

PD-ABR-814
103312

PROPOSAL FOR THE
ENVIRONMENTAL INITIATIVE FOR THE AMERICAS
(EIA) PROGRAM

ACTIVITY TITLE	IMPLEMENTATION OF THE NATIONAL ENVIRONMENTAL ACTION PLAN (NEAP)
EIA OBJECTIVE SUPPORTED	COMPONENT 1 TRADE AND ENVIRONMENTAL REGULATORY INTEGRATION A) Foster the development and upward harmonization of environmental incentives and regulatory frameworks and B) develop the judicial, legislative, and administrative functions essential for effective development, implementation and enforcement of environmental laws and regulations
MISSION SUBMITTING PROPOSAL	USAID/Ecuador
PRINCIPAL MISSION CONTACT	Kenneth Wiegand USAID/Ecuador Tel (593-2) 506-643 or 521-100 Ext 401
ESTIMATED BUDGET	\$939,000
PROPOSED START AND END DATES	July 1 1995 - June 30, 1997
PROPOSED IMPL MECHANISM	Buy-In's to Global Bureau's Env Pollution Prevention Proj (EP3) Env Educ/Comm Proj (GREENCOM) Env Nat Rscs Policy Proj (EPAT) Tech Services Project (LACTECH) Integ Pest Management CRSP

I ACTIVITY TITLE

IMPLEMENTATION OF THE NATIONAL ENVIRONMENTAL ACTION PLAN (NEAP)

II. ACTIVITY DESCRIPTION AND EXPECTED OUTPUTS

A. PROBLEM BEING ADDRESSED

Ecuador has been described as containing the highest concentration of biodiversity in Latin America, if not the world, wherein 45 percent of the mainland is located in the Amazonian watershed. Although 17 percent (2.1 million hectares) of the country's Amazonian Basin has been designated a "protected area", less than 75 persons are officially assigned to manage the area, and it suffers the highest rate of deforestation (200,000 hectares/year) among the Amazonian countries, primarily due to petroleum production, timber extraction and colonization. Another officially designated "protected area, the Galapagos Marine Resource Reserve encompassing 70,000 hectares of open water and shoreline, is the second largest marine park in the world after the Australian Great Barrier Reef. Nevertheless, government-set "sustainable management" rates of extraction for sea cucumbers in the Reserve were recently exceeded by 800 percent, only halfway into the authorized "open" season for artisanal and commercial fishing. The detrimental impact of inadequate pesticide management, creating enormous tensions between banana and shrimp producers in the coastal lowlands, and especially for the large number of young women employed by Ecuador's rapidly expanding flower producing sector in the highlands, has only recently begun to be documented and addressed, in spite of laws regulating the importation and utilization of dangerous pesticides.

Each of these examples reflects an enduring weakness to develop, adopt and implement laws, policies and regulations which would enable Ecuadorians to exercise through a broad range of organizations and mechanisms (legal, regulatory, research, policy dialogue), their individual and collective stewardship over these resources, in a manner which is economically, socially and politically sustainable. The rural and urban poor, as well as the indigenous residents in and around the nation's ecological reserves and petroleum producing regions are disproportionately affected by their unsanitary environment and lack of legal and participatory access to sustainable management systems of the renewable and non-renewable resources. Despite increased investments during the last three years in policy reforms and in programs by local NGOs and government agencies, the country's incipient strategies for dealing with these green and brown environmental issues beg to be strengthened.

And that moment has arrived. Following 18 months of arduous negotiation, analysis, innumerable workshops, seminars, and the wide dissemination and publication of interim working documents, the Presidential Environmental Advisory Commission (CAAM) published and distributed the final draft of the National Environmental Action Plan. The 155 page document, scheduled for ratification at the Second National Environmental Congress in April 1995, provides a national blueprint for new environmental laws, policies and actions to

be undertaken across every sector, defining problems, their source and cause, and options for their remediation

Key elements for implementing the Environmental Action Plan include (1) the preparation, passage and implementation of a new Natural Resources Law, (2) the establishment of an Oil Clean-up Trust Fund, (3) the establishment of a national Environmental Trust Fund, (4) increased private and public sector (including international donor) implementation of environmental impact assessment and monitoring plans incorporating community level participation (utilizing para-legals and para-biologists from indigenous communities within and bordering the national parks and ecological reserves), and (5) and the preparation, adoption and implementation of improved pesticide management policies and practices (adopted and co-financed by industrial, commercial, trade and local governmental organizations). This new set of policy and legislative activities can be efficiently and effectively promoted through the timely application of expert technical assistance, training and logistical support available only through existing Global Bureau resources.

