

**UNITED NATIONS ENVIRONMENT PROGRAMME
GLOBAL ENVIRONMENT FACILITY**

***CONCEPT DOCUMENT FOR THE INTEGRATED AND SUSTAINABLE MANAGEMENT
OF TRANSBOUNDARY WATER RESOURCES IN THE AMAZON RIVER BASIN***

Countries:	Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela.
Eligibility:	Participating countries are eligible for financing under paragraph 9b of the Instrument.
GEF Focal Area:	International Waters OP # 9
Cross-cutting Areas:	Climate Change Adaptation
Project Title:	Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin.
Strategic Priority:	IW Priority No.2/Climate Change Adaptation
Requesting Agency:	UNEP
Regional Executing Agency:	General Secretariat of the Organization of American States (GS/OAS)
Local Executing Agency:	Organization of the Amazon Cooperation Treaty (OTCA), in cooperation with the following national institutions: Bolivia: National Hydrology and Meteorology Service Brazil: National Water Agency/Ministry of the Environment (ANA/MMA) Colombia: Institute of Hydrology, Meteorology, and Environmental Studies Ecuador: National Water Resources Board Guyana: Guyana Water Authority Peru: National Institute of Natural Resources (INRENA) Suriname: Ministry of Public Works/Hydraulic Research Division Venezuela: Directorate of Hydrographic Basins/Ministry of Environment

Project Costs: To be determined during the execution of Project Development Facility, Block B (PDF-B) program. Estimated at US \$ 10.7 million from the GEF Grant Fund for an initial phase, including a PDF-B grant of US \$ 700,000.

**Financing Plan
(preliminary and indicative):** Full details of baseline and co-financing will be determined during project preparation:

GEF: US \$ 10.7 million

Countries: US \$ 5-6 million

Other* : US \$ 5-6 million

**Project Duration:
(preliminary)** To be determined during the PDF-B phase;
Estimated at 6 years, as follows:
PDF-B phase (1.5 years);
first phase of project execution (4.5 years)

Preparation Costs: US \$ 1.4 million for 23 months, with a US \$ 700,000 GEF-IW PDF-B grant

Work Program submission: July 2006 Inter-session Council Work Program

* Other = *inter alia* UNEP, OAS, WMO, CAF, IDB, etc, as per negotiations

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A. BACKGROUND

Description of the Basin

The Amazon River Basin occupies the entire central and eastern area of South America, lying to the east of the Andes mountain range and extending from the Guyana Plateau in the north to the Brazilian Plateau in the south. Its altitude ranges from 4,000 m in the western mountain range to sea level. The Basin covers more than 6,100,000 km², or 44% of the land area of the South American continent, extending into Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela. The Amazon River, which runs for approximately 7,100 km from its source in Peru to the Atlantic Coast of Brazil, is the world's longest, widest, and deepest river. Its discharge of approximately 210,000 m³ per second exceeds the combined discharge of the world's nine next largest rivers. Its hydrological characteristics are unique. The dense vegetation and large volumes of water that circulate throughout its extensive drainage network produce clouds over the Basin that generate high levels of precipitation and release heat, affecting the regional and global climate through tropical circulation patterns.

Most of the Basin is covered by tropical rainforest, accounting for more than 56% of all broad leaf forests in the world. The governments of the Amazonian countries have set aside approximately 6% of the region's area, or nearly 40 million ha (400,000 km²), as national parks and protected areas. The Amazon River Basin's enormous natural wealth has resulted in the development and survival of unique forms of life. Its ecosystems are characterized by great biodiversity, with more than 30,000 plant species, nearly 2,000 fish species, 60 reptile species, 35 mammal families, and approximately 1,800 bird species. The Amazon River Basin is also an important source of natural resources for human economic development. It contains some of the world's largest known reserves of bauxite (nearly 15% of the world total), and industries within the Basin are some of the largest suppliers of iron and steel to world markets. Wood and wood byproducts, gold, and tin are other products from the Basin that are increasingly in demand for export.



