

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**PANAMA**

**MAINSTREAMING BIODIVERSITY CONSERVATION THROUGH LOW-IMPACT  
ECOTOURISM IN THE *SISTEMA NACIONAL DE AREAS PROTEGIDAS (SINAP)***

**(PN-X1003)**

**GRANT PROPOSAL**

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ELECTRONIC LINKS	
<b>REQUIRED</b>	
1.	POA (Plan of activities for first disbursement and the first 18 months of implementation) <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35346438">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35346438</a>
2.	Monitoring & Evaluation Arrangements <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35359729">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35359729</a>
3.	Complete Project Procurement Plan <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35346457">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35346457</a>
<b>OPTIONAL</b>	
1.	Ecotourism Report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35348842">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35348842</a>
2.	Biodiversity Report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35361700">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35361700</a>
3.	Biodiversity Tracking Tools <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35361687">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35361687</a>
4.	Social Report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35421766">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35421766</a>
5.	Financial sustainability Study <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35361713">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35361713</a>
6.	Institutional and Legal Framework Analysis <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35348825">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35348825</a>
7.	Detailed Budget <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35346424">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35346424</a>
8.	Risk Assessment <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35387317">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35387317</a>
9.	Economic Analysis <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35666509">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35666509</a>
10.	Safeguard Screening Form and Safeguard Policy Filter Report <a href="http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35421328">http://idbdocs.iadb.org/wsdocs/getDocument.aspx?DOCNUM=35421328</a>

## ABREVIATIONS

ANAM	<i>Autoridad Nacional del Ambiente</i>
APO	Annual Plan of Operations
AP's	<i>Áreas Protegidas</i>
ATP	<i>Autoridad de Turismo de Panamá</i>
BID	<i>Banco Interamericano de Desarrollo</i>
DAPVS	<i>Departamento de Áreas Protegidas y Vida Silvestre</i>
DFCA	<i>Departamento de Fomento de la Cultura Ambiental</i>
ESMR	Environmental and Social Management Report
ESS	Environmental and Social Strategy
FSP	Full Sized Project
GEF	Global Environment Facility
IDB	Inter-American Development Bank
OEA	Organization of American States
PA	Protected Area
PILA	<i>Parque Internacional La Amistad</i>
PMEMAP	<i>Programa de Monitoreo de la Efectividad del Manejo de las Áreas Protegidas</i>
PNAC	<i>Parque Nacional Altos de Campana</i>
PNC	<i>Parque Nacional Coiba</i>
PNCH	<i>Parque Nacional Chagres</i>
PND	<i>Parque Nacional Darién</i>
PNGDOTH	<i>Parque Nacional General de División Omar Torrijos Herrera</i>
PNMIB	<i>Parque Nacional Marino Isla Bastimentos</i>
PNVB	<i>Parque Nacional Volcán Barú</i>
POD	Proposal for Operation Development
SINAC	<i>Sistema Nacional de Áreas de Conservación</i>
SINAP	<i>Sistema Nacional de Áreas Protegidas</i>
SSF	Safeguard and Screening Form for Screening and Classification of Projects

## PROJECT SUMMARY

### PANAMA

#### Mainstreaming Biodiversity Conservation Through Low-Impact Ecotourism in the *Sistema Nacional de Areas Protegidas (Sinap)*

(PN-X1003)

Financial Terms and Conditions			
<b>Beneficiary:</b> Republic of Panama  <b>Executing Agency:</b> National Environmental Authority (ANAM: <i>Autoridad Nacional del Ambiente</i> )		<b>Amortization Period:</b>	n/a
		<b>Grace Period:</b>	n/a
		<b>Execution period:</b> <b>Disbursement Period</b>	42 months 48 months
<b>Source</b>	<b>Amount</b>		
<b>IDB (Grant from the Global Environment Facility - GEF)</b>	US\$4 million	<b>Supervision and Inspection Fee:</b>	n/a*
<b>Other/Cofinancing</b>	US\$10 million	<b>Interest Rate:</b>	n/a
		<b>Credit Fee:</b>	n/a*
<b>Total</b>	US\$14 million	<b>Currency:</b>	US\$ dollars
Project at a Glance			
<b>Project Objective/Description:</b>  To generate a model of low environmental impact ecotourism in the national protected areas system (SINAP) that contributes to biodiversity conservation and sustainability of protected areas, in a framework of innovation, entrepreneurial integration, and sustainable social development at the local scale. To this end, the project will finance three components: (a) Policies and regulatory framework for biodiversity conservation and sustainable management of ecotourism in the SINAP; (b) Planning, operational management and monitoring of ecotourism in Protected Area (PA)s; and (c) Strengthening of income generation potential for local stakeholders through ecotourism in selected PAs.			
<b>Special contractual clauses:</b>  Prior to the first disbursement of the GEF Grant: (i) signature of the agreements between ANAM and each of the following institutions: ATP (for execution coordination and provision of counterpart resources) and <i>Autoridad de los Recursos Acuáticos de Panamá</i> , MarViva Foundation and the Nature Conservancy for the provision of parallel financing (¶1.17); and (ii) the approval of the Project Operating Manual (POM) by the Steering Committee, in accordance with terms previously agreed between the Beneficiary and the Bank (¶3.5).			
<b>Exceptions to Bank policies:</b> None			
<b>Project qualifies for:</b> SEQ[   ]    PTI[   ]    Sector [   ]    Geographic[   ]    Headcount [   ]			

(\*) The credit fee and inspection and supervision fee will be established periodically by the Board of Executive Directors as part of its review of the Bank's lending charges, in accordance with the applicable provision of the Bank's policy on lending rate methodology for ordinary capital loans. In no case will the credit fee exceed 0.75% or the inspection and supervision fee exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

## I. DESCRIPTION AND RESULTS MONITORING

### A. Background

#### 1. The Role of Ecotourism in Panama's Protected Area System

- 1.1 With a territory extending 75,517 km<sup>2</sup>, Panama is considered one of the countries with the highest biodiversity of the Central American region, performing an important function of natural connectivity between North America and South America. Over 1,300 endemic species have been identified among plants, amphibians, reptiles, birds, mammals and fresh water fish<sup>1</sup>. In recognition of this significant biodiversity, the Government of Panama has established the National System of Protected Areas (SINAP: *Sistema Nacional de Áreas Protegidas*). The system's objective is to protect and maintain biological diversity in terrestrial, coastal, marine and other ecosystems, and to promote recreation, education, and natural resources research. Under the authority of the Panama National Environment Authority (ANAM), the SINAP has been expanded and strengthened over the last decade and many of the existing protected areas have achieved international recognition as World Heritage Sites, Ramsar sites<sup>2</sup> and Biosphere Reserves. At present, the system includes 89 protected areas (PAs) covering a total area of approximately 2,922,648.72 ha, which represents 34% of the national territory. Only 19 (21%) of the PAs in the system currently have their management plans and most are still in need of developing and implementing strategic planning, operating and financing plans and monitoring and supervision plans. In most of these Protected Area (PA)s, ANAM is implementing an innovative monitoring program of management effectiveness ("*Programa de Monitoreo de la Efectividad del Manejo de las Áreas Protegidas de Panamá – PMEMAP*") which is applied on an annual basis in each PA, with the participation of local communities and stakeholders.
- 1.2 This significant biodiversity and a unique ethnic-cultural base are two of the country's greatest assets that have helped propel the tourism sector to the forefront of the country's competitiveness efforts. At present, tourism is a driving force in Panama's economy, with an average 10% annual increase registered from 2004-2008. A total of 1,573,070 persons visited Panama in 2008 of which 80% were tourists<sup>3</sup>. Past inventories (IPAT/OEA, 1993) have concluded that about 72% of the country's attractions were within the SINAP at that time. Yet only about 3% of total visitors reportedly visited a protected area in Panama between 2004-2009 (compared to 54% in Costa Rica, 2006), resulting in significant financial challenges for the SINAP as most of the resources for management come from entrance fees and these raise no more than \$300,000/year, according to ANAM statistics and a [diagnostic](#) conducted during project preparation.

