Midterm Evaluation of USAID/Ecuador's Strategic Objective 1: Biodiversity Conserved in Selected Protected Areas and their Buffer Zones

Synthesis of Findings, Conclusions, and Recommendations

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Preface
Circumstances of the Evaluation

The purpose of this midterm evaluation was to analyze progress towards meeting USAID/Ecuador's Strategic Objective 1 (conservation of biodiversity in selected protected areas and their buffer zones) and to recommend changes to enhance results achievement. A three-person team spent five weeks in Ecuador, visiting field sites and meeting with partners and a wide range of others involved in biodiversity conservation efforts. This document synthesizes the evaluation team's main findings and recommendations.

Given its scope of work, the team faced severe time constraints. Activities specified for the RP for Antisana and Cayambe-Coca alone, for example, were dispersed over a wide area. Site visits, therefore, could but skim the surface of a few of them. In particular, we found that our on-site interviews turned up issues and problems whose depth and dimensions we had no time to pursue. We often left a site with more questions than answers. Also, documentation for this region was less informative. For the Galápagos, which we did not visit, our findings are based entirely on what we could read, and on interviews in Quito with persons now or formerly affiliated with the Charles Darwin Foundation and the Galápagos National Park.

We thus have incomplete information for some of the thematic areas that our scope of work asks us to address. The reader should thus be aware, as we are, of the limits of some of our micro-level findings, and we hope that those findings and any companion suggestions will not be treated as definitive and final but rather as potential problem areas (or success areas) — as matters, that is, for further discussion and analysis. But this is what a mid-term evaluation should be about anyway: an occasion for reflection on activities and directions. Moreover, the thrust of our mandate is to evaluate the SO 1 investment strategy, not micro-level implementation issues. At this strategic level, we are indeed confident that our understanding of issues enables us to speak amply and with authority.

We should note that our mandate to work at both strategic and micro levels leads to some seeming contradictions in our recommendations. Our suggestion for a strategic reorientation of SO1, for example, renders several of its current activities irrelevant over the longer term—activities to which some of our micro-level recommendations nonetheless pertain. Two observations are in order here. First, our dual mandate may owe in part to the fact that SO1 was designed at a moment (1997) when the Ecuador Mission was to be closed within two to three years. SO1's activities clearly reflects that. And second, the contradictions are more apparent than real if one realizes that SO1 cannot be reoriented immediately (though it is urgent that work begin). We recommend, for instance, revaluing (using carbon setoffs, say, or genetic resources, or some mix thereof) the Cotacachi-Cayapas Reserve as a better long-term strategy to conserve its biodiversity than raising the incomes of buffer-zone populations. Yet current income-raising activities, including agro-forestry, cannot cease immediately for at least four reasons: (1) leaving buffer-zone populations without viable income alternatives would indeed imperil the reserve; (2) the credibility of CARE-SUBIR (and thus its ability to contribute to the new strategy under the current cooperative agreement) may depend on its ability to deliver already-promised "production projects" (for which we certainly found a strong local demand); (3) it will take USAID and its partners at least two years to mount an income-generating revaluation scheme; and (4) a cooperative agreement between USAID and CARE governs current activities.

1.0 Biodiversity and Environment in Ecuador: An Assessment

Ecuador is a land of troubling paradox. It is not a poor country, but a teeming nation of poor people. It is rich in natural resources, but growing rapidly poorer in human ones. Its wealth in biodiversity looms in stark contrast to the rate that wealth is vanishing after 40 years of abuse and mismanagement. An economist looking at Ecuador might conclude that biodiversity is treated as a luxury good, and natural resources as inferior goods.

It is a further paradox that the country's macroeconomic indicators are slightly positive, yet its fundamental economic structure remains weak. International financial institutions and large creditors cast about for hopeful signs and ways to help a struggling economy whose problems run deep. Dollarization was a much-needed measure; it worked as a convenient, one-stop proxy for many macroeconomic steps which would have been impossible, or very difficult, to implement on a piecemeal basis, as the tribulations of the "Trole" legislative packages suggest. It did not entirely succeed in suppressing inflation, but likely played a major role in reducing it. The fact that Ecuadorian exporters are now laboring under stringent competitive conditions is also a very good thing, in the longer-run, especially if other forms of subsidies are also curtailed. Some of the most vexing economic problems, however, are going to require substantial additional reforms (e.g. stricter banking sector supervision, fiscal reform).