B PROPOSED ACTIVITY

Under multiple EIA obligations to the Environmental Pollution Prevention Project (EP3-936 5559), the Environmental Education and Communication Project (GREENCOM-936 5839), the Environmental and Natural Resources Policy and Training Project (EPAT-936 5555), the LAC Technical Services Project (LACTECH-936 4215), and the Integrated Pest Management CRSP (936-4196), the USAID/Ecuador mission plans to undertake a new two-year activity package of technical assistance, training, and logistical support to the Presidential Environmental Advisory Commission (CAAM) to implement top priority elements within the new National Environmental Action Plan (NEAP). Implementation of NEAP will focus upon the following objectives:

- ▶ Preparation and completion of final draft, Congressional approval and official publication of a new Natural Resources Law,
- ▶ Preparation and completion of final draft, and Ministerial and legal approval of an Oil Clean-up Trust Fund,
- ▶ Preparation and completion of final draft, and legal approval of a national Environmental Trust Fund,
- ▶ Implementation of environmental impact assessment and monitoring plans by public and private sector organizations, and
- ▶ Preparation, adoption and implementation of improved pesticide management policies and practices by industrial, commercial, trade, producer association and cognizant government organizations.

Planned actions for the two-year activity include

- ▶ Four regional seminars and/or roundtables per year to analyze and promote the preparation, completion, adoption and implementation of each of the first three objectives the Natural Resources Law, the Oil Clean-up Trust Fund, and the Environmental Trust Fund, including the preparation and distribution of seminar materials (analyses, models, data sets, etc) and seminar results,
- ▶ Three presentation/observation trips per year to present interim draft documentation to knowledgeable audiences outside of Ecuador for key public and private sector participants involved in the preparation, completion, adoption and implementation of each of the first three objectives,
- ▶ Four training program/outreach seminars per year for no less than 40 participants in each program, including "certification" of successful participants, to disseminate an approved, standard environmental impact assessment and monitoring methodology, with special emphasis upon incorporating community based para-legals and para-biologists from indigenous communities, and including the preparation and distribution of training program/seminar materials (workbooks, analytical models, standard reporting documents, etc) and seminar impact evaluations, and
- ▶ Six regional seminars and/or roundtables per year to analyze and promote the preparation, completion, adoption and implementation of improved pesticide management policies and practices by industrial, commercial, trade and local government organizations, including the preparation and distribution of seminar materials (analyses, models, data sets, etc) and seminar results,

The kinds of actions described above have proven extremely successful during the last 18 months in the Ecuadorian context, in achieving major policy and legislative reforms through a variety of governmental (CAAM) and NGO (IDEA Foundation, OIKOS Foundation, NATURA Foundation, ECUADOR Foundation, ECOCIENCIA) organizations, leading to the passage of a new Agrarian Law, Producer Association Law, Financial Institutions Law, the derogation of outdated, trade inhibiting legislation and completion of the National Environmental Action Plan. The CAAM has established an enviable track record in organizing well-attended public events, seminars and workshops, coordinating and contracting sub-agreements across a wide range of NGO sub-grantees, scheduling and efficiently utilizing expert local and international technical assistance and publishing a constant stream of well-documented, timely and informative publications for dissemination among a wide cross-sector of policy reform participants, decision makers and stakeholders

C. PURPOSE OF THE PROPOSED ACTIVITY

The purpose of NEAP is to assist the GOE (CAAM) and selected NGO's in the implementation of key elements contained in the National Environmental Action Plan, i.e. the preparation, passage and implementation of a new Natural Resources Law, the establishment of an Oil Clean-up Trust Fund, the establishment of a national Environmental Trust Fund, the implementation of environmental impact assessment and monitoring plans,

and the preparation, adoption and implementation of improved pesticide management policies and practices. EIA funded projects within the Global Bureau will provide CAAM (and selected NGOs associated with CAAM) with integrated and focused technical assistance, training assistance, presentation/observation information exchange opportunities, and limited logistical support to foster the development and upward harmonization of environmental incentives and regulatory frameworks and to develop the judicial, legislative, and administrative functions essential for effective development, implementation and enforcement of environmental laws and regulations.