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<sup>1</sup> ANAM 2007. *Estado del Conocimiento y Conservación de la Biodiversidad y de las Especies de Vertebrados de Panamá*.

<sup>2</sup> Sites recognized under the Ramsar Convention (The Convention on Wetlands of International Importance).

<sup>3</sup> *Informe Económico 2008 del Ministerio de Economía y Finanzas de Panamá*.

## 2. Challenges and lessons learned

- 1.3 The main issue to be addressed by this project is the limited sustainable use of the high biodiversity of Panama's PA system, associated mainly with low levels of visitation and limited ecotourism services both within the PAs and in surrounding areas. This situation can be traced to three main root causes identified during project preparation, which represent obstacles standing in the way of mainstreaming biodiversity conservation through ecotourism in protected areas:
- a. **Lack of a sound and consistent ecotourism policy and institutional framework** for the SINAP (see [Legal and Institutional Framework Analysis](#)), including: (i) failure of national sector policies and plans to mainstream the objective of sustainable use of biodiversity conservation in the SINAP, shortcomings in terms of regulations for public use and the provision of quality, demand-driven ecotourism services in PAs (i.e., for concessions), as well as norms and procedures for and the availability of public use plans for PAs with a high ecotourism potential; (ii) limited coordination between the two key sector agencies (ANAM and the Panama Tourism Authority – ATP) and partnerships established between public, private and community-based agencies and organizations; and, (iii) lack of innovative financial and legal instruments to enhance financial sustainability of the PA system, in particular, for PAs that have a clear competitive advantage in terms of visitation and public use. Overall, the projected income from PA visitation fees, concessions and other activities represented only 15% of the total projected budget for the SINAP in 2010. In the case of *Parque Nacional Marino Isla Bastimentos*, one of the most popular sites in the system, entrance fees generate approximately US\$28,000 yearly while the PA's business plan estimates that potential annual revenues from ecotourism could reach US\$250,000 (see [Financial Sustainability Study](#)).
  - b. **Limited on-site operational management of ecotourism** and associated environmental impacts (see [Biodiversity](#) and [Ecotourism diagnostics](#)). While some PAs have management plans and research is undertaken on a regular basis, there is limited on-site operational capacity to address the findings of the research studies or to implement the recommendations of the plans related to ecotourism management. While carrying capacity studies have been done for a few of the PAs (e.g., *Parque Internacional La Amistad*, *Parque Nacional Volcan Baru*), the annual monitoring required to assess compliance with carrying capacity limits has not been feasible due to institutional weaknesses and other limitations. Contributing to this situation is the low levels of investments in ecotourism public facilities and services, equipment, staffing, and management systems, which are only in part due to a low level of visitation in a context of incipient integration of ecotourism in the promotion of Panama's touristic assets and products. For example, while the management plan for the *Parque Internacional La Amistad* calls for at least 17 officials to manage the protected area, there is only nine staff working for this 256,195 ha site. Coiba National Park is running on a budget deficit of approximately B/. 9 million in five years. The annual budget invested per

hectare in SINAP is about half the budget invested per hectare in Costa Rica (US\$2.63/ha and US\$6.50/ha respectively. See [Financial Sustainability Study](#)).

- c. **Lack of entrepreneurial capacity of nearby community organizations** for offering a quality product and the absence of opportunities for participation of local tourism stakeholders in managing the PAs and conserving biodiversity, limit the generation of tangible local benefits from ecotourism and alternative sources of income generation in the PA system (see [social diagnostic](#)). For example, only five of the nine PAs selected as priority sites for this project have some type of business plans and most lack the capacity and resources to implement the plans. Moreover, in terms of concessions or other co-management financing options, of the five PAs with concession mechanisms in place, such concessions are for the installation and operation of telecommunications facilities and not necessarily for ecotourism-related services. In general, ecotourism tour packages are offered by tourism agencies in Panama City, without close coordination with the management personnel of the Parks, resulting in potential conflicts as well as missed opportunities to promote activities that are more sustainable for the PA. In *Parque Nacional Chagres*, for example, most tourists are not being informed about potential visits to indigenous villages in the area (see [Financial Sustainability Study](#)).
- 1.4 In general, the limited coordination and few partnerships established between public institutions, private sector and community-based organizations have translated into: (i) limited integration of the PAs in the national strategy for tourism promotion; and (ii) limited offer by either the surrounding communities or the private sector of quality, demand-driven ecotourism services associated with the PAs. The inventory of ecotourism services and associated facilities completed during project preparation show a broad variation in terms of quality and supply of services and a disconnection between existing services and visitor needs. For example, although all of the nine PAs have walking trails, only two PAs have a visitor center and one has trail guides onsite.
- 1.5 Recognizing that one of the main challenges to implementing the Convention on Biological Diversity is the failure to incorporate and integrate biodiversity considerations in other sectors,<sup>4</sup> and that ecotourism is a poorly developed but growing and promising segment of tourism, the Government of Panama has solicited the Bank's assistance, in its role as a GEF Agency, in the preparation and presentation of this Full-Sized Project (FSP) to the GEF, which has been included in the project portfolio of the Government's Strategic Plan 2010-2014.
- 1.6 Experience in Latin America<sup>5</sup> in the development of ecotourism in protected areas points to several lessons learned that are applicable to Panama: (i) as is the case

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<sup>4</sup> *Autoridad Nacional del Ambiente. Tercer Informe Nacional de Biodiversidad. 2007.*

<sup>5</sup> See "[El turismo en América Latina y el Caribe y la Experiencia del BID](#)" "[Ecotourism and Economic Growth in the Galápagos](#)", E. Taylor. 2009; and World Ecotourism Summit Final Report, Quebec City. World Tourism Organization, 2002 ([www.gdrc.org/uem/eco-tour/Final\\_Report-WES-eng.pdf](http://www.gdrc.org/uem/eco-tour/Final_Report-WES-eng.pdf)).



for all tourism initiatives, successful projects focus their interventions on destinations with the greatest competitive advantages and promote demand-driven services; (ii) even in the case of ecotourism, instruments and trained human resources for managing public use and guiding public and private sector investments must be in place at the outset to maintain the environmental quality of protected areas and their buffer zones; (iii) local communities and businesses must derive measureable benefits from the sustainable use of biodiversity to meaningfully support the conservation goals of protected areas; and (iv) local residents must be the main beneficiaries of the direct benefits of ecotourism and must be given an opportunity to participate in all phases, from planning, implementation and monitoring of ecotourism.