The Basin has widely varying climatic and topographic characteristics, with elevations ranging from sea level at the River's mouth, to an altitude of 6,500 m in the Andes. Precipitation levels range from 200 mm per year in the Andes to more than 6,000 mm per year in the foothills and plains. Seasonal variations in rainfall are the result of movements in the inter-tropical convergence zone (ITCZ), with periods of maximum precipitation occurring during the months of March through June in the northern hemisphere, and December through March in the southern hemisphere.

The Amazon River system is divided into 10 sub basins, the largest of which in area are the Negro, Xingú, Madeira, Tapajós, and Juruá sub basins. The Negro River subbasin (comprised of the Negro and Branco river systems) is the largest in area, accounting for nearly one-fourth of the Basin's total land surface. In terms of discharge, from a hydrological standpoint, an estimated 65% the Basin's

total flows into the Atlantic Ocean comes from the Solimoes and Madeira river sub basins, originating in the Andes and comprising about 60% of the Basin's land area. About 15% of the flow is from the Negro River subbasin. The greatest demand for water is found in the Madeira, Tapajós, and Xingú sub basins, where irrigation accounts for 90% of the demand.

The region's soils are generally characterized by a high degree of acidity; very poor buffering capacity; very low calcium, magnesium and potassium contents; low levels of phosphorus; and a high aluminum content. The soil's natural fertility is generally very low, with little structural stability or permeability, contributing to a high susceptibility to erosion. In the middle basin, only about 0.01% of the soil is estimated to be of a quality suitable for permanent or regular cultivation of fodder and essential crops, with about 6% being of fair quality for annual or permanent cultivation or pasturage. In the upper basin, nearly 20% of the soil has been classified as at risk in classes III and IV.

The population of the Amazon River Basin is estimated at approximately 10 million persons, mostly concentrated in urban areas (Iquitos, Leticia, Manaus, Río Branco, Porto Velho, Boa Vista, and Macapá, among others) along the river and its main tributaries. A high percentage of the total population consists of indigenous communities settled mainly along the banks of the river and its tributaries, and belonging, *inter alia*, to the following ethnolinguistic groups: Quichua, Inga, Secoya, Huitoto, Andoque, Ynomami, Waimiri, Atroari, Matis, Mayorum, and Ticuna. In recent decades, there has been an accelerated process of immigration into, and settlement within, the Amazon River Basin. Population growth rates range from 5.2% to 7.2%, well above the national averages for the Amazon countries. These factors, combined with the high levels of poverty, place constant pressure on the region's natural resources, and in particular on residual native forests.

Overall, the level of economic development in the region's interior is very low. Public and private investment is minimal, with limited infrastructure for meeting basic health care, sanitation, education, and energy requirements. Most of the Basin's area is accessible only by boat. One of the main economic activities in the Amazon region of Ecuador is petroleum exploration and production, while there are significant natural gas reserves in the Peruvian portion of the Basin. Nevertheless, regional production is very limited, consisting largely of agricultural, livestock and fish production—mainly for internal consumption—as well as production of forest products. Agriculture generally consists of low-tech, low-yield subsistence farming in the drier highlands, characterized by regular migrations that result in tree-felling, burn off, cultivation, and fallow periods, as well as periodic plantings on the banks of the River. There are a few commercial production areas in the upper basin, consisting largely of coffee, palm, and cacao plantations. Illicit crops are grown in large quantities in the Andean foothills. Both activities affect the behavior of the local population and the level of environmental pollution, given the intensive use of agrochemicals. Livestock production is incipient, low-tech, and geared toward internal consumption.

Fishing is of fundamental importance, commercially as well as in terms of food security for the population. This traditional, small-scale activity is closely connected with the river's hydrological cycle. In the lower basin, the pressure on fish resources is significant, with commercial catches of nearly 100,000 tons per year. Settlement, the introduction of modern fishing practices, and the use of chemicals appear to have adversely affected the aquatic life of the region, primarily in the upper basin.

