantee a systematic data collection.

- Training

It is important to recommend that there be a section on training, that should cover issues dealing with monitoring and evaluation, both to learn about the managerial performance of the project as well as to measure the progress in the conservation and sustainable use of biological diversity components.

12. Final comments:

This is an excellent project, and I strongly recommend its support.

**JUAN PABLO RUIZ
TASK TEAM LEADER**

RESPONSE TO STAP EXPERT COMMENTS

Monitoring and evaluation

We totally agreed with STAP Reviewer about the need to have a monitoring and evaluation scheme for the project during the implementation that might be separated in two areas: the managerial activities of the project and the progress in the conservation and sustainable use of biodiversity for the Conservation Mosaics component.

To do it, we must have a strong Base line assessment.

To measure progress in the conservation and sustainable use of biodiversity for the Conservation Mosaics component, we already have a solid baseline assessment of the National Parks selected for the Project, contained in their respective management Plans and complemented by the WWF Tracking Tool for Management Effectiveness, which has been undertaken in over half of the Project's Parks. However, a solid baseline assessment of the surrounding areas that are part of the Conservation Mosaics will be needed during the first year and follow-up years of the Project.

With respect to FONCAP and the project managerial activities, the baseline assessment must take into account the establishment of comparable funds and recent financial market performance. Experience and lessons gained in past and on going operations will help us in the preparation of a solid assessment.

In addition to setting up a conservation TF, which goes beyond contributing to financial sustainability. The result framework and the M&E system should include indicators related to other benefits, among then: governance, coordination of partners, more transparent and efficient priority setting, and reporting.

The Project's Monitoring and Evaluation (M&E) System to be designed before appraisal, will track progress in both areas (biodiversity conservation and sustainable use, as managerial activities of the project).

Training

Regarding this aspect of the project, and following the STAP Reviewer's comment, we plan to include this activity as part of Component 3 in the activity mentioned as "Project results and lessons learned disseminated to key stakeholders" which should include a section on M & E. The dissemination of M&E will be very useful for replication purposes in other conservation mosaics.

In general as mentioned by STAP reviewer; "To take advantage of this approach, it could be useful to prepare and implement specific and simple monitoring and evaluation mechanisms in order to know when and what to measure, and to guarantee a systematic data collection". This is the challenge we have before appraisal.

c) GEF Secretariat and other Agencies' comments and IA/ExA response

**Convention Secretariat comments and IA/ExA Response
Issues Expected at Work Program Inclusion
September 12, 2005**

1. COUNTRY OWNERSHIP

Country Eligibility

GEFSEC Comment: *The country is eligible as highlighted in the proposal.*

Country Drivenness

GEFSEC Comment: *The project initiative is considered priority under key national policies and programs, including the government's national development plan.*

Endorsement

GEFSEC Comment: *A letter of endorsement for the PDF-B grant is attached but not for the Project Brief. Please provide a new letter of endorsement by the OFP based on the Project Brief.*

Project Team Response: A new letter of endorsement has been submitted from the Vice Minister of the Environment. This new letter is being sent as an annex to these responses.

2. PROGRAM AND POLICY CONFORMITY

Program Designation and Conformity

GEFSEC Comment: *The project conforms to OP 2, 3, 4. Project linkages to OP12 are still mentioned in the project brief (page3). Please exclude this sentence as agreed in the pipeline entry.*

Project Team Response: We have excluded this sentence from the Project Brief, P. 3.

GEFSEC Comment: *The project mainly conforms to SP1, however, some of the initiatives in the wider agriculture landscape/corridors seem to conform to SP2. As clarified at the pipeline entry stage and based on the Strategic Priorities of the GEF biodiversity program, biodiversity trust funds are typically used for covering the recurrent costs of PAs under the SP1. It is noted in the project brief that the GEF investments for the capitalization of the trust fund will be used in the conservation mosaics: 65% of resources directed to PAs and 35% to other PA categories and sustainable use strategies. Use of the trust fund in the larger landscape outside of the PAs is not eligible for GEF financing. Please clarify and revise the approach as appropriate.*

Project Team Response: The Project team acknowledges this comment and proposes the following amendment: The Project plans to cover recurrent costs of selected Protected

Areas using the following allocation: 65% of Endowment Account resources directed to National Parks and 35% to other Protected Area categories. Other PAs, which contain globally important biodiversity, may include: regional reserves, municipal reserves, private reserves and portions of collectively-titled territories as agreed upon with indigenous and Afro-Colombian communities. The project will not use Endowment Account financial resources for rural landscapes and sustainable use strategies.