### **3. Strategy and justification**

- 1.7 The project takes a two-pronged approach aimed at mainstreaming biodiversity conservation through ecotourism in protected areas both at the national and local scale. At the national level, the project will contribute to developing a model for sustainable ecotourism development in the SINAP through activities which will: (i) strengthen national-level strategies and norms for promoting ecotourism in accordance with the objectives of the SINAP; (ii) improve SINAP's financial sustainability; (iii) create an enabling environment for private and public investment and foster replication of similar activities in PAs of considerable socio-economic and ecological importance; and (iv) enhance sectorial institutional collaboration and coordination, particularly between the environmental agency (ANAM) and the tourism authority (ATP). At the local level, the project will finance activities that correspond closely to the particular context encountered in nine PAs selected as priority destinations, and it will promote and strengthen community participation in the development and implementation of the project.
- 1.8 The selection of the nine PAs that will pilot the Program was based on a set of technical criteria jointly agreed by ANAM and ATP, including: (i) current and potential ecotourism demand; (ii) close proximity to the official Tourism Destinations, as included in the Master Tourism Plan for Panama (2007-2020); (iii) biodiversity values and vulnerabilities; and, (iv) potential to maximize community participation in the development and implementation of the project. The nine selected areas are: *Parque Nacional Marino Isla Bastimentos (PNMIB)*, *Parque Internacional La Amistad (PILA)*, *Parque Nacional Volcan Baru (PNVB)*, *Parque Nacional General de Division Omar Torrijos Herrera (PNGDOTH)*, *Parque Nacional Darien (PND)*, *Parque Nacional Soberania (PNS)*, *Parque Nacional Chagres (PNCh)*, *Parque Nacional Altos de Campana (PNAC)*, and *Parque Nacional Coiba (PNC)*. Taken together, these nine PAs account for 60% of the current visitation to the SINAP and approximately 40% of the system's territory.
- 1.9 Through the strengthening of appropriate planning and management tools (e.g. public use guides, concession and co-management policies and procedures), the project will support the development of financial mechanisms to increase PA conservation and sustainability. It is expected that ecotourism products,

infrastructure, technology and equipment for mainstreaming biodiversity conservation will be significantly improved and that PA managers, municipalities, and the business community will be trained to better handle increased visitation, while at the same time contributing to the monitoring and control of potential impacts on these areas' biodiversity values. Community organizations and tourism operators will be part of local environmental education campaigns, which will give them a sense of ownership and stewardship of the natural resources that provide them with viable livelihoods.

- 1.10 Monitoring and evaluation of the impacts of ecotourism in PAs is a key element that permeates most activities of the project. The project will assist the country to implement its official PA monitoring program – PMEMAP and, as such, will provide the information necessary for the government to consolidate its efforts to develop payment for environmental services schemes (e.g., for the contribution of PAs to the Panama Canal watershed), which require economic valuation of effectively preserved natural resources.
- 1.11 The project is consistent with the objectives of the **Bank's Country Strategy with Panama (EBP-PN 2010-2014)** in that it contributes directly to consolidation of the institutional and regulatory framework for environmental management (including the specific indicator related to the number of entities trained to manage critical areas) as well as strengthening of the capacity for monitoring environmental compliance called for in the [action plan](#) included in the Strategy. The project is also included in the Country Program Document 2011. Moreover, and in line with the main institutional priorities of the latest **capital increase of the Bank**, the project aims at closing the growth gap while contributing to global environmental sustainability, through the development of the right mix of regulations and market incentives for protected area management that is responsive to climate change adaptation in both terrestrial and coastal and marine areas. As such, the project is consistent with the institutional priority of protecting the environment, responding to climate change, and promoting renewal energy and food security.

## **B. Objective, Components and Cost**

### **1. Objective and Component Description**

- 1.12 The project objective is to generate a model of low environmental impact ecotourism in the National Protected Areas System (SINAP) that contributes to biodiversity conservation and sustainability of protected areas, in a framework of innovation, entrepreneurial integration, and sustainable social development.
- 1.13 The **first component** addresses the critical gaps and limitations in the institutional and regulatory framework and existing inter-institutional coordination and capacities. It also addresses the challenge of increasing sustainable financing for SINAP, by promoting the design and establishment of alternative sources of financing for development, management and promotion of ecotourism. The **second component** will improve the quality of planning, operational management and monitoring of the nine PAs selected as priorities for ecotourism development.

The **third component** will focus on fostering private sector and community participation and the generation of tangible local benefits from ecotourism.

1.14 **Component 1: Policies and regulatory framework for biodiversity conservation and sustainable management of ecotourism in the SINAP.** This component is divided into two subcomponents.

- a. The first subcomponent seeks to establish a national strategy shared by ANAM and ATP through the implementation of various coordination mechanisms, including a national coordination structure for the development of ecotourism in and around SINAP. With the resources allocated to this subcomponent, ANAM will hire consultants to provide technical assistance and training for: (i) the formulation of a national policy for ecotourism that reconciles the priorities of the SINAP and National Tourism Master Plan; (ii) elaboration of formally endorsed guidelines for the formulation and monitoring of public use plans, including the identification of a nation-wide set of performance indicators for ecotourism; (iii) definition and validation of a set of policies and technical, social and environmental criteria related to tourism concessions, co-management agreements and tourism operation permits; (iv) elaboration of a procedural manual for granting and managing concessions, co-management agreements and permits, including the crafting of administrative procedures to streamline the concessions and co-management approval process; and (v) introductory training courses and knowledge-building sessions, both at the regional and national levels, to improve the technical capacity of ANAM's staff in the *Departamento de Areas Protegidas y Vida Silvestre* (DAPVS) and the *Departamento de Fomento de la Cultura Ambiental* (DFCA), as well as ATP in public use planning, monitoring and financial administration.
- b. The second subcomponent focuses firstly on ecotourism as a mean to increase PA's income; and secondly on broadening the array of sustainable financing options for the SINAP. ANAM will hire consultants to provide technical assistance for: (i) the definition of a clear ecotourism-based financial sustainability strategy for PAs; and (ii) the definition of alternative financial mechanisms (e.g., cruise ship or airport entry fees, payments for environmental services) to support biodiversity conservation through collaborative agreements between public and private sector institutions.

1.15 **Component 2: Planning, operational management and monitoring of ecotourism in PAs.** This component is aimed at enhancing planning and the quality of ecotourism products in selected PAs through the design and implementation of public use plans and ecotourism management systems, leading to an increase in quantitative and qualitative indicators of visitation. ANAM will use the resources of this subcomponent to contract services and purchase goods for the following purposes: (i) develop, approve and implement at least seven management and public use plans with a view to identifying and setting objectives for ecotourism attractions and services that are in line with the PA's conservation mandate and that promote knowledge and appreciation of its biodiversity. The

plans will integrate adaptation strategies to respond to the impacts of climate change (e.g., coral bleaching, sea level rise, increase in storm surges, saltwater intrusion) in coastal, marine and terrestrial areas; (ii) conduct studies to define carrying capacity<sup>6</sup>, flow management and visitor monitoring for each of the nine selected PAs. This will encompass the design and demonstration of visitor survey methodologies to collect key data on ecotourism use (e.g., visitor characteristics, expenditure patterns, willingness-to-pay) as a basis for setting fee structures and with a view to expanding to the entire SINAP; (iii) identify a public investment portfolio for PAs jointly defined by ANAM and APT, which will add value and attractiveness to ecotourism products (e.g., trails, observation towers, camping sites). Once defined and approved by the Bank, the portfolio will be financed by the Program; (iv) implement of a participatory monitoring process of the impact of ecotourism in the 9 PAs, in coordination with the existing PMEMAP; and (v) enhance PA on-site personnel's capacity to implement and enforce public use plans, and to enhance their guidance capacity towards the public through appropriate training and capacity building.