Environmental Issues and Concerns

The mountainous portions of the Amazon River Basin, consisting of the eastern slope of the Andes in Bolivia, Peru, Ecuador, and Colombia, account for a little over 12% of the total land area of the Basin. Given the abundant rainfall and steep topography, the Andes are subject to severe erosion, with more than 1,000 tons/km²/year of sediment flowing toward the Atlantic Ocean. Measurements in the upper Madeira River subbasin indicate that, of the 3,200 tons/km²/year of sediment produced, up to 60% reaches no farther than the Andean foothills, at which point, the sharply reduced longitudinal gradients lower the stream's carrying capacity resulting in internal sediment deposition within the Basin. Overall, the Amazon River transports an average of 600 to 800 million tons of sediment annually, with the majority of the sediment coming from the Solimoes (62%) and Madeira (35%) river sub basins and originating in the Andes.

Given its expansive drainage system, the Amazon Basin is significantly affected by ENSO-type climatic variations (those causing a substantial decline in precipitation), considerably increasing the areas at risk from fire and defoliation. The last "El Niño" event of 1997 caused the worst drought in 25 years in the Amazon Basin. The drop in water levels in the Amazon River and its tributaries was substantial (Rio Negro alone registered a flow 8.6 meters lower than normal), drying-up areas usually flooded and altering ecological conditions that increased fire hazards throughout the Basin. Millions of acres of burned forest reduced visibility, caused respiratory problems, and closed airports at times. Lagoons and ecosystems became isolated because of drought, stranding recently hatched turtles, for example, and concentrating predators into smaller areas. Reduced river flows also caused power rationing and a reduction in river transport capabilities.

Current anthropogenic pressures on the Basin (defoliation, agriculture, mining, urbanization, etc.) are altering the condition of the plant cover and soils, which, in turn, modify and increase the area's vulnerability to climatic cycles. Studies indicate that changes in soil moisture and evaporation, caused by deforestation, can lead to persistent drought. Deforestation has increased significantly in recent years. In 1960, the deforested area in the Brazilian portion of the Basin totaled 97,600 km². With the major influx of people into the Region beginning in the 1980s, this deforested area has increased nearly six-fold, encompassing a total of 569,269 km² by 1999. Data published by INPE for 1999 and 2000 indicate a rate of deforestation of about 17,259 km² and 19,836 km², respectively. The deforestation processes differ from one portion of the Basin to the next. In the upper basin, where anthropogenic pressures on resources are greater, the rate of deforestation is high, while, in the middle and lower basins, forest extraction activities are limited—if highly selective—given the area's relative isolation, lack of infrastructure, and the heterogeneity of tree species per unit of land area. The main commercial species include cedar, caoba, aceite, aguacatillo, balsam, brazil, and rosewood. Around populated areas, major new settlements are accompanied by deforestation. Deforestation in the upper basin and at the edges of the middle and lower basins, and the clearing of plant cover for pasture creation, have led to significant soil loss, increasing sedimentation, altering drainage conditions, and increasing the likelihood of flooding in normally unaffected areas.

The main environmental problems affecting the project area can be summarized as follows:

1. Anthropogenic pressures, exacerbated by climatic variability—especially droughts, contributing to the destruction of fragile ecosystems, especially in the Andean foothills, owing to the uncontrolled expansion of agriculture and fishing.

2. Deforestation and clearing of plant cover, mainly in the upper basin, causing soil loss and erosion, reduced biodiversity, and sedimentation in the rivers. In the middle and lower basins, the problems of deforestation are associated with the over-exploitation of high-value forest species.
3. Water pollution, resulting mainly from the indiscriminate use of agricultural pesticides; the dumping of solid wastes and wastewater from populated areas; the use of persistent chemicals in connection with the cultivation of illicit crops; the use of mercury in gold mining (*garimpos*) and as a result of natural and anthropogenic alteration of soils; and, in Ecuador, crude oil spills.

