protected areas fund (fap)

a strategy towards the sustainability of the National System of Protected Areas of Ecuador
Many factors make Ecuador an exceptional country. One of 17 mega-diverse countries on the planet, it boasts the largest biodiversity per hectare in South America. This is a clear comparative advantage, which government policies should maintain and strengthen with the active participation of sectors of society committed to conservation.

Ecuador, with a land area of only 256,370 km², occupies only 0.19% of the Earth’s surface, 1.6% of the surface of South America, or 2% of the Amazon Basin; nevertheless, it contains:

- 500,000 insect species
- 25,000 vascular plant species
- 17,000 higher plant species
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- 441 amphibian species
- 396 reptile species
- 389 mammal species

Hence, it is one of the most extraordinary places in the world because of its variety of life forms, their concentration, endemism and the wealth of its numerous highly complex ecosystems.

Also, its territory is home to 13 nationalities and 14 indigenous peoples, as well as Afro-Ecuadorians and mestizos who have developed their cultural identity according to their natural environment. There are also 10 different native languages.

This is an invitation to learn more about the National System of Protected Areas (NSPA) of Ecuador, the most effective strategy for protecting our natural heritage and promoting sustainable development in Ecuador.
Constitution of the Republic of Ecuador

Article 86.- “The State shall protect the people’s right to live in a healthy and ecologically balanced environment that guarantees sustainable development. It shall provide oversight to ensure that this right is not affected and shall guarantee the preservation of nature”.

Numeral 3 of this article declares that the national protected areas are of public interest and shall be regulated in accordance with the law:

“A National System of Protected Areas shall be established to guarantee the conservation of biodiversity and the maintenance of ecological services in accordance with international agreements and treaties”.

Convention on Biological Diversity

Article 8. In-situ conservation.- Each Contracting Party, as far as possible and as appropriate:
“Shall establish a System of Protected Areas, or areas where special measures must be taken to conserve biological diversity.”
The National System of Protected Areas (NSPA) of Ecuador

It has been determined that the main strategy countries should implement to conserve their biological diversity is to create protected area systems in territorial regions containing a large concentration of plant and animal species.

In 1976, Ecuador created the National System of Protected Areas (NSPA). The system currently encompasses 34 protected areas covering 18.71% of the national territory. Due to their geographic location, climate zone and scenic beauty, these areas contain diverse ecosystems ranging from snow-capped mountains and Andean paramos to cloud forests, wet and dry forests, beaches and coral reefs.

On average, these areas constitute the habitat of 10% of the world’s existing biodiversity. For this reason, several of them have been declared World Cultural Heritage sites and Bioreserves, and others are on the list of sites of international importance maintained by the RAMSAR Convention, which is charged with protecting the world’s wetlands and marine environments.

Biodiversity is both a current and potential strategic resource because many goods and services of an economic, non-economic and cultural nature depend on its stability.
National System of Protected Areas of Ecuador

Legend

1. Isla Santa Clara Wildlife Refuge
2. Churute Ecological Mangrove Reserve
3. El Salado Fauna Production and Mangrove Reserve
4. Parque Lago National Recreation Area
5. Machalilla National Park
6. Isla Corazón Wildlife Refuge
7. Mache Chindul Ecological Reserve
8. Estuario Río Muisne Mangrove Wildlife Refuge
9. La Chiquita Wildlife Refuge
10. Cayapas Mataje Ecological Mangrove Reserve
11. Cotacahi Cayapas Ecological Reserve
12. El Ángel Ecological Reserve
13. Cofán Bermejo Ecological Reserve
14. Cayambe Coca Ecological Reserve
15. Puiuhua Geobotanical Reserve
16. El Boliche Recreation Area
17. Paschoa Wildlife Reserve
18. Cotopaxi National Park
19. Antisana Ecological Reserve
20. Sumaco Nape Galeras National Park
21. Llanganates National Park
22. Illinizas Ecological Reserve
23. Chimborazo Fauna Production Reserve
24. Sangay National Park
25. Cajas National Park
26. Arenillas Ecological Reserve
27. Podocarpus National Park
28. El Cóndor Park
29. Yasuní National Park
30. Cuyabeno Fauna Production Reserve
31. Limoncocha Biological Reserve
32. Galapagos National Park
33. Galapagos Marine Reserve
34. El Zaniza Wildlife Refuge