- 1.16 **Component 3: Strengthening of income generation potential for local stakeholders through ecotourism in selected Pas.** This component seeks to support local stakeholders in obtaining concrete economic benefits from the mainstreaming of biodiversity conservation in ecotourism within PA's and their buffer zones. With the resources allocated to this component, ANAM will hire consultants for the following purposes: (i) training of a minimum of 20 local organizations and operators in providing demand driven, high quality ecotourism services and products, integrating best practices and business management. This will include training and technical assistance in innovative technologies for ecotourism promotion in target markets, the provision of energy-efficient services, visitor safety and private sector and community participation in biodiversity monitoring; (ii) capacity building of existing local networks of service providers and development of business opportunities; (iii) elaboration of a minimum of five individual PAs business plans linking each PA to potential services providers; (iv) development and implementation of environmental education campaigns aimed at key local and national stakeholders (public and private) and focusing on the economic value of PAs and the benefits of their sound management and use; (v) support to ATP and ANAM to undertake market studies and develop a shared promotion strategy and marketing campaign to position the nine pilot PAs and their services networks in the national and target international ecotourism markets, including tools, participation in trade shows, printed and audiovisual material etc; (vi) issuance of at least four concessions, four operating permits and four co-management agreements using a streamlined and cost-efficient granting system; and (vii) consolidation of at least two productive value chains connecting tourists, national tour operators and local service providers for two PAs with the greatest competitive advantage.

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<sup>6</sup> To support the definition of Public Use Plans, the project will either use carrying capacity-base or Limits of Acceptable Change (LAC) based methodologies.

## 2. Cost and Financing

- 1.17 Total project cost is estimated at US\$14 million, US\$4 million of which will be provided as grant funding from the GEF, through the Bank in its role as GEF Agency, and US\$6,234,914 by ANAM and ATP as local contribution. The following institutions will provide parallel financing to the project for a total of US\$3,765,086: *Autoridad de los Recursos Acuáticos de Panamá* (US\$300,000), MarViva Foundation (US\$2,600,000), and the Nature Conservancy (US\$865,086). The contributions are confirmed through Letters of Commitment, as required by the GEF. **Prior to first disbursement of the GEF resources ANAM will sign agreements with ATP the *Autoridad de los Recursos Acuáticos de Panamá*, the MarViva Foundation and the Nature Conservancy whereby each institution will assume the obligation to provide parallel financing to the Project.** Table 1 provides the summary cost table for the project.

Table 1- Summary Cost Table (USD)

Component	IADB (GEF)	Local ANAM	Local ATP	Other	Total	% of Total
1. Regulatory framework and financial sustainability	513,700	1,523,214	0	1,265,086	3,302,000	24%
2. PAs ecotourism management system	1,990,600	2,000,000	300,000	1,500,000	5,790,600	41%
3. Private sector participation	1,095,700	2,000,000	111,700	1,000,000	4,207,400	30%
Project Administration (including coordinator, evaluations and audits)	400,000	300,000	0	0	700,000	5%
<b>TOTAL</b>	<b>4,000,000</b>	<b>5,823,214</b>	<b>411,700</b>	<b>3,765,086</b>	<b>14,000,000</b>	100%
% of Total	29%	41%	3%	27%	100%	

## C. Key Results Indicators

- 1.18 The Project has adopted the key results indicators presented in Table 2. The complete Results Framework is presented in Annex II.

Table 2- Key Results Indicators

Indicator	Rationale
Improved Protected Areas` management effectiveness (as measured by GEF Tracking Tool for BD-SP2 and PMEMAP)	Measures effectiveness of PA management and public use plans implementation & PA protection
Percentage increase in SINAP's external sources of income	Measures financial independence of SINAP and the potential for sustaining improved ecotourism management systems in PAs

Percentage increase of visitation due to improvements in ecotourism products and services in selected PAs	Measures increase in attractiveness of PAs with investment in improved public use and ecotourism management
Percentage of international visitors to Panama reported to visit at least one of selected PAs	Proxy to the positioning of Panamanian PA's offer of ecotourism services (benchmarking with competitive destinations)
Percentage increase of local and community-based businesses providing ecotourism services in PAs	Measures increase of provision of ecotourism services by local stakeholders and the capacity to generate higher income
# of PA with linked biological, physical and economic use indicators clearly selected (wildlife, vegetation, water quality, volume of visitor activities, number of concessions); baseline completed; and monitoring methodology defined	Although overall monitoring of biodiversity will take place during the Project, it is important to define keystone indicators that will enhance quality of monitoring efforts in the long run

## D. Viability

- 1.19 The economic evaluation of the project was undertaken based on simulations of the 'with' and 'without' project scenarios with projections of benefit flows over a 10-year period. In this analysis, only one source of benefit attributed to the project is considered: the net increase in the ratio of protected area visitors in relation to the total number of foreign visitors to Panama. The analysis does not attempt to measure other project benefits, such as: (i) the environmental benefits of protecting marine and terrestrial species of unique global interest, (ii) the flow of ecosystem services with local and national level benefits; and (iii) the generation of income and employment to local business in the PA's areas of influence.
- 1.20 To establish a conservative scenario, the annual rate of increase of all tourists to Panama is assumed to be constant at the level of the 2009 data provided by the Panama Tourism Authority and ANAM. Also, the entrance fee to the APs is assumed to remain constant at the average 2009 level of US\$10 per visitor. In addition, all project costs were incorporated in the model, including operation and maintenance assumed to be 10% of total investment costs. The expected project impact is given by a shift in the demand curve that increases gradually the proportion of foreign visitors that visit the PAs from 3% to 10%. Under this scenario, the Net Present Value (NPV) of the investment amounts to US\$429,542 equivalent to an Internal rate of Return (IRR) of 16%. A sensitivity analysis was also conducted by varying the operation and maintenance costs and the percentage of visits to protected areas relative to total visits to Panama. The project would still be viable (i.e IRR >12%) if operation and maintenance costs increase to 14% of total investment costs or if the net percent increase of visitors to PAs reaches only 6%.

## **II. FINANCING STRUCTURE AND MAIN RISKS**

### **A. Financing Instruments**

- 2.1 The project was designed as a technical cooperation grant. It will be financed through non-reimbursable resources from the Global Environment Facility and local counterpart contributions. The disbursement schedule is based on the referenced amount for priority activities to be initiated in each year of the Project. The predicted flow of financial resources is as follows:

**Table 3-Anticipated Disbursement Timetable**

<b>Source</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>
GEF	35%	30%	25%	10%

### **B. Environmental and Social Safeguard Risks**

- 2.2 While most impacts from this operation are expected to be positive and to derive from the mainstreaming of biodiversity conservation and the socio-economic improvement of local people, the Environmental and Social Review of the Bank (ESR 09-09) assigned a Category “B” classification, mainly due to the anticipation of potential direct, indirect or cumulative impacts that could result from the development of small ecotourism investments in the selected PAs object of this operation, and/or the presence of indigenous communities. ESG did not require an Environmental and Social Management Report for this operation.
- 2.3 The likelihood for such anticipated impacts was fully studied during project preparation and measures have been integrated into the project’s design to prevent and minimize their potential occurrence. Given its focus on the protection, conservation and sustainability of natural resources in the selected areas, on-the-ground activities will only be initiated or promoted once the required legal and administrative framework is in place at the national level (i.e., the policies and procedures included in Component 1. Potential ecotourism concessions, co-management or other management alternatives will be based on the conclusions and recommendations from the management and public use plans and carrying capacity studies, and will take place under rigorous scrutiny and evaluation by the authorizing agency (ANAM). The same studies that will orient the definition of management alternatives for each protected area will also guide the identification of a portfolio of investments that are geared towards environmental viability and sustainability (Component 2), thus minimizing risks that could occur during construction and operation of ecotourism services (which in general are small and localized). Finally, the project has been designed to integrate substantial support for training and capacity building, and for monitoring and evaluation. These two elements permeate the components of the project, and are tools to enhance monitoring capacity at the local, national and international levels, guaranteeing the achievement of global environmental benefits required for all GEF-supported projects.