Direct investments from the Sinking Account will be used to consolidate larger Mosaics, which will include Protected Areas and complementary rural landscapes including sustainable natural resource use strategies. This approach aims to promote landscape connectivity and protect globally important biodiversity, as elaborated further below in response to a GEFSEC comment regarding the Project's global biodiversity benefits.

Please see pages 5 and 45 in the Project Brief, as well as page 5 in the Executive Summary, to view relevant modifications.

Project Design

GEFSEC Comment: *The GEF has developed an extensive set of lessons for trust funds. Please make sure that these are addressed during project preparation.*

1. Please articulate specific lessons that were adopted to the project from earlier GEF trust fund initiatives.

Project Team Response: The following specific lessons have been incorporated into the proposed trust fund design and included in pages 6, 7 and 106 of the Project Brief and page 14 in the Executive Summary:

- The legal analysis for the establishment of the Colombian Trust Fund started with a review of international literature that included an analysis of best practices of REDLAC Funds, the Manual for Conservation Funds (IPG, 2000), and the review of various Trust Funds in Latin America. This analysis concluded that most of the Latin-American funds have the following characteristics: i) their constitution have privileged the establishment of non profit organizations, especially under the figure of foundations; ii) they include both public and private participation on their boards and founding structures, therefore most of them have a public-private mandate (mixed composition); iii) most conservation trust funds operate under a private legal regime, and iv) trust funds are independent organizations. This governance structure includes appropriate checks and balances, conflict of interest provisions, and succession procedures.
- The experience of GEF supported Trust Funds shows that government support and participation is crucial for the existence of a private-public organization⁶. In the Colombian case, the National Parks Unit led the establishment of the Fund and the incorporation of private partners.

⁶ Norris, R (editoria) Manual de Fondos Ambientales del IPG: Un cuaderno de consulta para el diseño y la operación de Fondos Ambientales, IPG, Trad.RedLAc, México, 2000.

- The Colombian Trust Fund is being created as an organization with political and financial autonomy, which contributes to public conservation objectives.
 - FONCAP's structure seeks to incorporate the following best practices resulting from evaluations of GEF-supported Trust Funds:
 - Clear and measurable goals and objectives, and a results-oriented management culture that learns from experience and is open to changes in approach based on feedback.
 - Members of governing bodies who are prepared to commit their time, engage in fund policy-making and leadership, and build support with varied constituencies.
 - Linkages between the fund and the National Environmental Strategy and its action plan. Links to the current GoC's National Development Plan (2002-2006).
 - An ability to attract dedicated competent staff, especially a strong executive director.
 - Basic technical and other capabilities that permit the fund to become a respected and independent actor in the community. Access to and effective use of training mentoring and technical assistance resources to build capacity.
 - Harmonious and productive board-staff relationship.
 - Constructive relationship with relevant government agencies, intermediary organizations that provide services to clients, and other organizations in the environment community. The fund should avoid becoming an executing agency itself.
 - Financial and administrative discipline, combined with program flexibility and transparency, and procedures that support this and are consistently applied.
 - Mechanisms for continuing to involve a wide range of stakeholders in the fund's programs and direction, tempered with enough strategic direction and leadership to avoid program fragmentation.
 - Asset management competitively selected, a diversified portfolio of investments, financial expertise to provide regular reporting, and oversight by fund boards comparing actual performance to benchmark.
2. *The global biodiversity benefits of the specific project sites are still not fully articulated. Table 1 provides a brief description in Spanish about the project sites, where GEF investment would focus. Please provide an English summary about the global biodiversity benefits of the project in both Project Executive Summary and project brief.*

Project Team Response: Below is a summary of the project's global biodiversity benefits. This summary has been included in the Project Brief, pages 3 (Higher Level Objectives) and 119 (Annex 19 – Description of the Conservation Mosaic Concept), and in page 4 of the Executive Summary. Additionally, an English version of Table 1 has been attached to pages 120 – 125 of the Project Brief and will replace the Spanish version of the same table. Finally, the discussion related to the Project's linkages to the INAP Climate Change project is included in page 31 (Annex 2) of the Project Brief.