Damaged financial markets and losses in bank-based assets have weakened the small-business sector. Effective demand for its goods and services has fallen sharply because the *congelamiento* and related financial sector ills hit the middle class, a major consumer, hard. Investor confidence is low, in part due to uncertainty about the policy and regulatory frameworks. Figures on domestic investment are encouraging, though much of that investment may be in areas that perpetuate or heighten fundamental social problems, since investment choice reflects the undervaluing of resources such as land, forests and water, and the ‘mining’ of high-value fish species. The figures may also include the ‘laundering’ of gains (e.g., via the flower sector) from unlawful pursuits in neighboring countries.

High political and institutional instability and corruption are symptoms of an ailing socioeconomic and political regime. The malaise extends to relations between the executive branch and the legislature, and to the profusion of laws, both on the books and in the making. Impermanence, instability, and confusion cloud the institutional arena. Relations between public-sector institutions and many nongovernmental organizations (NGOs) are close and complex — and at times unhealthy.

The overall near-term prospects are, therefore, not encouraging. Little change can be expected on the political scene. Confusion or carefully calculated ambiguity will likely continue, as will muddled policy signals from the executive and legislative branches. Pressure on natural resources will persist, if not increase.

The SO1 evaluation team has no brief to provide a macroeconomic assessment of Ecuador. Yet it is clear that key determinants of natural resource use and biodiversity conservation are rooted in the nation’s political economy. In addition to analyzing ‘technical’ issues, we tried to

understand and take into account the linkages between political, economic, and social events at the local, regional, and national levels.

2.0 Conceptual Appropriateness of SO 1

The logic for the strategic approach involving the three Intermediate Results (IRs) is summarized in the 1997 Biodiversity Support Program statement of Development Hypotheses and Critical Assumptions (attached). The logic is based on the premise that by raising the economic benefits — as locally perceived and obtained — of populations residing in protected area buffer zones, one can reduce their incentives to use the resources of those areas. [1] A strengthening of legal, regulatory, and institutional processes was also part of the strategy. Nongovernmental action, from community to national levels, was to complement historically weak Government institutions.

Such an approach may be quite suitable for resource conservation in the classic sense, but it is the opinion of the team that substantial changes are needed if real progress is to be made toward the Mission's Strategic Objective. Given the political, economic, and social difficulties that Ecuador has traversed in the last few years, most of the critical assumptions no longer hold. But even if they did, a new approach would be called for.

We find, as did BSP's 1997 report, SO1's geographical focus on the three areas to be reasonable. We also find the IRs ("Strengthened capacity of targeted NGOs & CSOs active in biodiversity conservation," "Economically viable natural resource management practices adopted," and "Key policies and legal frameworks introduced and/or implemented to conserve biodiversity") to be appropriate. They represent a good mix of general areas where the more ambitious, yet realistic, gains the Mission has made could significantly contribute to SO1. However, serious limitations attend the translation of these IRs into Results Packages.

In our view, biodiversity, especially one with a high degree of endemism, is an extremely valuable resource. Although it can be perceived as highly valuable at the global level, particularly over the long term, populations living near it rarely have the chance to share in its benefits. Their perception of its value is limited to what they can extract from it to meet pressing daily needs, often in exchange for the pittance paid in highly distorted local markets. The Results Packages' logic holds that if local populations believe that the benefits they can derive from buffer-zone products are greater than those they can get from protected areas, then they will leave the protected areas alone. This may be a useful first step, and it does promote better local resource use, but it does not serve the purpose of biodiversity conservation over the longer term. It simply lowers the value of biodiversity to that of sustainable returns to better-managed buffer zones. A better strategy would be to express and capture more of the real value of biodiversity, and to allow local populations to share in its much higher rents.

[1] The 1997 BSP report notes (Annex A, p. 2) that "The common assumption…that improvement in local incomes, combined with environmental education, will result in reduced pressures on biological resources in nearby parks or reserves is not proven." The BSP team suggested no alternatives and noted that the matter should be judged empirically.

This is not easy, but it is more consistent not only with SO1, but with Ecuador's dire economic reality and even official policy with respect to biodiversity[2]. The nation's natural resources — oil, wood, agricultural land, and fisheries—will come under increasing pressure in the next few years. The value of biodiversity in protected areas will have to reach levels not only as high as those of production in buffer zones, but also match returns from the exploitation of oil, timber, lobster, or sea cucumber.