- 2.4 Regarding the local communities, the project has integrated key aspects to ensure participation on the planning as well as on the reaping of economic benefits from ecotourism activities (Component 3). Local communities (inclusive of indigenous groups) will have equal access to environmental education campaigns, and economic and business development opportunities, through training on developing alternatives for sustainable use of natural resources.
- 2.5 In compliance with OP-765, the Program also includes a process to build awareness and relationships as a first step to identifying the cultural values to be safeguarded and highlighted through the tourism experience. The executing agency will promote the involvement of indigenous peoples and provide them with culturally appropriate information to access the opportunities presented by the program.
- 2.6 This operation is in line with ecotourism's basic principles (i.e., conservation, education, traveler responsibility and active community participation) and, although it is located in environmentally valuable and sensitive areas, it has been designed to protect, conserve and sustain the responsible use of the area, resulting in positive net impacts. By design, the project triggers the Convention on Biological Diversity given that it falls within the Biodiversity Focal Area of the Global Environment Facility.

#### **C. Fiduciary Risk**

- 2.7 Based on the [risk analysis](#) conducted during project preparation, the project has a moderate to low fiduciary risk. The GEF grant will be administered by DAPVS within ANAM (the Executing Agency) which has adequate experience and tools to administer projects. ANAM managed the execution of two recent loans (PN-0122; 1222/OC-PN and PN-L1013; 1912/OC-PN), a National Environmental Program and a Modernizing Environmental Management for Competitiveness, respectively). ANAM will have overall responsibility for the financial management of the program comprising accounting and financial reporting, flow of funds and external auditing arrangements. The proposed operation will build on the existing organizational and management structures of the ANAM/DAPVS.
- 2.8 The project annual financial statements will be audited under Terms of Reference prepared in line with Bank guidelines to be performed by independent auditors and following auditing standards acceptable to the Bank. The audit report shall be submitted to the Bank within 120 days of each fiscal year end.

#### **D. Other Key Issues and Risks**

- 2.9 The present limited inter-institutional coordination for ecotourism management both at the national and local levels could affect conditions for efficient implementation of the project. The proposed program, however, has been designed to ensure that both ANAM and ATP continue to work jointly together as they have throughout the preparation of this project, and that a shared strategy is reached, which involves: (i) the formulation of a common coordination mechanism and regulatory framework to strengthen the cooperation between governmental agencies (national and local); and (ii) the design of financial



sustainability mechanisms to foster and consolidate local and national partnerships for ecotourism management in the SINAP.

- 2.10 The development of a model for sustainable ecotourism through activities that enable an environment for private and public investment could raise private sector expectations for special funding opportunities. To counter such situation, the program will support key investments in public goods improvements, such as improved infrastructure and facilities that will indirectly benefit private providers of ecotourism services, in particular those of concessions or co-management opportunities, and minimize expectations for special funding.
- 2.11 The long-term financial sustainability of the nine selected PAs could be at risk if insufficient or inappropriate financial mechanisms are approved by the Government. This situation could also undermine full implementation of ecotourism management systems that will result from the activities of this project. To mitigate this risk the project will: (i) establish public-private strategic alliances to explore innovative mechanisms, and (ii) support the elaboration and implementation of PAs business plans.
- 2.12 The **climate change risk** assessment carried out by ANAM's Climate Change Unit in 2010, along with specific data for PAs, show that **climate change factors**<sup>7</sup> have a low to moderate risk regarding the activities of this project. However, factors such as ocean warming and coral bleaching could constitute strong risks for the biological diversity of marine PAs such as Bastimentos Island in the Caribbean and Coiba Island in the Pacific. To mitigate such risk, the project will work in close collaboration with ANAM's Climate Change Unit to streamline ecological monitoring programs and integrate protocols for climate change and invasive species on a regular basis as part of the PMEMAP and the project's monitoring schedule.

### III. IMPLEMENTATION AND MANAGEMENT PLAN

#### A. Summary Implementation Arrangements

##### 1. Executing Agency

- 3.1 The Executing Agency will be the *Autoridad Nacional del Ambiente* (ANAM), which will assume full responsibility for project coordination, administration, financial and accounting management, including procurement and the preparation of annual operating budgets and progress monitoring and evaluation reports. Specific responsibilities of the Executing Agency include, but are not limited to: (i) maintain adequate accounting and financial controls, including a separate account for the purposes of this project; (ii) maintain appropriate support documentation filing systems for verification by the Bank and the external auditing firm; (iii) prepare and submit to the Bank disbursement requests and

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<sup>7</sup> Such as increased storm and hurricane events, sea level rise, increase in occurrence and severity of drought episodes, and invasive species proliferation.

- corresponding justification of expenses; (iv) prepare and obtain Bank approval for all bidding documents required to hire consulting firms, consultants and for the acquisition of goods; (v) coordinate the bidding processes according to Bank policies and Panamanian norms; (vi) monitor quality of the goods and services provided by contracted parties and making the corresponding payments; (vii) prepare and submit to the Bank the Program's Financial Plan, which results from the procurement plan and the annual plan of operations (APO); and (viii) record and control the results of the project through the agreed indicators.
- 3.2 ANAM will assign a project coordinator and an ecotourism specialist to support the DAPVS to carry out the activities of the project and to closely monitor the financial management of the program. A financial specialist and a procurement specialist will also be contracted to assist ANAM in the execution of procurement activities, supervision of main contracts and provision of other financial assistance. These specialists will be based at DAPVS located within ANAM offices in Panama City.

## **2. Coordination**

- 3.3 A Steering Committee will be established to ensure close coordination between ANAM and ATP. The Committee comprised of representatives from ANAM, ATP, municipalities and co-financing institutions will have the following functions: (i) strategic guidance for the project; (ii) approve annual work plans and mid-year and annual progress reports, and (iii) acknowledge annual financial audits. Before the initiation of the project a Cooperation Agreement between ANAM and ATP will be signed to establish the obligations of the parties. **Signature of the agreement between the Executing Agency and the ATP will be a condition prior to first disbursement.**
- 3.4 Central to the execution of the entire project is the participation of the local community, private sector and institutional stakeholders. In this regard, the Steering Committee will ensure that the activities of the Program are carried out in active, close collaboration with stakeholders, and shall nominate other institutions to participate in the Committee, as required. From year two onwards, an Ecotourism National Coordination Structure should be in place with defined participation and decision mechanisms, which will open consultation channels towards the private sector, governmental entities, NGOs, academic institutions, and local communities. Towards the end of the project it is expected that this structure will become permanent.

## **3. Operating Regulations**

- 3.5 The administration of the project will be based on a Project Operating Manual (POM) agreed by the parties. The POM includes the responsibilities, standards and procedures for contracts, acquisitions, financial management, accounting, audits and monitoring and evaluation of the operation. **The approval of the POM by the Steering Committee, in accordance with terms previously agreed**

**between the Beneficiary and the Bank, will be a condition prior to the first disbursement of the Financing.**

#### **4. Procurement**

- 3.6 The procurement of contracts to be financed with resources of the financing will be carried out in accordance with the Policies for the Procurement of Works and Goods Financed by the Inter-American Development Bank (GN-2349-9); and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (GN-2350-9) both of March 2011. A procurement plan for the first 18 months has been produced (see Annex III) and will be reviewed by the Executing Agency and the Bank every six months.