Most National Parks in Colombia were not optimally designed, since they were created after human occupation had occurred. Under current (assumed stable) climatic

conditions, National Parks are insufficient to protect biodiversity, because they do not always include a representative sample of all ecosystem types and combinations and are too small to secure long-term population viability. Since climate change is likely to be an important threat to biodiversity, conservation policies and actions in Colombia will need to face up to new challenges, especially to provide territorial scenarios suitable for adaptive management. Conservation Mosaics proposed in the Project would not only provide for ecological complementarity under current climatic conditions, but could also improve the adaptability of ecosystem management under a scenario of climate change.

Global biodiversity benefits of the Project would result from: (i) consolidating National Parks and other PA categories containing biodiversity of global importance; (ii) complementing original design failures in National Parks by seeking consolidation and connectivity between PAs and their surrounding landscapes, and (iii) making regional ecosystems more resilient and persistent in the face of additional threats, such as climate change, through the creation of Conservation Mosaics.

From a biodiversity conservation standpoint, the nine GEF-supported Conservation Mosaics, all of which contain National Parks at their core, are the following:

- a) 2 Andean National Parks and complementary landscapes bordering the frontier of human occupation at their eastern limits and projecting onto the Chocó rain forest on their western boundaries (Farallones and Orquideas);
- b) 1 naturally isolated Andean ecosystem (Galeras);
- c) 3 national parks located within extensive indigenous forest territories, two on the Amazon rain forest (Puinawai and Cahuinari) and one within the Chocó (Utria);
- d) 2 marine PAs (Old Providence and Corales del Rosario) within extensive seascapes (insular and coastal), bringing the opportunity to create larger-scale marine reserves that combine conservation and sustainable use of natural resources, and
- e) 1 estuarine mangrove and forested wetlands National Park located in the southern part of the Chocó rainforest (Sanquianga).

All of the above Protected Areas harbor important conservation values, many of which contain global significance, related to: a) conservation of globally endangered flora and fauna species that are threatened, mainly outside of existing PAs; b) conservation of highly vulnerable endemic biota, and c) conservation of natural resources utilized mostly outside Protected Areas, especially fisheries and water for human consumption. Furthermore, most National Parks selected (6 of the 9 GEF areas) are located within or nearby extensive natural habitats containing indigenous and afro Colombian populations, which represents an opportunity for consolidating Mosaics with larger-scale ecosystem conservation benefits.

Linkages to IBRD Climate Change Project. The IBRD Climate Change project will implement an adaptive strategy

to Climate Change in the highland Las Hermosas Massif (including Las Hermosas National Park) including the following measures: (i) design and implementation of an integral monitoring and information management system which will consider not only the likelihood of occurrence of climatic variability and climate change, but also its impact in the ecosystems and societal values; (ii) promote an adaptive land use-planning model for the region that could anticipate potential effects of Climate Change on biodiversity, ecosystem functioning (especially disturbance regimes) environmental services (water supply), and location of productive systems; (iii) Ecological rehabilitation of extensive cattle grazing in the *paramo* ecosystem, in order to eradicate the use of fire (which represents the major threat to the maintenance of resilient highland ecosystems), and (iv) promote ecological enhancement in productive agricultural systems in rural landscapes, through diversification, intensification, and adaptive water management.

Concepts adopted within the IBRD Climate Change Project that are valuable and complementary to Conservation Mosaics proposed in FONCAP, are: (i) threats to natural ecosystems increase their vulnerability to Climate Change; (ii) most conservation actions in protected ecosystems (such as National Parks) seek to deter their vulnerability to forest fragmentation, fire, overexploitation of natural resources, removal of keystone species, etc; (iii) it is favorable to expand adaptive management strategies to other highland Andean protected areas, or to other especially vulnerable areas (arid zones), and (iv) synergies should be sought between biodiversity conservation strategies and actions and the adaptive management of ecosystems, specifically designing conservation corridors and mosaics, and improving PA buffer zone management.

3. *Incremental cost analysis: Ongoing GEF projects cannot be considered as baseline costs. Please exclude them.*

Project Team Response: Related GEF Projects have been excluded from baseline activities in the incremental cost analysis. These changes can be seen in pages 94 and 97 of the Project Brief and pages 21 and 24 of the Executive Summary, respectively.