Protected Areas that receive co-financing from the ‘protected areas fund’ (fap)
Ecuador’s National Biodiversity Policy and Strategy (MAE: 2001) for 2001-2010, establishes the following strategic elements for the National System of Protected Areas (NSPA):

**Mission**

“To conserve biological and cultural diversity and promote sustainable development through the efficient management of natural protected areas, with the active participation of society”.

**Vision**

Ecuador possesses a representative system of public, private and community-held natural protected areas. Universally valued and respected, this system guarantees the conservation of biological and cultural diversity, operates under national policies, objectives and strategies, is efficiently managed with the active participation of society, and contributes actively to the sustainable development of the country.
Priority Actions

The following actions are required in order to safeguard the integrity of the National System of Protected Areas over time:

• Guarantee that the ecosystems are adequately represented, including marine, wetland, paramo and dry forest ecosystems, and establish ecological corridors and buffer zones.

• Strengthen the institutional structure and governance of the NSPA.

• Appropriately manage land conflicts and restrict extractive activities in these areas, as well as promote ecotourism with the reinvestment of the profits in these and surrounding areas.

• Continue to protect endangered species by identifying those that are in a critical situation, protecting their habitats and developing plans for the recovery of the species.

• Ecuador also needs to make progress in: a) restoring degraded ecosystems through the identification of priority in-situ conservation areas; b) implementing pilot projects; c) structuring management categories, together with criteria for effective management; and d) consolidating sustainable financing for this purpose.
The public and private sectors are currently carrying out several joint projects in Ecuador aimed at consolidating the National System of Protected Areas (NSPA). Three of these are particularly noteworthy:

- The “GEF (Global Environment Facility): National System of Protected Areas” Project, the purpose of which is to ensure the conservation and sustainable management of biodiversity in Ecuador by strengthening the NSPA, improving its legal, institutional and financial capacities, and integrating participatory management. This project will end in June 2007.

- In April 2004, representatives of several national and international organizations (*) signed a Memorandum of Understanding with the Ministry of the Environment to collaborate on the development and implementation of a Program of Work on Protected Areas within the framework of the Convention on Biological Diversity, COP-7.

• At the end of 2005, the study “Financing Needs Assessment for the National System of Protected Areas (NSPA) of Ecuador” was conducted as a critical first step towards beginning the Program of Work on Protected Areas. The study identified the current level of funding and two management scenarios (basic and integral) designed to be implemented sequentially. This study was the result of a participatory process led by the MAE with the support of several Ecuadorian and international organizations (“Grupo Promotor”) committed to the consolidation of the NSPA. Based on this study, a series of additional studies will be carried out in 2006 that will be used to develop the “Strategy for NSPA Financial Sustainability” to be implemented starting in 2007.

In addition, a series of important initiatives are being carried out to establish participatory management processes for the Protected Areas, such as:

• Management Committees in specific zones including Maché Chindul Ecological Reserve, the Management Committee for Yasuní Biosphere Reserve, and the Co-Management Structure for Podocarpus National Park. The initiatives include protected area management schemes involving native communities, such as the Cofán Bermejo Ecological Reserve, and participatory patrolling programs operated by local communities, such as the Antisana Ecological Reserve, among others.
Some of the large-scale conservation projects being implemented to support the consolidation of the National System of Protected Areas (NSPA) include:

- The “Condor Bioreserve”, which seeks to generate regional planning processes throughout the Central Andean region, involving the following protected areas: Antisana, Llanganetes, Cayambe Coca, Cotopaxi and Cofán Bermejo. This project is supported by USAID-TNC with the cooperation of local foundations including Ecociencia, Antisana and Rumicocha.