There are already signs that economic activity and settlement processes are having adverse effects on the region's environment, though these have not been fully quantified for the Amazon River Basin as a whole. The available data and information suggest that the impacts thus far have been minimal in the middle and lower basins, largely because of their relative isolation and limited development in terms of infrastructure, ports, and avenues of communication with the interior of each country. Nonetheless, given the high population growth rates, massive and uncoordinated settlement processes, the expansion of agriculture and fishing from the west, and the growth in external demand for high-unit-value products such as animal hides, fine woods, gold, and coca leaves, the medium and longer term impacts can be expected to be more severe. The disappearance of plant life from river banks, sedimentation, changes in the course of the Amazon River, and water pollution are among the forms of ecological degradation already afflicting the region. In populated areas, many of the more severe forms of degradation are associated with human activities, and result from poor land use practices, exacerbated by lack of land use planning, minimal enforcement of environment protection laws and policies, and absence of effective land tenure programs. These issues must be addressed in order to avert the more severe and irreversible effects foreseeable over the medium and long term if current trends are not altered.

Political Framework

The participating countries are signatories to the Amazon Cooperation Treaty (TCA), a legal instrument signed in 1978 for the purpose of fostering integrated and sustainable development of the Amazon River Basin through bilateral or joint activities among the countries involved. Among the Treaty's objectives, particular importance is assigned to the implementation of joint activities and exchanges of information to promote harmonious development in the Amazon territories, so as to insure better environmental protection and the rational use of water resources (see Articles V and XV of the TCA, appended hereto as Annex 1).

The issue of water resources in the Amazon River Basin, and the need to manage them in an integrated fashion, has always been an important topic in the fora, discussions, and initiatives of the TCA. The First International Seminar on Hydrology and Climatology in the Amazon, held in 1984, revealed the need for, and the countries' commitment to, promoting the establishment of a hydrometeorological database for shared use by all member countries of the TCA. In this regard, the countries agreed to the exchange of specialists in the hydrology and meteorology within the Amazon region, the strengthening of technical cooperation in hydrology and climatology, the priority of seeking international financing for use in this area, and the control of water pollution, sedimentation, and erosion within the Amazon River Basin. Some of these initiatives have been carried out, though only partially, by Special Commissions of the TCA.

Subsequently, in 2002, the International Seminar on the Future of the TCA, held in Manaus, Brazil, underscored the need to establish a framework for coordinated action among the TCA countries for the integrated management of water resources throughout the Amazon hydrographic basin. The shared problems of frequent flooding and pollution, and the importance of a better understanding their causes and mechanisms to mitigate their economic, social, and environmental effects, provided the impetus for agreement. To this end, representatives of the Brazilian National Water Agency (ANA) introduced a proposal for an institutional framework for action to prepare a water resources project covering the entire Amazon River Basin. The aim of this proposal was to effectively initiate integrated water resources management within the world's largest hydrographic basin. This initiative coincided with the start of operations of the Organization of the Amazon Cooperation Treaty (OTCA), an entity created in 1998 by means of a Protocol of Amendment of the TCA as a mechanism for institutionally improving and strengthening the process of cooperation among the countries within the framework of the TCA.

The project proposal was officially presented during the Eleventh Regular Meeting of the Amazon Cooperation Council (CCH) and the Eleventh Meeting of the Foreign Affairs Ministers of the TCA, held in Santa Cruz de la Sierra, Bolivia, during November 2002. During this latter meeting, the Ministers welcomed the proposal presented by the OTCA to hold a technical meeting in Brasilia, Brazil, to continue the process of preparing the project proposal with a view to presenting it for consideration by the Global Environment Facility (GEF). The Declaration of Santa Cruz, signed by the foreign affairs ministers of the Amazon countries, stresses *"the importance of water resource management and conservation in the Amazon Basin and the need to integrate and harmonize the initiatives and efforts of each country."* It further expresses the concern of the foreign affairs ministers over *"the progressive melting of glaciers in the Andes Mountain Range, which could have severe consequences for the sustainability of the Amazonian forest."*