The Government of Ecuador and the USAID/Ecuador mission have assigned a high priority to helping the country achieve its long term goal when all Ecuadorians (rural and urban, rich and poor, indigenous and latin, women and men, elected and electorate) value biodiversity and a pollution free environment, and exercise through a broad range of organizations and mechanisms (legal, regulatory, research, policy dialogue), their individual and collective stewardship over these resources in a manner which is economically, socially and politically sustainable.

This group of new activities supports the LAC Bureau's strategies to promote strong civic organization and participation in protecting the environment, and efforts to conserve biological diversity in the Americas, both terrestrial and marine. It also supports USAID/Ecuador's Strategic Objective 4 to "*Promote the sustainable use of natural resources, the conservation of biological diversity and the control of pollution*" and Program Output 1 "*Improved environmental policies and implementation*".

D IMPLEMENTING ORGANIZATIONS

The Presidential Environmental Advisory Commission (CAAM) and its cooperating NGOs will implement the NEAP. Over the last 18 months, through a mission buy-in to the Environmental Action Plan (WRI) and subsequently a Limited Scope Grant Agreement (LSGA), the CAAM has drafted and negotiated a final sector-wide National Environmental Action Plan, organized well-attended public events, seminars and workshops, coordinated and contracted sub-agreements across a wide range of NGO sub-grantees, scheduled and efficiently utilized expert local and international technical assistance (including EP3, EPA, GREENCOM, LACTECH and IPM CRSP technical assistance), and published a constant stream of well-documented, timely and informative publications for dissemination among a wide cross-sector of policy reform participants, decision makers and stakeholders. The CAAM was established largely through USAID/Ecuador assistance in September 1993, and a very close working relationship has been sustained since then, culminating in a direct LSGA in July 1994.

The Environmental Pollution Prevention Project (EP3), has been engaged in establishing sustainable pollution prevention programs in developing countries around the world. While each program is tailored to the particular problem set in the country, the project uses a methodology based on a combination of diagnostic assessments, information services, training, and institutional support to inform organizations and governments about the benefits of pollution prevention approaches. EP3 consists of several mechanisms for implementation,

including an interagency agreement with the U S Environmental Protection Agency (EPA) that provides both EPA staff and resources to support EP3, which will be essential to the establishment of an Oil Clean-up Trust Fund

The Environmental Education and Communication Project (GREENCOM), through field activities and research, has developed a proven communication methodology grounded in social marketing concepts, which is designed to accelerate public awareness and adoption of practices that promote the conservation and sustainable use of natural resources. Expert technical assistance from GREENCOM is essential for the establishment of a national Environmental Trust Fund, i.e. "we protect what we value"

The Environmental and Natural Resources Policy and Training Project (EPAT) supports efforts to develop policies and remedy pollution, achieve sustainable use of natural resources, and ensure equitable economic development. Analyses, technical assistance and training assistance from EPAT to help policy makers understand the implications of environmental policies for economic development as well as environmental quality and natural resource sustainment are essential for the preparation, passage and implementation of a new Natural Resources Law, and the implementation of environmental impact assessment and monitoring training activities. Their expertise will be supported by technical assistance from the LAC Technical Services Project (LACTECH), especially in establishing baseline and monitoring criteria to measure the environmental impact of new land tenure regimes and land markets under the recently approved Agrarian Law.

The Integrated Pest Management CRSP was designed to provide expert technical assistance and long term research and testing capability to address issues related to the utilization and wise management of pesticides and alternative pest controlling technologies. The CAAM has requested the IPM CRSP to develop an innovative technical support module for the next two years to assist Ecuador in the preparation, adoption and implementation of improved pesticide management policies.