#### **B. Summary of Arrangements for Monitoring Results**

- 3.7 The Monitoring & Evaluation (M&E) System will be coordinated by the Project Coordinator within the DAPVS of ANAM and will: (i) monitor the progress of outputs and outcomes based on the Results Framework (See Annex II), and (ii) assist in the preparation of Mid-Year Progress Reports and Annual Project Reports. The Annual Project Reports will present: (i) progress towards achieving the expected outcomes and the project objective, referencing the baseline for the indicators provided in the Results Framework; (ii) progress in generating the expected outputs, (iii) an updated Analysis of Strengths, Weaknesses, Opportunities and threats (SWOT Analysis) and a list of lessons learned and recommendations for adjustments to the project strategy and Results Framework, (iv) Budget Execution Report (BER), and (v) updated Procurement Plan. The Mid-Year Progress Reports and Annual Project Reports will be analyzed and approved by the Steering Committee.
- 3.8 An independent external mid-term review and a final evaluation will be undertaken ([Monitoring and Evaluation Plan for the Project](#)) upon disbursement of 50% and 95% of the resources of the Financing. Both evaluations will be undertaken by consultants with demonstrated experience in the evaluation of PA management and to be contracted by ANAM with resources of the grant. The mid-term review will evaluate if the project is achieving the expected outcomes and adequately moving towards the project objective. The final evaluation will: (i) verify that all expected outputs and outcomes and the project objective have been achieved; and (ii) identify project impacts. A key element to assess will be the long-term sustainability of the PAs selected for development of ecotourism activities. An external financial audit of the project financial statements, to be contracted by ANAM, will be performed each year by a firm acceptable to the Bank<sup>8</sup>. The findings of these evaluations will be shared with all the key stakeholders.

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<sup>8</sup> Financial statements and the hiring of auditing firm must comply with OP-273-1 and with document: “*Guías de Informes Financieros y Auditoría Externa de las Operaciones Financiadas por el BID*.”

**MAINSTREAMING BIODIVERSITY CONSERVATION THROUGH  
LOW-IMPACT ECOTOURISM IN THE  
SISTEMA NACIONAL DE ÁREAS PROTEGIDAS (SINAP)**

**PN-X1003**

**CERTIFICATION**

The Grants and Cofinancing Management Unit (VPC/GCM) certifies receipt of the GEF Council's Endorsement letter dated on April 6, 2011 for project "Mainstreaming Biodiversity Conservation Through Low-Impact Ecotourism in the *Sistema Nacional de Áreas Protegidas* (SINAP)" for US\$4,000,000, chargeable against the GEF Trust Fund (GEFTF).

Original signed

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04/27/2011

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Marguerite S. Berger  
Chief

Date

Grants and Cofinancing Management Unit  
VPC/GCM

Development Effectiveness Matrix  
Summary

Indicator	Score	Maximum Score
<b>I. Strategic Relevance</b>	<b>High</b>	
<b>1. IDB Strategic Development Objectives</b>	<b>5.5</b>	<b>10</b>
Country Diversification	2.0	2
Corporate Initiatives	2.5	2.5
Harmonization and Alignment	0.0	3.5
Beneficiary Target Population	1.0	2
<b>2. Country Strategy Development Objectives</b>	<b>9.6</b>	<b>10</b>
Country Strategy Sector Diagnosis	6.0	6
Country Strategy sector objective & indicator	3.6	4
<b>II. Development Outcomes - Evaluability</b>	<b>Highly Satisfactory</b>	
<b>3. Evidence-based Assessment &amp; Solution</b>	<b>8.4</b>	<b>10</b>
<b>4. Evaluation &amp; Monitoring Plan</b>	<b>5.6</b>	<b>10</b>
<b>5. Cost-Benefit or Cost-Effectiveness</b>	<b>7.0</b>	<b>10</b>
<b>6. Risks &amp; Mitigation Monitoring Matrix</b>	<b>7.5</b>	<b>10</b>
<b>III. IDB's Role - Additionality</b>		
<b>7. Additionality</b>	<b>10.0</b>	<b>10</b>
Technical Assistance provided prior the project	3.0	3
Improvements in management of financial, procurement, monitoring or statistics internal controls	4.0	4
Improvements in environmental, health and labor performance	3.0	3

**I. Strategic Relevance:** This operation is implemented in Panama which is considered a country from the group C. This operation is a grant from the Global Environment Facility (GEF). Its objective is to generate an ecotourism model with low environmental impact. The project's objective is linked to the country strategy proposed for the period 2010- 2014, and to the SECCI initiative.

**II. Evaluability:** The project includes a diagnosis that identifies the main problems of the tourism sector in Panama and its objective is clearly aligned to these issues. Besides, it provides empirical evidence to corroborate the existence of such problems. The project logic presents indicators to measure outputs and outcomes. These indicators have a baseline value and a target. The project presents some monitoring and evaluation mechanisms. However, the evaluation plan lacks of a detailed timeline that includes all the activities related to an evaluation. The project defines the environmental and social risks as well as the strategies to mitigate them but it does not provide indicators for each of the mitigation measures. Finally, the project presents an IRR for some of its components.

**III. Additionality:** The project provides technical assistance, improvements to internal monitoring systems and environmental performance.

**Results Framework**  
**PN-X1003**

<b>Project Objective</b>	To generate a model of low environmental impact ecotourism in the National Protected Areas System (SINAP) that contributes to biodiversity conservation and sustainability of Protected Areas, in a framework of innovation, entrepreneurial integration, and sustainable social development
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<b>Outcome Indicators</b>	<b>Base Level 2010</b>	<b>Target Level</b>	<b>Comments</b>
Increase in Protected Areas` management effectiveness (as measured by GEF Tracking Tool for BD-SP2 and PMEMAP)	Tracking Tool baseline for 9 PAs: 45-67%	Tracking Tool target for 9 PAs: 60- 75%	Measures effectiveness of PA management and public use plans implementation and PA protection.
Increase in PA revenues generated from fees and other financial mechanisms for ecotourism activities (expressed as gross revenues and % of SINAPs' operating budget)	Baseline 2009: US\$300,000/year (17% of SINAP operating budget)	US\$530,000/year (30% of SINAP operating budget)	At least 30% of SINAP`s budget is to come from revised fee structure and alternative sources of income
Increase in annual number of visitors to PAs due to improvements in ecotourism products and services in selected Protected Areas	Current annual number of visitors to 9 PAs is 42,602 (Current annual rate of increase in visitation is 2.2%).	50,000 visitors (Annual rate of increase: 4.5%)	Yearly rate of increase in visitation is expected to double between 2011 and 2015

Percentage of international visitors to Panama reported to visit at least one of the selected PAs	3% of total visitation	10% of total visitation	Proxy for the positioning of Panamanian PA's offer of ecotourism services (benchmarking with competitive destinations)
Percentage increase of local and community-based businesses providing ecotourism services in PAs	Baseline to be established through surveys in Year 1	5% increase	Proxy for the expansion and diversification of offer of ecotourism services in PAs
# of Protected Areas with linked biological, physical and economic use indicators clearly selected (wildlife, vegetation, water quality, volume of visitor activities, number of concessions).	Baseline: 0 PAs	9 PAs	Integrated monitoring system will provide the basis for adaptive management by ANAM.