Subsequently, during July 2003, the OTCA, with support from the General Secretariat of the Organization of American States and the National Water Agency of Brazil, held a follow-up technical meeting in Brasilia in conjunction with a meeting of the DELTAmerica MSP (UNEP-OAS) steering committee. This meeting was attended by the focal points of the Inter-American Water Resources Network (IWRN), who prepared a preliminary document presenting the conceptual basis for a Program for Sustainable Water Resource Management in the Amazon River Basin. The results of this technical meeting, and the document resulting from the meeting, were then presented to a meeting of the Coordination Committee of the Amazon Cooperation Council, wherein the countries highlighted the strategic character of the proposal and jointly undertook to make it a reality.

Global Context and Rationale for the Project

The Amazon River Basin is the planet's largest, most biologically diverse watershed and the ocean's largest single source of continental waters and nutrients. The volume of precipitation in the Amazon region totals more than 15 trillion m³ per year and is critical to the global hydrological cycle.

Development efforts in recent decades have led to significant changes in the region's environment, which are understood to be altering the hydrological cycle and causing atmospheric variations both

regionally and globally, inasmuch as precipitation levels, evaporation rates, and runoff are being affected. These environmental changes are expected to continue and increase in the coming years and decades. There will be more roads and highways into the region's interior, greater demands in international markets for agricultural and forest products, new waves of migration and settlement, further oil exploration and development, and the rapid growth of cities and towns in the region's interior. As a result, the current problems of deforestation, erosion, sedimentation, and water pollution can be expected to worsen, and the alteration of water, energy, carbon, and nutrient cycles resulting from changes in plant cover can be expected to produce local, regional, and global climatic and environmental consequences.

The need for a framework for joint action of a preventive nature, as well as in guiding the development process, is increasingly evident given the global importance of this hydrographic basin and the growing threats to a biome that, to date, has been relatively unaffected by human settlement. The current institutional dynamic, with the creation and operationalization of the Organization of the Amazon Cooperation Treaty (OTCA), provides an excellent opportunity to strengthen and support the movement by the Amazon countries toward the integrated management of their shared water resources. Institutional development and strengthening, the coordination of policies and activities within the Basin, the generation and exchange of technical and scientific knowledge and information, the development of shared and harmonious legal regimes, the effective coordination of projects and initiatives in the region, and the identification of the principal current and emerging problems and joint solutions to those problems, are some of the aspects that could be addressed on a coordinated and coherent basis, laying the groundwork for the sustainable management and development of the planet's largest watershed.

Another important consideration is the large number of studies and activities being conducted by countries and research centers on environmental problems affecting the Amazon River Basin. There are numerous projects and initiatives, with both national and international financing (underway and programmed) that, though important in terms of their specific impact, remain isolated and generally national in scope. The efforts do not realistically allow for the joint preventive action needed to protect or sustainably utilize the Basin's water resources, which are of decisive importance for the survival of a key biome sustained by the world's largest watershed. The aim of this project is to develop a framework for joint action among the eight countries of the Amazon River Basin so as to integrate and rationalize these current efforts and find joint solutions to the principal transboundary problems affecting the water resources of the region.

This will clearly be a long-term effort. The development of an institutional structure for the coordinated management of the Amazon region is recent and still fragile. The challenge, in terms of hemispheric scale and the number of countries sharing responsibility (eight countries within the TCA), is great. All eight are developing countries, and their economic and technical capacities have evolved in very different ways, both in terms of scale as well as related institutional and legal frameworks. Accordingly, the project would be divided into three four-year phases: the first for planning and development of institutional capacity; the second for implementation of jointly identified strategic activities; and the third for strengthening sustainable and integrated water resources management in the Basin.