- The “Choco Manabí Corridor”, an effort aimed at generating viable ecological corridors between the dry forests in Manabí, on the Ecuadorian coast, and humid forest ecosystems in Esmeraldas (program sponsored by CI - Ecuador).

- The “Llanganates Sangay Ecological Corridor” in the central highlands (program sponsored by WWF and Fundación Natura).

- The “Gran Sumaco Tropical Forest Project”, which promotes soil use compatible with conservation objectives in the buffer zones around the Sumaco Biosphere Reserve (program supported by German Cooperation and the Ministry of the Environment).
At the end of 2005, the project for ‘Biodiversity Conservation of the Cóndor-Kutukú Corridor’ was established. Its objective is to consolidate and create new protected areas, working directly in the Sangay and Podocarpus National Parks and the El Quimi, El Zarza, El Cóndor and Alto Nangaritza Protective Forests. The FAN has legal and financial responsibility for the project and the MAE, Fundación Natura and Fundación Arcoiris are in charge of its implementation. CI - Ecuador, which firmly supported the establishment of this project, is a strategic partner providing technical assistance for this initiative, which is financed by The Gordon and Betty Moore Foundation.

Other important initiatives include the management of the Yasuní National Park and Biosphere Reserve, with WCS support; and the AMAZNOR Project, with IDB funding and a support component for the Cuyabeno Fauna Production Reserve. In both protected areas, the Ministry of the Environment is supporting activities with additional funding from petroleum revenues, through CEREPS.
The purpose of the ‘protected area fund’ (fap) is “to contribute to the consolidation of the National System of Protected Areas (NSPA) through long-term co-financing of its basic administration costs”. It is a joint effort of the Ministry of the Environment (MAE) and the Fondo Ambietal Nacional (FAN). Several cooperation agencies support in-situ conservation through the ‘protected areas fund’ (fap) because it offers the following advantages:

- It is an intangible endowment fund operated within the Fondo Ambiental Nacional (FAN), whose interests are used to cover the basic operating costs of conservation of specific Protected Areas.

- It is an economic instrument for biodiversity conservation that provides stable, long-term financial support to complement the resources the Ecuadorian government allocates to the Protected Areas.

- It clearly defines eligible budget items and accountability mechanisms for the allocation of resources. It also has procedures to measure cost efficiency and quality.

- It guarantees the technical quality of its investments.
Implementation

The ‘protected areas fund’ (fap) currently co-finances the basic operating costs of 11 of the 32 continental Protected Areas that constitute 63.23% of the land surface of the National System of Protected Areas (NSPA) of Ecuador, or 1/3 of the 32 mainland Protected Areas distributed throughout the natural coastal, highland and Amazon regions:

1. Cuyabeno Fauna Reserve
2. Cotacachi Cayapas Ecological Reserve
3. Machalilla National Park
4. Sangay National Park
5. Yasuní National Park
6. Podocarpus National Park
7. Sumaco Napo Galeras National Park
8. Cayapas Mataje Ecological Mangrove Reserve
9. Mache and Chindul Ecological Reserve
10. Chimborazo Fauna Production Reserve
11. Churute Ecological Mangrove Reserve
Results

Since 2002 the ‘protected areas fund’ (fap) has progressively channeled 2.07 million US dollars to the aforementioned areas. For 2006, the planned transfer of funds is estimated at over 610,000 US dollars, equivalent to 20% of the total amount for the continental protected areas of the NSPA*.

The resources from the fund have been used to finance activities aimed at guaranteeing the continuity of each Protected Area’s basic operation, as well as to support the implementation of management and administration plans. They also cover basic expenses such as office maintenance (water, electricity, telephone and mail), as well as the salaries of park wardens, administrative staff for the Areas, and a number of conservation officials. These resources help the National Environmental Authority to perform its role of guaranteeing the conservation of biodiversity and the sustainable use of natural resources in mainland parks and reserves.

In addition, the ‘protected areas fund’ (fap) has served to strengthen the management of the Protected Areas by enabling the institutions responsible for each area to generate synergies with other actors such as non-governmental organizations and local governments. It has facilitated the pooling of technical, human and financial resources in support of more efficient environmental management.