The inclusion of IR 3 in the project's overall strategy was especially appropriate; progress in the policy, legal, and regulatory areas could thus draw from and support activities at the local level. The linkage with support to NGOs at various levels was also logical. Indeed, this is one of the areas where SO1 has performed reasonably well. The resource management approach, however, did not stimulate those entities working on policy, legal, and regulatory matters to explore worthwhile state-of-the-art avenues of biodiversity valuation, custodianship, and rent management.

3.0 General Performance of Results Packages

Our assessment of activities in the three Results Packages falls into five categories, as stipulated in our Scope of Work: field-level integration of activities, which activities have and have not worked, pace of activity implementation, partner capacity to implement activities, and progress toward biodiversity conservation and lessons learned. We should here point out that performance should be reckoned in terms of the original orientation of SO1, as it was designed three years ago. By the standards of some of the indicators, performance has been quite good, even exceeding targets. But this does not necessarily mean that programs implemented under SO1 are conserving biodiversity, or will do so in the future. If one accepts, as we suggest, that SO1 programs need to be redesigned, some of the current activities must be considered either irrelevant or not entirely consistent with biodiversity conservation.

3.1 Field-Level Integration of Activities

In the Cotacachi-Cayapas Ecological Reserve (RECC), the evaluation team found that activities related to policy and legal matters linked well to those of improved land use. We found that biodiversity monitoring, however, did not link well with other components.

In the *Bioreserva del Cóndor*, the team found good integration between the support for park wardens and the community management plans; the mutual reinforcement is strong. The relationship between several of the studies — the Andean bear, the birds — and the rest of the project is unclear, and the water study is not well integrated with other components. [3]

In the Galápagos National Park, the team found most of the activities to be well integrated.

[2] In the view of the Minister of the Environment and other top officials, the only way to conserve biodiversity is to make it as valuable as oil, timber and other prized resources.

[3] It is of interest that the BSP report in 1997 recommends, as regards conservation of the Andean condor, that the "project clarify the exact results it is trying to achieve" (p. 20). The report further suggests "improved documentation of the community-based aspect of the work" in Cayambe-Coca (p. 22).

3.2 Which Activities Have and Have Not Worked

RECC activities in the legal and policy areas have enjoyed much success. These include contributions to forestry and other legislation, land titling, and legal recognition of communities and organizations. Training (part of organizational strengthening), especially of the promoters (*paratécnicos*) has also been effective. Natural forest management through community management plans is strong; sustainable extraction is well done. The project has also successfully implemented ways to organize collective bargaining for improved wood products by rural communities — a first in Ecuador. Also, working at both community and supra-community levels, with a view to one day turning activities over to a supra-community entity such as the Palenque Regional Council, is a good strategy for social sustainability.

Small animal production projects have been problematic, and the agroforestry interventions appear weak on technical, environmental, and socioeconomic grounds and need further thought. The production projects might better match their activities to the ethnic groups. Furniture making may not, for instance, be the best activity for Chachis, and Chachi women seem more interested in pisciculture than in crafts. They indicated to the team that they were now buying fish to feed their children—fish that were once abundant in local streams. Pisciculture, using species from those streams and which the women could manage, would thus reduce a need for income—and pressure on natural resources and biodiversity. [4]

The Palenque Regional Council and the Chachi federation seem not to mix well. CARE-SUBIR should continue to look for ways to help the two entities work better together; they clearly have common (objective) interests. A better understanding of the historical dynamic between Chachis and Afro-Ecuadorians might be a start. A good social scientist could be useful in this endeavor.

The major production-marketing chain focuses on wood at the expense of possible alternatives. Some of the gender activities are weak; there may be a better fit between what women want to do and what is realistic or culturally acceptable for them. The project shows little interest in some of the well-known, larger resource-use issues in the area — e.g., palm plantations, continued deforestation, and the impact of a newly constructed highway to the Colombian border.

In the *Bioreserva del Cóndor*, the training of park wardens is a good beginning toward biodiversity conservation in the reserves. Imputing a much higher resource value to water taken from the reserves, however, is urgent and deserves more attention than it has received.