B. REGIONAL PRIORITIES, PROGRAMS, AND ACTIVITIES

The OTCA has developed its Plan of Action, the Program for Sustainable Water Resource Management in the Amazon, for the period from 2003 through –2005, in accordance with the guidelines established by the Meetings of Presidents and of the Foreign Affairs Ministers of the Amazon Countries, the Organization's highest policy and decision-making bodies. The Second Meeting of the Presidents of the Amazon Countries, held in Manaus, Brazil, during February 1992, with due consideration of issues identified in connection with the United Nations Conference on Environment and Development, agreed the following position with respect to the issue of water resources management:

1. Environmentally appropriate water resource management is essential for the preservation of ecosystems, the protection of health, and the promotion of well-being.
2. The close correlation between integrated water resource management and the protection of marine and land ecosystems, biological diversity, and rational soil use should be recognized. Sustainable water resource development programs at the local, national, regional, and global levels, and the necessary means to implement them, must therefore be identified.
3. Particularly significant, in this connection, are measures adopted at the national and regional levels for land use planning, conservation, and integrated watershed management. Such measures are essential to ensure that water resources are used appropriately for productive activities such as irrigation, fishing, energy production, and transportation, and to control pollutants through environmental prevention and control measures in respect of irrigation and the protection of human health.
4. The quality of life in a community correlates closely with the availability of treated fresh water in amounts and of a quality commensurate with the community's needs, requiring that precise water supply targets be established and achieved within a predetermined period of time, over the next decade.
5. Institutional development, training, public information and awareness, education, and the availability of financial resources are prerequisites for integrated water resource management. National efforts to integrate management of the region's watersheds should be recognized and supported through cooperation by the international community.

In accordance with Article V of the Treaty (see Annex 1), the Foreign Affairs Ministers, meeting for the first time in October 1980, in Belem, Brazil, recommended to the authorities of this regional cooperation mechanism that studies be conducted on the Amazon's water resources. Following that decision, subsequent ministerial meetings emphasized the importance of joint action in the area of water resources and land management, to ensure environmentally appropriate use and adherence to criteria for conservation, use, and rational management.

As indicated earlier in this document, the Foreign Affairs Ministers, meeting in Santa Cruz de la Sierra, Bolivia, during November 2002, decided to move ahead with this initiative. The Amazon Cooperation Council (CCA) welcomed the proposed project, and agreed to hold a first working meeting of the member countries of the Organization of the Amazon Cooperation Treaty to discuss

the preliminary Concept Document. Accordingly, in Brasilia, Brazil, on July 25, 2003, the Permanent Secretariat of the Organization of the Amazon Cooperation Treaty (PS-OTCA) organized the First Working Meeting of institutions responsible for water resource management in the OTCA member countries.

The execution of this program will address, in a crosscutting manner, the strategic priorities of Amazon basin countries with respect to production and the sustainable use of biodiversity; knowledge creation and technology transfer; regional integration; job and income generation; political structures; capacity building and institutional strengthening, as fundamental steps toward sustainable development in the region.

C. STRUCTURE OF THE PROJECT

General Objective

To strengthen the institutional framework for planning and executing, in a coordinated and coherent manner, activities for the protection and sustainable management of the land and water resources of the Amazon River Basin, endeavoring to realize a shared vision for sustainable development in the region, based upon the protection and integrated management of transboundary water resources and adaptation to climatic changes.

Specific Objectives

- i. Make progress toward the integrated management of land and water resources, and adaptation to climatic variation and change, through more effective decision-making by the relevant national institutions, based upon the forecast impacts of climatic variations and changes on land and water resources.
- ii. Strengthen the shared strategic vision for the Basin as the basis for integrated land and water resource planning and management, adaptation to climatic change, and sustainable development.
- iii. Strengthen the technical-institutional structure for the identification of land and water resources at risk of environmental impairment (critical areas or “hot spots”) in order to recommend measures, plans, and projects to protect and/or rehabilitate them and, in association with in the responsible institutions in each country, initiate remedial measures.
- iv. Generate more knowledge about the types and sources of water pollution in the Basin, monitor them, and attack their root causes.
- v. Assess the vulnerability of ecosystems and local communities to climatic variations, particularly droughts, analyzing adaptation options to altered flows in the glacial headwater areas and other vulnerable regions.
- vi. Make progress toward the harmonization of legal framework, the development of economic instruments, technical and institutional capacities, and public participation and involvement for the management of land and water resources in the Basin.
- vii. Strengthen the TCA Secretariat as an effective coordination agency for countries in the Basin in the short-, medium-, and long-terms.