* According to the baseline from the study “Financing Needs Assessment for the NSPA”, MAE: 2005.
Resources from the ‘protected areas fund’ (fap) have made it possible to: a) facilitate participatory planning processes in Protected Areas, b) gather information on their real financing needs, and c) support actions in buffer zones.

**First Round of Capitalization**

The First Round of Capitalization has been a success: the ‘protected areas fund’ (fap) currently has an endowment totaling 12.36 million US dollars, including an initial contribution from the Ecuadorian government for 1.11 million US dollars, two Debt-for-Nature Swaps with the Federal Republic of Germany for approximately 6.98 million US dollars, and a GEF grant through World Bank for 4 million US dollars.

In its five years of operation, this mechanism has received firm support from the most important national and international entities that are implementing activities in connection with the National System of Protected Areas (NSPA), including: Kingdom of the Netherlands, USAID, CAF, The John D. and Catherine T. MacArthur Foundation, TNC, CI, The Gordon and Betty Moore Foundation, and IUCN – NL, among others.
Looking towards the future

The amount needed to cover the basic management costs of the NSPA is 6.2 million US dollars per year, in contrast with the 2.7 million US dollars currently available. This represents a funding gap of 3.5 million US dollars per year. Therefore, in order to cover this gap, the ‘protected areas fund’ (fap) needs to be increased by 60 million US dollars.

In order to make it possible for all of Ecuador’s continental Protected Areas to have stable, long-term support for their basic management costs, the continued capitalization of the ‘protected areas fund’ (fap) is a high priority.

The Second Round of Capitalization of the ‘protected areas fund’ (fap) aims to reach a target of 35 million US dollars by 2010. This target has been included in the “Strategic Plan 2006-2015 for the National System of Protected Areas”. The Fundraising Strategy will be focused on mobilizing resources in Ecuador as well as abroad.

Supporting the capitalization of the ‘protected areas fund’ (fap) constitutes a very interesting opportunity, not only because it utilizes a proven mechanism that has the support of the most important entities working on environmental issues, but also because a variety of ways exist to make contributions to continue strengthening this process, including public and private contributions, debt swaps-for-nature, etc.
Legal Framework

The Ministry of the Environment is the authority responsible for formulating and implementing national environmental policies; it is charged with establishing strategies for administrative coordination and cooperation with a variety of public and private organizations. It operates within the following framework of relevant provisions: a) State Modernization Law, b) Decentralization Law, c) Law of Environmental Management, d) Basic Environmental Policies, e) Environmental Strategy for the Sustainable Development of Ecuador and - its substitute over time - f) Ecuador’s National Biodiversity Policy and Strategy.

Mission

“To guide environmental management through policies, norms and instruments for development and control, in order to achieve the sustainable use and conservation of Ecuador’s natural capital, ensure the right of its inhabitants to live in a healthy environment and support the country’s competitiveness.”

Vision

To be a sound National Environmental Authority, the leader of the Decentralized Environmental Administration System, with a team of human resources committed to excellence and capable of guiding Ecuador transparently and effectively towards sustainable development.
Objectives

• To formulate, promote and coordinate State policies conducive to sustainable development and the country’s competitiveness.

• To protect the people’s right to live in a healthy environment.

• To ensure conservation and the sustainable use of the country’s natural capital.

Management Policies

• The Ministry of the Environment conducts its administration in a decentralized manner, striving to carry out its actions directly through in-situ conservation and with the involvement of the stakeholders.

• The Ministry of the Environment is in the process of decentralizing its administration, selectively transferring some of its areas of authority, responsibilities and resources to sectional bodies and non-governmental entities, following the necessary training strengthening.
NATIONAL DIRECTORATE FOR BIODIVERSITY, PROTECTED AREAS, WILDLIFE, BIOSECURITY AND ACCESS TO GENETIC RESOURCES

This Directorate comes under the Ministry of the Environment’s Sub-secretariat for Natural Capital, and is responsible for the administration of the National System of Protected Areas (NSPA) of Ecuador.