The team also felt that the protected area management plans were not always grounded in a good understanding of the local environment or of communities in and around the areas. Furthermore, it was our sense that the project's eco-tourism component in Oyacachi (whose origins antedate SO1) needs attention, though we had too little time to pursue the matter adequately, and thus speak with greater authority. But it does seem that the community may now need help in making the most of what might have been an injudicious investment in the thermal baths. If so, this

[4] The 1997 BSP report (pp. 2, 19) questions the viability of crafts as an income-generating activity among these "isolated and marginalized populations."

would again point to a need to make better use of the social sciences in defining and implementing project interventions. Also, the project's inability to help this community obtain compensation from the water company for damage to the local environment, with effects on income and food sources (e.g., trout in the streams), may reduce the staff's credibility.

In the Galápagos Islands, activities related to legal, institutional, and regulatory matters have been for the most part effective. The Charles Darwin Foundation has been keenly aware of the need to support national institutions—especially the Galápagos National Park Service—in order to protect terrestrial and marine areas. Environmental education activities are well directed, although there is room for improvement, as we explain below.

The Charles Darwin Foundation and partners must look for alternative biological indicators that can be used to prepare and strengthen biodiversity protection policies (economic and otherwise) as well as monitor their implementation. They should also strengthen their use of the social and economic sciences to help regulate the exploitation of species in the marine reserve. In the same vein, it should work increasingly with municipalities, parish councils, and other local organizations.

3.3 Pace of Activity Implementation

In the RECC area, the SUBIR project has done a good job of ordering activities by giving priority to securing land titles and legal status for communities, and dealing with land conflict issues early on — all to create a stable working environment and pave the way for other interventions.

In the *Bioreserva del Cóndor*, project review meetings held to prepare annual operating plans for the Reserve cite coordination problems between partners as well as a disruptive differential capacity of the partners to keep the same implementation pace. Given the large size of this reserve, we suggest in Section 4 (Recommendations) a sharper focus on priority actions.

Galápagos Islands partners have been slow in taking into account important socioeconomic dynamics, especially with regard to commercially harvested fish species, which are an integral part of marine ecosystems.

3.4 Partner Capacity to Implement Activities

In the RECC area, the evaluation team found that partner capacity to implement activities was good.

In the *Bioreserva del Cóndor*, project review meetings note an uneven capacity for implementation among the several partners. The meetings further note the incapacity of INEFAN (now Ministry of Environment) to play the role envisioned for it. The evaluation team also observed a weak partner capacity to use the social sciences in a productive way.

Galápagos Islands partners have clearly shown a capacity for activity implementation. SO1 management, however, should encourage the participation of other stakeholders, such as NGOs and municipalities.

3.5 Progress toward Biodiversity Conservation and Lessons Learned

Our team did not find any reliable measures indicating that biodiversity had been conserved, or likely would be, as a result of SO1 interventions. And as we note elsewhere, the current orientation of SO1 is not likely to conserve significant amounts of biodiversity in the future.

In the RECC, valuable experience has been gained which could be useful under a new project design. Lessons learned:

(1) Biodiversity cannot be conserved in the long term so long as the value of its economic rent is underestimated through buffer-zone management accounting.

Lessons learned in the *Bioreserva del Cóndor*:

(1) A direct relationship must obtain between the amount of resources invested and the scale of the objective. This reserve is a sprawling and varied realm with few project interventions and staggering environmental threats. The resource objective relationship is highly unbalanced.

(2) Valid and measurable indicators are required to monitor biodiversity.

In the Galápagos, researchers and authorities (local and national) have been slow to react to threats to local species from uncontrolled migration. The fishing interests' continued assaults on various marine resources, despite ample warnings and pressures that have been mounting for nearly a decade, caught all parties in a poor state of readiness. Lessons learned:

(1) Programs to conserve area biodiversity must better take into account non-biophysical dynamics of the area — human populations, incomes, and cultural patterns.

(2) International pressure can be an important force in mustering national political will to enforce laws related to the environment and biodiversity conservation.

4.0 Recommendations for Revitalization of SO 1

The Ecuador Mission faces a difficult task: to recover lost time in biodiversity conservation in a milieu of economic and social hardship, lack of purpose and clarity at political and policy levels, and continued weakness and uncertainty in public-sector institutions. To address these trying conditions, the team thinks the Mission should equip itself with a combination of 1) better defined and carefully targeted long-term activities and 2) a portfolio of specific actions which can be mobilized on short notice to tackle unexpected obstructions, or to take advantage of strategic opportunities. We first make our suggestions for the three SO1 geographical areas.