Sustainability (including financial sustainability)

GEFSEC Comment: *The sustainability section and the log frame adequately reflect strategies to ensure financial, social and institutional sustainability.*

Replicability

GEFSEC Comment: *Appropriate replicability strategy is in place.*

Monitoring and Evaluation

GEFSEC Comment: *An adequate monitoring system is planned and appropriate impact indicators are in place. The project will use the AEMAPPS (Management Effectiveness Analysis for Protected Areas), which was designed by the park service and WWF, to monitor PAs within the Project sites. Please kindly provide the completed information to the GEFSEC at baseline and end of project.*

Project Team Response: The National Parks Unit collected baseline AEMAPPS information during 2004 for 14 of the 19 National Parks in the Project. A summary table with this baseline data has been included below and in the Project Brief, Annex 3, page 41, and in page 33 of the Executive Summary.

The following table summarizes baseline AEMAPPS assessments for 14 of the 19 project National Parks, undertaken in 2004. The remaining Parks will be surveyed using the same tool upon the first disbursement.

AEMAPPS Baseline Management Effectiveness Analysis Results for Selected National Parks

VARIABLES	PNN FARALLONES	PNN SANQUIANGA	PNN SUMAPAZ	PNN CAHUINARI	RNN PUINAWAI	PNN EL TUPARRO	PNN TINIGUA	VIA PARQUE ISLA DE SALAMANC A	SFF CIENAGA GRANDE DE SANTA MARTA	PNN CORALES DEL ROSARIO Y SAN BERNARDO	SFF GUANENTA ALTO RIO FONCE	PNN LAS ORQUIDE AS	PNN ENSENADA DE UTRIA	SFF GALERAS
LONG TERM EFFECTIVENESS	80%	60%	40%	80%	80%	23%	23%	66%	60%	63%	80%	46%	63%	70%
Degree of Favorability in Management	80%	60%	50%	80%	0%	20%	60%	70%	70%	80%	80%	50%	70%	50%
Degree of Legitimacy	74%	72%	46%	90%	40%	56%	38%	80%	72%	80%	64%	22%	70%	80%
Level of Coherence between Conservation Objectives and PA Characteristics, and Relation to Regional Context	100%	20%	95%	95%	25%	60%	100%	90%	90%	85%	80%	55%	60%	75%
IMPROVEMENT IN MEDIUM TERM EFFICACY	81%	58%	57%	88%	25%	46%	57%	79%	75%	81%	72%	43%	68%	70%
Advancement in Situational Outlook	72%	48%	44%	40%	64%	20%	56%	56%	56%	68%	60%	52%	36%	80%
Advancement in Quality of Management Strategies	84%	72%	26%	58%	43%	36%	55%	68%	66%	59%	48%	36%	50%	81%
IMPROVEMENT IN MEDIUM TERM EFFICIENCY	79%	62%	33%	51%	51%	30%	56%	63%	62%	62%	53%	42%	44%	81%
MEDIUM TERM EFFECTIVENESS	80%	60%	45%	69%	38%	38%	56%	71%	69%	72%	62%	43%	56%	75%
Improvement in Area under Effective Management	56%	69%	28%	70%	60%	39%	56%	76%	62%	78%	87%	32%	46%	74%
IMPROVEMENT IN SHORT TERM EFFICACY	56%	69%	28%	70%	60%	39%	56%	76%	62%	78%	87%	32%	46%	74%
Advancement in Quality of Operational Planning	80%	88%	32%	88%	76%	68%	52%	92%	88%	92%	76%	40%	76%	96%
Advancement in Quality of Execution	90%	70%	30%	90%	80%	80%	50%	70%	70%	70%	80%	60%	70%	90%
Advancement in Quality of Monitoring Processes	64%	64%	28%	20%	24%	20%	52%	60%	64%	52%	32%	32%	20%	28%
Advancement in Quality of Management Evaluation	90%	85%	60%	80%	65%	40%	65%	75%	75%	75%	65%	24%	65%	75%
Advancement in Quality of Administrative Procedures	50%	41%	37%	48%	48%	46%	52%	37%	32%	55%	45%	51%	57%	61%
IMPROVEMENT IN SHORT TERM EFFICIENCY	75%	70%	37%	65%	59%	51%	54%	67%	66%	69%	60%	41%	58%	70%
SHORT TERM EFFECTIVENESS	65%	69%	33%	68%	59%	45%	55%	71%	64%	73%	73%	37%	52%	72%