E. EXPECTED RESULTS, BENEFICIARIES, AND MEASURABLE INDICATORS OF SUCCESS

Expected benefits relate to the promotion of sustainable uses of natural resources, the conservation of biological diversity, and the control of pollution, through the adoption and implementation of improved environmental policies outlined in the National Environmental Action Plan. Measurable indicators are the preparation, legislative and legal adoption, and implementation of a Natural Resources Law, an Oil Clean-up Trust Fund, an Environmental Trust Fund, implementation of standardized environmental impact assessment and monitoring methodologies, and the preparation, adoption and implementation of improved pesticide management policies and practices.

By the end of Year One

- ▶ Final drafts of the Natural Resources Law, Oil Clean-up Trust Fund, and Environmental Trust Fund will be completed, and fully negotiated/vetted among stakeholders.

- ▶ A standardized environmental impact assessment and monitoring methodology will have been completed, fully negotiated/vetted among stakeholders, and training/implementation materials developed and tested among no less than 160 participants
- ▶ Final drafts of improved pesticide management policies and recommended practices will be completed, and fully vetted/negotiated among stakeholders

By the end of Year Two

- ▶ The Natural Resources Law, Oil Clean-up Trust Fund, and Environmental Trust Fund will be approved by Congress and/or legalized, and published in the official registry
- ▶ The standardized environmental impact assessment and monitoring methodology will be fully adopted and implemented by all cognizant public sector institutions, and training completed for no less than an additional 160 participants
- ▶ Improved pesticide management policies and recommended practices will be fully adopted by all cognizant public sector institutions, and implemented by at least 50 percent of participating industrial, commercial, trade and major producer associations

The beneficiaries of the project will be all Ecuadorians (rural and urban, rich and poor, indigenous and latin, women and men, elected and electorate) who value biodiversity and a pollution free environment, who will exercise through a broad range of organizations and mechanisms (legal, regulatory, research, policy dialogue), their individual and collective stewardship over these resources in a manner which is economically, socially and politically sustainable

F ESTIMATED START AND COMPLETION DATES

The proposed start date for this activities package is July 1, 1995 The proposed end date is June 30, 1997

G NATURE OF COLLABORATIVE ARRANGEMENTS

Funding for the NEAP activities package is based upon a set of buy-in's to five Global Bureau projects EP3, GREENCOM, EPAT, LACTECH, and the IPM CRSP The buy-in's will cover all costs associated with providing U S technical experts to analyze, develop, complete final drafts, and support approval/adoption and legalization of the Natural Resources Law, the Oil Clean-up Trust Fund, the Environmental Endowment Fund, standardized environmental impact assessment and monitoring methodologies, and improved pesticide management policies and practices They will also cover all costs associated with providing U S technical experts to assist in developing and implementing related seminars,

roundtables, and training programs, and logistical support for international presentations and observations outside of Ecuador, and the preparation of activities related materials in Ecuador. Limited supplementary funding will be provided under separate ongoing grants to CAAM and appropriate NGOs through USAID/Ecuador's Office of Agriculture and Natural Resources (ANRO). Implementation of the NEAP activity package will be fully coordinated with on-going EP3 and GREENCOM activities currently implemented jointly by ANRO and the Regional Housing and Urban Development Office (RHUDO), which is based at USAID/Ecuador. The Presidential Environmental Advisory Commission (CAAM) is now coordinating additional World Bank assistance to address the implementation of portions of the national Environmental Action Plan, especially those items which will require the mobilization of substantial international resources.

H. PROSPECTS OF REPLICABILITY AND SUSTAINMENT

All of the Global Bureau's projects which will provide support for the activity package hallmark the replicability and sustainment of their assistance. The 1994 outside evaluation of the mission's SUBIR Project Phase I corroborated the high level of expected interim project outcomes, especially the strengthening of the environmental NGOs that have collaborated with the CAAM, and the policy reform achievements related to communal property rights and environmental monitoring through the training of community based para-legal technicians and para-biologists. The CAAM's outstanding record of achievement in just 18 months in obtaining a broad-based consensus for ratification of a national Environmental Action Plan and convocation of Ecuador's Second Environmental Congress is a matter of record. The nature of the proposed activities especially the invocation of matching contributions to the proposed Trust Funds and sound management systems provides the best guarantee for the achievement and enduring sustainment of this new set of activities.