Matrix of Indicators						
Component 1	Base	Year 1	Year 2	Year 3	Year 4	Target
<b>Component 1 - Policies and regulatory framework for biodiversity conservation and sustainable management of ecotourism in the SINAP</b>						
<b>Outputs</b>						
<b>Sub-component 1.a: Strategies, policies and regulatory framework</b>						
1.1. Policy and methodology for planning and management of public use of PA's approved by ANAM and ATP	0	1 (publication in <i>Gaceta Oficial</i> )	Applied to 3 PAs	Applied to 7 PAs		1 policy and methodology institutionalized and applied across SINAP
1.2. Criteria for granting concessions, co-management and tourism operation permits in PA's defined	0	Diagnosis of needs and opportunities	1 set of criteria defined and approved by ANAM and ATP	Criteria applied in 9 PAs	Evaluation of application of criteria carried out	1 set of criteria defined and validated
1.3. Procedural manuals for public use plans and granting and administering concessions, co-management and permits approved by ANAM and ATP	0 Informal manual exists, but not implemented		1 procedural manual approved (public use plans)	1 procedural manual approved (concessions, co-management agreements and permits)	Procedural manuals improved and replicated in remaining sites of SINAP	2 Procedural manuals institutionalized across SINAP
1.4. Number of ANAM and ATP staff trained in application of new public use planning tools	0	30	30			60 staff trained (80% of DFCA and ANAM staff at regional and national level)
<b>Sub-component 1.b: PAs financial sustainability</b>						
1.5. Number of ecotourism-related fees revised and updated	0	1 (entrance fee schedule updated)	3 (concessions/ permits-based financial instruments updated)	1 (fees for services updated)	5 instruments / mechanisms applied	5 sets of ecotourism-related fees revised and updated to cover operational costs
1.6. Number of alternative financing mechanisms designed and approved	0	Strategy for broadening the sources of PAs financing (i.e. cruise ships/airport taxes, environmental services etc.) formulated with	Strategic alliances made with key private operators, municipalities and public agencies.	3 instruments/ mechanisms defined, ensuring compatibility with regulatory framework 1 instrument in place	2 instruments/ mechanisms in place and monitored	Broader financial sustainability strategy formulated. 2 instruments/ mechanisms in place and monitored



		partner projects				
<b>Intermediate outcomes:</b>						
<b>Increase in annual revenues from ecotourism-related fees</b>	US\$300,000/year				US\$530,000	US\$530,000
<b>Outcome:</b>						
<b>Percentage of SINAP operating budget covered by ecotourism-related fees</b>	17% of SINAP budget			25%	30%	Revenues generated from fees and other financial mechanisms cover at least 30% of SINAP operating budget

Component 2	Base	Year 1	Year 2	Year 3	Year 4	Target
<b>Component 2 - Planning and investments to increase quality ecotourism products in PAs conserving biodiversity</b>						
<b>Outputs</b>						
2.1. Number of PA Management and Public use plans (PUP's) with ecotourism programs updated and approved	2 PUPs elaborated and without official approval, 1 PUP under revision	2 PA management plans updated and approved	2 of existing PUPs approved with legal backup. 2 more PA management plans updated and approved	2 new PUPs, 1 existing PUP approved with legal back up. 2 more PA management plans updated and approved	2 new PUPs ; 4 PUP's being implemented	7 PUP's approved by ANAM and 4 being implemented, 6 management plans updated and approved
2.2. Number of PAs with carrying capacity studies completed	0	Methodology defined and minimum of 15 staff trained in methodology in 9 PAs		5 PAs with carrying capacity studies completed		5 PAs with carrying capacity studies completed and applied to control visitor flow
2.3. Number of PAs with ecotourism facilities and equipment constructed and in operation	0		2 PAs	2 PAs	1 PA	5 PAs with ecotourism facilities constructed and in operation
2.4. Number of PAs with ecotourism indicators integrated into monitoring (PMEMAP)	0 PMEMAP is applied in the 9 PAs but lacks indicators of tourism visitation and its impact.	Monitoring protocols fine-tuned. Baseline of visitation established (visitors profile, experience and impact) in 9 PAs.	5 PAs	9 PAs	9 PAs	Ecotourism monitoring system integrated in PMEMAP and public use plans in 9 PAs
2.5. Number of staff at national and local level trained in public use management	0	Result oriented job descriptions approved Ecotourism section in ANAM-DAPVS with 3 trained professionals in place	2 trained public use managers and 2 assistants	4 public use managers and 4 assistants	6 public use manager and 6 assistants	Ecotourism section in ANAM-DAPVS in place. 6 PAs have 1 trained Public use manager and 1 assistant
2.6. Number of municipalities trained in environmental management for ecotourism in buffer areas	0	Identification of critical environmental management issues in up to 15 municipalities around 5 PAs	10 municipalities receive training and technical advice for solid waste disposal improvement.	Financing identified. 3 municipalities improve solid waste disposal	✓	Environmental management capacity increased in 10 municipalities around 5 PA's, with 3

Component 2	Base	Year 1	Year 2	Year 3	Year 4	Target
<b>Component 2 - Planning and investments to increase quality ecotourism products in PAs conserving biodiversity</b>						
			Agreements with at least 5 municipalities for addressing solid waste disposal or other key issues.	around PAs		municipalities investing in improved waste management
<b>Intermediate outcome</b>						
<b>Increase in visitor satisfaction with ecotourism services as measured by average visitor expenditure in PA survey</b>	Average daily expenditure in PA in 2009 estimated at US\$20/day (10% of total average expenditure). Baseline to be verified Year 1					100% increase in average visitor expenditure in PAs
<b>Outcome</b>						
<b>Number of PAs with improved ecotourism management systems</b>	0		2	5	9	9

Component 3	Base	Year 1	Year 2	Year 3	Year 4	Target
Component 3 - Strengthening of income generation potential for local stakeholders through ecotourism in selected PAs						
<b>Outputs</b>						
3.1. Number of private sector and community-based organizations and operators working in PAs trained in public use management and ecotourism good practices	0	Stakeholders analysis fine-tuned, participants selected and training program developed	10 organizations and operators trained around at least 2 PAs	10 more organizations and operators trained around at least 3 more PAs	1 <sup>st</sup> monitoring reports of good practices of environmental protection and biodiversity conservation received and fine tuned	At least 20 organizations and operators trained
3.2. Number of PAs where strategic alliances strengthen local networks of service providers are strengthened	0 While networks in 5 PA's exist they are not fully functional	Synergies in service networks identified, proposed and approved by key stakeholders	3 PAs	2 PAs		Strengthening of the capacity of existing local networks of service providers to develop business opportunities around 5 PAs
3.3. Number of business plans for PAs produced and implemented	2 PAs with business plans (no evidence of BPs being implemented) No strategic financing plan for the network of 9 pilot PAs.	Strategic financing plan for 9 pilot PAs includes a monitoring / benchmarking system.	3 PA business plans formulated and under implementation	2 additional business plans formulated and being implemented	2 PAs obtain access to private banks financing	5 business plans formulated and being implemented
3.4. Environmental education campaign on economic benefits from PAs developed and implemented	0	1				1 Environmental education campaign on economic benefits from PAs sound management and use, aimed at key local and national private and public stakeholders, including municipalities