4.1 Cotacachi-Cayapas Ecological Reserve (Ecuadorian Chocó)

The key thrust here must be the revaluation of the Reserve's biodiversity in order to assess its potential biodiversity rent value. We see no way to conserve the reserve's (or Ecuador's) biodiversity short of such a revaluation, whether based on carbon sequestration, genetic resources, environmental services such as eco-tourism, or some combination of these. The mechanics of setting up these schemes are complex and require a specialized knowledge of the Ecuadorian environment. Our team did not have the time in Ecuador to acquire this knowledge nor did we have a mandate to pursue what is essentially a redesign of SO1. We can here provide only some broad directions. [5] In that regard, the following activities should take priority since they contribute directly to this reorientation:

- Work should begin immediately on the scientific research (to determine, say, the genetic resources should those form the basis for revaluation) to define the biodiversity of the reserve so would-be investors can assess a market value. This activity is urgent. Jatún Sacha might have a role here since they have experience in "bioprospection" (*bioprospección*). Whether Ecociencia could play a role is less clear. It is likely that even if both NGOs join forces, additional expertise will still be required.
- Work should also begin in order to establish the necessary institutional and legal framework for the revaluation scheme(s).
- CARE should continue its work (which has been quite effective) to strengthen the two regional organizations, the Palenque Regional Council and the Chachi Federation (FECCHE). These can be major revaluation stakeholders. But it will be very important to also have stakeholders that can wield power at the national level. In this regard, it may be advisable to consider including the powerful National Indigenous Confederation (CONAIE—FECCHE is an affiliate). But this assumes that CONAIE can overcome its current internal turmoil and effectively represent the interests of its constituents. CONAIE might also prove useful in future revaluation schemes in other Indian-occupied areas of high biodiversity. Links between the regional organizations (i.e., the Palenque Regional Council and FECCHE) and their grassroots constituents should also be strengthened. The strengthened regional structures could in turn
  - help provide data for the up-front scientific work,
  - fend off (with other key stakeholders) threats to biodiversity and help enforce laws,
  - exercise political pressure to insert the idea of biodiversity rents in the legal framework,
  - play a role in policy change negotiations to allow biodiversity rents to be captured and equitably distributed, and

[5] Carbon sequestration may not be the panacea that many once thought. Difficult technical and transactional issues regarding Certifiable Tradable Offset bonds remain. There is still no international treaty to regulate the issuance of CTOs and monitor the conservation or management of carbon-absorbing forests. Countries attending the recent UN meeting in The Hague on Global Climate Change failed to reach an agreement. On the other hand, some big businesses have changed their attitude since the 1997 Kyoto agreement. According to *The Economist*, "even business has come to realise that global warming is a problem that needs some response, and is actively lobbying for a market-friendly version of Kyoto to be brought in... the most dramatic example of action is Royal Dutch/Shell.... Its board of directors recently decided that all big projects must take into account the likely future costs of carbon emissions, as well as meeting the company's required internal rates of return."

- play a key role in rent-sharing negotiations among legitimate stakeholders.

4.2 Cayambe-Coca and Antisana Ecological Reserves (Condor Bioreserve)

- The key activity and first priority must be the work on environmental services from public goods — namely, the water coming from the Reserves. The work is urgent and should be conducted with more depth and diligence than has been the case in the past. The Water Fund (FONAG) is a laudable start. But it does not meet the objective of environmental services valuation. It merely collects a small share of water company revenue, which NGOs use to work on a variety of upper watershed conservation issues, including water quality. FONAG will not solve the fundamental problem: water is severely undervalued and underpriced. Biodiversity conservation requires at least a fuller accounting of the reserves' environmental services. This accounting must reflect, among other things, the environmental damage that water-related infrastructure has caused — including damage in local communities. While we are aware that this issue is as sensitive as it is urgent (in increase in water-user rates in Cochabamba, Bolivia, recently led to water riots and extreme unrest), we would also point out that TNC has extensive experience in the valuation of protected-area water resources; its Freshwater Initiative now includes 38 sites, 6 of which are in Latin America. TNC can help search for options.
- The project should define the range of biodiversity rents — including environmental services in the form of landscape aesthetics, or via consumer satisfaction (utility) derived from knowledge that the Andean bear or cóndor are protected from extinction — that can be expressed in the sprawling Cóndor Bioreserve. TNC has the international experience necessary to help provide a strategic vision of the variety of environmental services throughout this vast area.
- Training of park wardens is important, they are enforcers. And since they are from nearby communities, they also help protect community schemes that are consistent with biodiversity conservation — resource management plans, for example.
- The initial experience involving municipalities and parochial councils in resource management plans appears worth pursuing. The Antisana Foundation has expressed an interest in doing so, though its capacity is limited. This may be a useful approach if conducted on the right scale.