3. FINANCING

Financing Plan

GEFSEC Comment: *The project financing plan is as follows; GEF: US\$15 million, Govt (TFCA), US\$11.9 million, Bilateral (Netherlands, Spain, USAID) US\$5.9 million, Others US\$9.495 million, Total cofinancing US\$27.4 million.*

- The cofinance amounts from different institutions which are noted on the cover sheet of the executive summary and the financial section (p. 7) do not seem to match. Please clarify.*

Project Team Response: The government contribution in the Executive Summary cover sheet table refers to central government contributions (National Parks Administrative Unit or UAESPNN, worth US\$7.5 million) and regional government agencies (regional autonomous corporations or CARs, providing US\$4.5 million), which add up to US\$11.94 million. The TFCA debt-for-nature swap for US\$9.5 million was placed under “Others” in the Cover Sheet table. Bilateral contributions in the Executive Summary table are US\$6.0 million and correspond to the Other Donors column in the Project Brief. Therefore, the cofinancing total of US\$27.4 million and the cofinance amounts are

consistent in both places. We have adjusted the headings of the table on the cover page in the Executive Summary in order to offer a more consistent presentation.

2. *The costs for project management, trust fund operation and monitoring and evaluation are covered only by the GEF fund. Considering the substantial cofinance, it is expected that these management and operation costs are shared by other sources. Please clarify and revise as appropriate.*

Project Team Response: The Project Team welcomes this observation and adjusted the Project Cost Table in pages 4,5 and 43 of the Project Brief as well as page 12 in the Executive Summary. The costs of managing the TFCA sinking account were agreed at 15% of the US\$4.5 million provided by TFCA resources under Component 2 and will be paid to the Environmental and Childhood Action Fund, where the resources will be initially managed. Therefore, a counterpart contribution of US\$675,000 is being provided by the TFCA for managing its sinking account resources. As to the endowment account, a final agreement has not been reached regarding the management of TFCA resources. The Team will adjust counterpart contributions related to managing the Endowment Account upon this final agreement, which is expected prior to negotiations.

3. *As noted above, GEF investment for endowment fund is expected to be used only for PA management purposes and not for wider landscapes. Please clarify and reconsider the approach.*

Project Team Response: Financial resources from the Endowment Account will be used only to cover the recurrent costs of various PA types containing biodiversity of global importance (US \$15 million). Financial resources from the Sinking Account will be used for direct investments in PAs and rural landscapes within conservation mosaic (US \$27.4 million). For more detail, please see the Team's response above (p. 1) elaborating this point.

4. *Please provide cofinancing letters from all sources at the time of CEO endorsement.*

Project Team Response: The Project Team will submit all cofinancing letters and necessary documentation at the time of CEO endorsement.

4. INSTITUTIONAL COORDINATION AND SUPPORT

Core Commitments and Linkages

GEFSEC Comment: *Project linkages to the World Bank's Country Assistance Strategy are noted.*

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

GEFSEC Comment: *Coordination arrangements with the related GEF and non-GEF projects are noted.*

5. RESPONSE TO REVIEWS

STAP

GEFSEC Comment: *Adequate responses were provided for the STAP review.*

GENERAL COMMENTS

GEFSEC Comment: *The GEFSEC has reviewed the project Brief and seeks additional information and revision of the issues raised above. The PM is available for further dialogue to clarify any of the above issues if necessary.*

SUMMARY RECOMMENDATIONS BY PROGRAM MANAGER

GEFSEC Comment: *The project brief will be recommended for WPI, upon receipt of response and revised document that adequately addresses the issues identified above.*

FURTHER PROCESSING

GEFSEC Comment: *Areas to be included will be globally significant as the portfolio already includes significant sites funded by the GEF and others. This should be a key criterion for identification and inclusion of sites. In relation to address of significant biological significance that are located on sites of social unrest, the Bank will follow its own practice and this will be clarified in the resulting brief.*

Project Team Response: The Project Team has included the following text in the Risks section in the Project Brief, page 12: The Bank will follow its own safety and project execution practices when working in sites of social unrest.