Component 3	Base	Year 1	Year 2	Year 3	Year 4	Target
Component 3 - Strengthening of income generation potential for local stakeholders through ecotourism in selected PAs						
3.5. Promotion strategy and marketing campaign for SINAP approved by ANAM and ATP and implemented	0	International market study elaborated and ecotourism niche markets identified. Joint marketing strategy highlights adopted best practices	1 marketing and promotion strategy for 9 PA's budgeted 20 local enterprise design promotion and marketing strategy in harmony with ATP's international campaigns	ATP-ANAM PAs promotional website Multilingual promotional material prepared Marketing plan conducted, 1 international ecotourism fair	First monitoring reports Marketing and promotional strategy implemented, niche market of Panama as international ecotourism destination created	Marketing and promotion strategy formulated with public and private sector involvement, funded, implemented and being monitored
3.6. Number of concessions, operating permits, and co-management agreements granted	7 out of 89 of SINAP's PA's have been granted concessions to date, procedure not explicit	ANAM establishes a first list of goods and services for concessions and co-management agreements in at least 3 priority PAs	2 co-management agreements and 2 operation permits granted	2 more co-management agreements and 2 more operation permits 2 concessions granted 1st report of monitoring system for first co-management and operation permits	2 more concessions granted 2 <sup>d</sup> report of monitoring system for first concessions	At least 4 concessions, 4 operating permits, and 4 co-management agreements granted on the basis of enhanced procedures and monitored
3.7. Number of value chains PA's established	0		2 PAs selected by end of year 2	1 local value chain initiatives supported and consolidated in 1 PA's	1 local value chain initiative supported and consolidated in 1 PA's	2 Value chains in 2 of 9 PA's lead to increased job creation and added value
<b>Intermediate outcomes</b>						
<b>Number of active networks of private-community providers involved in PAs-related activities established</b>	0	Diagnostic of entrepreneurial capacity and understanding of advantages of collaborative processes in at least 5 PAs	Organized and active networks of providers of services around at least 3 PAs	Organized and active networks of providers of services around at least 5 PAs	2 networks evolve towards PA-services value chains	Organized and active networks of providers of services around at least 5 PAs, including 2 PA-services value chains
<b>Percentage of international visitors reported to have visited a PA</b>	Only 3% of the 1,5 million foreign visitors reportedly visited an AP in Panama in 2008 (against 54% in Costa Rica, 2006)			6%	10%	10%
<b>Outcome</b>						

Component 3	Base	Year 1	Year 2	Year 3	Year 4	Target
Component 3 - Strengthening of income generation potential for local stakeholders through ecotourism in selected PAs						
<b>Increase in numbers of local businesses providing ecotourism-related services in PAs</b>	Approximately 40 businesses identified in 9 PAs Baseline to be confirmed in year1			3%	5%	5%

**PROCUREMENT PLAN – GEF CONTRIBUTION (PN-X1003)**

Ref. No.	Description and type of procurement contract	Estimated cost (US\$000)	Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates	
					IDB%	Local/ Other %		Publication of specific procurement notice	Completion of contract
<b>I</b>	<b>Goods</b>								
	Good 1: Office equipment for the project coordination unit (PCU)	10.40	NCB	Ex ante	100	0	No	Q1 2011	Q1 2011
<b>II</b>	<b>Works</b>								
	Works: Investments for biodiversity and financial sustainability in 5 protected areas (PAs) (2.3)	810.00	NCB	Ex ante	100	0	No	Q1 2012	Q2 2014
<b>III-A</b>	<b>Consulting services</b>								
	<b>Consulting firms</b>								
	Consulting assignment 1: National ecotourism strategy (1.1)	65.00	QCBS	Ex ante	100	0	No	Q1 2011	Q3 2013
	Consulting assignment 2: Criteria, rules, and procedures for concessions in PAs (1.3, 1.4, 1.5, 1.6, 3.6)	275.50	QCBS	Ex ante	100	0	No	Q3 2011	Q3 2014
	Consulting assignment 3: Formulation of strategy to increase income in PAs (1.7, 1.8, 3.3)	357.50	QCBS	Ex ante	100	0	No	Q3 2011	Q3 2014
	Consulting assignment 4: Monitoring of flow of ecotourists (2.1, 2.5)	497.60	QCBS	Ex ante	100	0	No	Q3 2011	Q4 2014
	Consulting assignment 5: Preparation of public use plans (2.2)	278.40	QCBS	Ex ante	100	0	No	Q2 2011	Q3 2014
	Consulting assignment 6: Municipal strengthening for environmental management (2.6)	103.20	QCBS	Ex ante	100	0	No	Q3 2011	Q4 2013
	Consulting assignment 7: Training for stakeholders and networks in good practices in ecotourism (3.1, 3.2)	211.00	QCBS	Ex ante	100	0	No	Q1 2012	Q3 2014
	Consulting assignment 8: Environmental education (3.4)	133.50	QCBS	Ex ante	100	0	No	Q2 2011	Q4 2013
	Consulting assignment 9: International ecotourism marketing (3.5)	320.50	QCBS	Ex ante	100	0	No	Q2 2011	Q4 2013
	Consulting assignment 10: Value chain experiences (3.7)	149.20	QCBS	Ex ante	100	0	No	Q2 2012	Q4 2014

Ref. No.	Description and type of procurement contract	Estimated cost (US\$000)	Procurement method	Review (ex ante or ex post)	Source of financing and percentage		Prequalification (Yes/No)	Estimated dates	
					IDB%	Local/ Other %		Publication of specific procurement notice	Completion of contract
	<b>Individual consultants</b>								
	Consulting assignment 1: Ecotourism training (1.2)	43.20	NICQ	Ex ante	100	0	No	Q2 2011	Q4 2012
	Consulting assignment 2: Organization of ANAM Ecotourism Unit (2.4(a))	54.40	NICQ	Ex ante	100	0	No	Q2 2011	Q4 2013
	Consulting assignment 3: Strategy monitoring (1.1)	54.00	NICQ	Ex ante	100	0	No	Q3 2012	Q2 2013
<b>IV</b>	<b>Nonconsulting services: investment funds and other</b>								
	Professional services in public use management (2.4(b))	247.00	NCB	Ex ante	100	0	No	Q2 2012	Q4 2014
<b>V</b>	<b>Coordination and administration (PCU)</b>								
	Project coordinator	145.60	NICQ	Ex ante	100	0	No	Q1 2011	Q4 2014
	Administrative specialist	104.00	NICQ	Ex ante	100	0	No	Q1 2011	Q4 2014
	Travel, per diems, meetings, and workshops	20.00	N/A	N/A	100	0	No	Q1 2011	Q4 2014
	External audit	50.00	QCBS	Ex ante	100	0	No	Q1 2011	Q4 2014
	Midterm and final evaluations	70.00	NICQ	Ex ante	100	0	No	Q3 2013	Q3 2014
		<b>4,000.00</b>							

**NICQ:** National individual consultant selection based on qualifications

**NCB:** National competitive bidding

**QCBS:** Quality- and cost-based selection



DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/11

Panama. PN-X1003. Nonreimbursable Investment Financing of the Global Environment Facility (GEF). Mainstreaming Biodiversity Conservation through Low-Impact Ecotourism in the Sistema Nacional de Areas Protegidas (SINAP)

The Board of Executive Directors

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized in the name and on behalf of the Bank, as Administrator of the IADB/GEF Fund, to enter into such agreement or agreements as may be necessary with the Republic of Panama and to adopt such other measures as may be pertinent for the execution of the project proposal contained in document AT-\_\_\_\_\_ with respect to a nonreimbursable investment financing of the GEF for the mainstreaming biodiversity conservation through low-impact ecotourism in the Sistema Nacional de Áreas Protegidas (SINAP).

2. That up to the sum of US\$4,000,000 is authorized for the purposes of this resolution chargeable to the resources of the IADB/GEF Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

(Adopted on \_\_\_\_\_ 2011)

LEG/SGO/CID/IDBDOCS#35388136  
PN-X1003