4.3 Galápagos Islands

Although legally part of Ecuador, the Galápagos Archipelago also represents a unique part of the world's heritage. The case for valuing the islands' environmental services, especially tourism, and for translating *pari passu* the value of biodiversity into tourism-centered environmental services, is compelling. If one considers the uniqueness of this high biodiversity with high endemism, and its historic role in revolutionizing biology and Western thought, the present tourism-generated income of $120-125 million per year represents but a part of the biodiversity's total value. That value may also lie in another source. Modern biological research on the islands' land reserve began more than 40 years ago. Research on the vaster and more complex marine reserve, however, has just begun. Its genetic resources could far exceed those of the land reserve, which are still being assessed. In the longer term, the greatest values from biodiversity

and endemism in Galápagos may lie in the rare biological characteristics of local species. The Government of Ecuador and its main partners should ensure that biogenetic resources figure prominently in long-term plans for biodiversity-derived environmental services.

The evaluation team would suggest the following urgent actions as regards Galápagos:

- Help mobilize public interest groups with a stake in protecting the long-term viability of environmental services, including commercially exploited species.
- Continue to search for ways for island residents to capture more of the benefits from tourism. Both the Charles Darwin Foundation and Galápagos National Park should be aware of what appears to be a serious equity issue in Galápagos. Tour operators, typically from the mainland, seem to capture the lion's share of benefits from tourism. The local population cannot be expected to conserve biodiversity unless it has a clear economic incentive to do so. The current USAID-funded project (with the Galápagos National Park as partner) on Isabela Island to generate alternative income for those from the fishing sector is a good move and should be pursued, if not expanded.
- Work more directly with fishing cooperatives, municipalities, local NGOs, and private-sector entities — the set of stakeholders must be enlarged — to search for ways to oppose the skewed distribution of biodiversity derived benefits. One company, for instance, exports 50 percent of the dried sea cucumber.
- Assure that the main actors — CDF, GNP, and USAID — are consistent with their own logic of biodiversity conservation. Islanders are not likely to support conservation while some of the main beneficiaries of revenues from environmental services impose environmental costs on the local population. Some of the tour boat operators, for example, have long been flushing wastes into the islands' coastal waters.
- Continue with environmental education; include all those directly and indirectly involved in the fishing sector.
- Assure that biodiversity proponents continue to work closely with the fishing community on critical issues of common interest — e.g., the monitoring of commercial species, diving safety courses, and sea cucumber processing activities.

4.4 Crosscutting Issues

We have a few crosscutting or general recommendations. These are:

- By all standards, Ecuador rates low in the areas of governance and rule of law. A lack of political will to enforce the country's laws, or to enact much-needed legislation, is patent and extends to all domains of public life. The failure of the government to deal effectively with the recent crisis in the Galápagos is a case in point. Under such conditions there is little hope of saving the country's remaining wealth in biodiversity. The notion that high endemism biodiversity can only be conserved if its potential value of unique environmental service is realized, however, has powerful political economy implications. Assessing, controlling and sharing in biodiversity rent may well be one of the few critical issues around which communities, federations, and indigenous groups can

jointly wage political action against corrupt local and central governments. The USAID Mission might thus want to ensure that the political processes involving the sharing of rents from environmental services among legitimate stakeholders are supported in the design of a Democracy/Governance Strategic Objective.