Mission

“The National Directorate for Biodiversity, Protected Areas, Wildlife, Biosecurity and Access to Genetic Resources has a consolidated organizational and operational structure that works towards the conservation of biological diversity, the sustainable use of its components, and fair and equitable benefit sharing”.

Vision

To be the National Environmental Authority’s technical and political support body, with sufficient capacity to direct and strengthen the management of biodiversity and its components in Ecuador.
Legal Framework

The Fondo Ambiental Nacional (FAN) is a non-profit civil society organization, whose by-laws were approved through Executive Decree No. 3409, published in Official Registry No. 865 on January 18, 1996 and reformed for the last time through Executive Decree No. 2820, published in Official Registry No. 622 on July 19, 2002.

Mission

“To support financing environmental management towards the sustainable development of Ecuador”.

Vision

The Fondo Ambiental Nacional (FAN) is a leading organization in the design and implementation of financial strategies and mechanisms. It constitutes a point of convergence for ideals and actions to come together to efficiently support environmental management and biodiversity conservation in Ecuador within the framework of sustainable development.
Strategic objectives to the year 2010

Contribute to environmental management and biodiversity conservation through:

• Long-term co-financing of the basic operating costs of the National System of Protected Areas (government-run) with an endowment fund of at least 35 million US dollars;

• Support for the strengthening of the National Environmental Authority, and,

• Application of FAN’s institutional capacities for fundraising and the administration, monitoring and evaluation of programs and projects, generating synergies with national and local organizations.

Board of Directors

The Board of Directors is its highest decision-making body as well as regulatory and policy-making authority. It is comprised of seven members:

• The Ministry of the Environment, in representation of the government of Ecuador;

• Three members representing Academia, Non-Governmental Environmental Organizations and the Private Productive Sector, all appointed by electoral colleges.

• Three appointed members selected by the Board of Directors, from among individuals with distinguished careers in the fields of finance, philanthropy or fundraising; among other areas that the Board of Directors deems necessary for the institutional strengthening. Two of these three members must be from cities other than Quito, Ecuador, not from the government.

Staff

Fondo Ambiental Nacional has a multidisciplinary staff of professionals who are, results oriented and committed to conservation and the sustainable development of Ecuador.
The Framework for Coordination and Cooperation between the Ministry of the Environment and the Fondo Ambiental Nacional (FAN) is an example of a public and private sector partnership providing support on critical issues related to building sustainable development in Ecuador, such as the financing of biodiversity conservation in the country.

The complementary responsibilities and mechanisms for interinstitututional coordination between the Ministry of the Environment and the Fondo Ambiental Nacional (FAN) are formalized in, and regulated by, the following Covenants and Agreements:

a) Umbrella Agreement for Agreements and Commitments, which regulates the relationship between the Ministry of the Environment and the Fondo Ambiental Nacional (FAN) as pertaining to the country’s environmental management financing needs (April 15, 2002).

b) Umbrella Agreement for Agreements and Commitments for the implementation of the ‘protected areas fund’ (fap) for basic operating expenses, which regulates the establishment, capitalization and implementation of the “fap for basic operating expenses” (April 16, 2002).

c) Addendum to the Umbrella Agreement for Agreements and Commitments, which establishes a procedure for implementation and coordination of the agreements signed between the Ministry of the Environment and the Fondo Ambiental Nacional (FAN), in addition to defining the sphere of action and mechanisms for cooperation and coordination to support long-term financing and administrative capacity building for the National System of Protected Areas of Ecuador (NSPA) and its buffer zones (January 25, 2005).
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It is everyone's responsibility to preserve Ecuador's natural wealth for the benefit of present and future generations.

Working towards achieving the sustainability of the National System of Protected Areas (NSPA) of Ecuador through the provision of additional new funds for the 'protected areas fund' (FAP).

Represents an excellent opportunity to turn ideals and objectives into visible, concrete actions.
protected areas fund
(fap)
a strategy towards the sustainability of the National System of Protected Areas of Ecuador