I. POTENTIAL FOR PARTICIPATION BY RELEVANT STAKEHOLDERS

The broad consensus obtained by the CAAM across all official and private sectors for the ratification of the national Environmental Action Plan (and newly passed legislation requiring environmental impact and monitoring plans for oil contractors) suggests that sufficient stake holding has been engendered to ensure the implementation of the proposed activities (which are incorporated into the Environmental Action Plan). The CAAM's recent coordination of three national pesticide management workshops (with international assistance), and incorporation of national agricultural chemical trade and distribution organizations to fully fund one of the workshops augers well for the successful achievement of the activities. The policy analysis, dialogue, adoption and legal approval model based upon expert technical assistance, seminars, workshops, roundtables and full dissemination of working documentation has proven eminently successful in the Ecuadorian context during the last 18 months, as witnessed by the passage of historic socio-economic legislation. The model has proven successful largely due to the transparent and aggressive incorporation of a very broad selection of participants, especially community level indigenous representatives and both public and private sector stakeholders.

III ESTIMATED BUDGET (US\$) AND OBLIGATION SCHEDULE

A. FUNDING REQUIREMENTS

Budget for NEAP

Cost Category	Year One	Year Two	TOTAL COST
Technical Assistance			
A EP3	100,000	150,000	250,000
B GREENCOM	100,000	50,000	150,000
C EPAT	30,000	20,000	50,000
D LACTECH	20,000	10,000	30,000
E IPM CRSP	50,000	55,000	105,000
Local Experts	20,000	20,000	40,000
Travel			
International (Global Bur)	50,000	50,000	100,000
International (Ecuadorian-6 trips@\$2000 x 4 persons)	24,000	24,000	48,000
Local (Global Bur)	5,000	5,000	10,000
Law and Trust Fund Policy Seminars			
Roundtables (24@\$2000)	24,000	24,000	48,000
Print Materials (24@\$500)	6,000	6,000	12,000
Training - Environmental Impact and Monitoring			
Workshops (8)	8 000	8,000	16,000
Printed Materials	2 000	2,000	4,000
Software (320@\$50)	8 000	8,000	16,000
Computers (10@\$2000)	20,000	0	20,000

Cost Category	Year One	Year Two	TOTAL COST
IPM Policy Seminars			
Roundtables (12)	12,000	12,000	24,000
Printed Materials	3,000	3,000	6,000
Other Direct Expenses			
Communications	2,500	2,500	5,000
Supplies	2,500	2,500	5,000
TOTAL COST	487,000	452,000	939,000

Note: Costs for Local Experts, Travel, Seminars, Training and Other Direct Expenses will be shared proportionately by each Global Bureau project buy-in as per their primary activity described in Section D above.

B. OBLIGATION, COMMITMENT AND EXPENDITURE OF FUNDS

It is anticipated the funds will be obligated and committed in July 1995. Expenditures will occur over a two year period.

C. COST-SHARING BY NON-EIA SOURCES

The CAAM currently has a Limited Scope Grant Agreement totalling \$320,000 and access to technical assistance through parallel mission buy-ins to EP3 and GREENCOM totalling \$376,000. The CAAM is currently negotiating World Bank financing to address other specific implementation activities recommended in the national Environmental Action Plan.

IV IMPLEMENTATION MECHANISM PROPOSED

A buy-in to the Global Bureau's EP3, GREENCOM, EPAT, LACTECH and IPM CRSP is planned for this EIA activities package. The CAAM will develop workplans, schedules, scopes of work, procurement, and work orders directly with the suppliers, in coordination with USAID/Ecuador's Agriculture and Natural Resources Office (ANRO) and the CAAM's cooperating NGOs. The mechanism will provide ease of access to a broad range of U.S. expert technical assistance, including the EPA and specialized NGO/PVO subcontractors (e.g. trust fund management, operation and funds subscription) under the existing Global Bureau projects.

Within the mission, the activities will be managed by a team headed by a Project Officer in the Agriculture and Natural Resources Office, with support provided by the SA/REA, other relevant mission offices, and individuals from LAC/RSD/E and the Center for Environment

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