- Given the rapidly shifting and uncertain socioeconomic and political environments, the Mission should give itself the means to support an array of activities on short notice. Well-timed and sharply focused support can do much to enhance the impact of long-term interventions. Such activities might include a media campaign, collaboration with another donor or NGO on a specific problem, support — perhaps through a national NGO — to a community involved in a landmark legal action, or support to indigenous groups (often occupying oil-rich high-biodiversity areas) contesting oil exploration or drilling. The Mission enjoys a variety of contracting instruments that can be employed.
- The Mission should consider funding radio campaigns, in indigenous languages, to support biodiversity conservation. Campaigns of a kind the Mission recently funded through OIKOS Corporation to raise the consciousness of the national press on the crisis in Galápagos appear to have a relatively high return.

In pursuing this new strategy, the Mission should recast its set of partners. Each of the current partners is better at some things than at others. In the past, partners have had little incentive to emphasize strengths and avoid those areas where they lack comparative advantage. A combination of inadequate design, undemanding supervision by project managers, and partner-NGO complacency during many years of costly activity has hampered the effort. A new design should feature:

(1) a refocusing of main partners in the domains where they can most contribute; and

(2) the participation of new actors with technical expertise in key complementary areas.

New areas of expertise that will be needed for the proposed scheme to reorient SO1 include biodiversity economics, environmental economics, environmental law (biodiversity focus), and environmental lobbying.

The evaluation team hopes that the suggestions and information above will help the USAID Mission redefine its orientation and assemble a powerful constellation of partners. In addition, the Mission might also wish to review its overall capacity for supervision and strategic planning. The management of a large cast of actors working on such complex issues is a daunting task. It is of more than passing interest that the 1997 ESP report suggests that "USAID/Ecuador take a more active role in the management of the project…" (p. 22). We suggest that one person be fully dedicated to the task of providing overall management of the SO in addition to activity managers. This suggestion stems partly from our opinion that the redesign of SO1 may well require a lot of work, and constant monitoring on several fronts simultaneously. The SO1 manager, whoever it happens to be, should keep close tabs on the overall, strategic, master plan, and invest the time required to verify its consistency with current conditions, constraints and opportunities, and to work with partners and activity managers on necessary adjustments. However, the more fundamental issue is the extent to which a reliance on a combination of grants and cooperative agreements provides the Mission with the flexibility needed to manage

such a complex program in the changing Ecuadorian environment. The team recognizes that the Mission is laboring under tight constraints, but also thinks that the magnitude and diversity of future funding might allow an innovative solution to this quandary.

Attachment

Biodiversity Support Program – Recommendations for a Strategic Objective Result Framework, May 1997. BSP Technical Assistance Team

Critical Hypotheses

Note: These are not development hypotheses in the classic sense of the Result Framework process but, rather, elements of the general logic underpinning the approach.

a) Greatest threats to biodiversity: demands on natural resources from colonization, logging, oil exploration, mining, and infrastructure (esp. roads) built to serve these industries, often at government expense.

b) Incursions into protected areas and their buffer zones occur in response to perceived economic necessity. If people have more economic alternatives, and are aware of the benefits of longer-term NRM, then the destructive use of protected areas is reduced.

c) Better decisions on the sustainable use of natural resources depends on the perception by "target populations" of the economic and social value of the resources, including knowledge of marketing opportunities.

d) Model community-level environmental actions must be linked with national conservation initiatives. Participation is critical at the community level and among other stakeholders.

e) At the national level, NGOs, SLOs and Government decision makers must be identified and strengthened so that they can contribute to activities defining and/or enhancing legislation and regulations to achieve the IRs.

Critical Assumptions

a) The GOE continues to place a high priority upon environmental policy reform.

b) The GOE, NGOs, PVOs and other cognizant entities and the citizenry sustain their commitment to the precepts outlined in the 1996 National Environmental Action Plan.

c) Reasonably stable social, economic, political and natural conditions prevail.

d) National environmental institutions continue the process of "modernization" whereas their role is increasingly normative rather than implementational, and the process of increasing delegation of central authority and resources to local authorities and citizens continues.

e) The participation of NGOs, PVOs, local community, municipal and regional government authorities and civilian institutions remains strong; the judicial branch at every level exercises due regulatory and enforcement.

f) The projected levels of funding (and other resources) provided by donor/lending agencies are sustained.

g) The GOE 'solidarity fund' nourished by a percentage of the profits from the divestiture/privatization of state enterprises (and a source of funding for the Environmental Trust Fund) is sustained and continuously endowed at projected levels.