PRIORITY AREAS FOR ACTION

Detailed determination of project components and activities will take place during the project preparation phase, based upon the results of studies to be conducted and the public participation and involvement process. However, based on preliminary consultations and the results of seminars, meetings and workshops held to discuss the conceptual underpinnings of this initiative, the project has been designed around six pillars, or principal components, whose execution, including the activities to be conducted during the preparation phase, will help to establish a political-institutional structure for action based on the Amazon Cooperation Treaty. Through such a strategic approach, it is proposed to establish a framework for actions to promote sustainable development in the region.

As noted above, the project is envisaged as a long-term activity, to be carried out in three phases. The first phase will consist of strategic planning and institutional strengthening, including the development of a transboundary diagnostic analysis (TDA) of the Basin and preparation of a Framework Strategic Action Program (Framework SAP). These actions will be carried out at the subbasin level in response to major environmental problems (actual and potential) affecting the region, particularly those relating to land and water resources. Pilot demonstration projects will be carried out in areas to be determined during the project preparation phase, so as to provide information on the economic, social, and environmental feasibility of the interventions proposed. The second phase will seek to implement the strategic actions identified, and to consolidate the institutional strengthening measures initiated during the first phase of the project. The third and final phase is designed to strengthen the sustainability of the measures taken in response to the Framework SAP, consolidating the integrated and joint management of the land and water resources of the Basin by the Amazon countries, at the subbasin level.

The total cost of the project will be determined during the preparation phase. The cost of the first phase is expected to be about US \$ 23 million, US \$ 10 million of which is anticipated to be financed by the GEF, with US \$ 10 million in counterpart funding from the participating countries and US \$ 3 million from other sources, including the CAF and participating agencies.

The Components, expected results, and outcomes of the initial, 4-5 year phase are as follows:

COMPONENT 1. Consolidation of a shared vision for the Amazon River Basin and formulation of a Transboundary Diagnostic Analysis (TDA) for the Amazon River Basin

This Component will consolidate and disseminate a shared “Vision” for the Amazon River Basin to be developed during the project preparation phase and agreed by the eight countries of the Basin. Through this Component, governmental institutions responsible for land and water resources management and the environment, academic institutions, private enterprise, nongovernmental organizations (NGOs), and civil society, in general, will develop and share major strategic objectives for the Basin, particularly with respect to transboundary issues requiring coordinated and joint action in areas related to the protection and sustainable use of land and water resources, adaptation to hydrological variability and climate change. The development of a “Vision for the Amazon River Basin” is a political and technical objective of the highest order, with which Amazon basin countries will achieve a consensus about the critical aspects and areas for action, establishing the basis for the Framework Strategic Action Program for the protection of their shared heritage, and facilitating the participation and financial support of other entities.

Indicative Activities

A Transboundary Diagnostic Analysis (TDA) of the Amazon River Basin will be undertaken, using an inclusive and participatory methodology, at the level of the entire Basin, endeavoring to define the direct causes and root causes of shared transboundary problems limiting sustainable development in the Basin. During TDA formulation, particular emphasis will be given to the identification of transboundary factors that pose risks to, or threaten, the integrated and sustainable use of water and hydrobiological resources in the Basin, seeking to characterize existing and foreseeable pollution, and to identify threats and "hot spots", with a view of promoting the framing of agreements for the sharing of scientific research and studies on the Amazon's aquatic biodiversity, and the harmonization and regulation of shared use of its waterbodies and land resources. The extensive consultation process envisioned for the TDA will also analyze critical socio-economic issues affecting local communities and indigenous groups, including health and sanitation, mining pollution, and drought/flood impacts, among others.

A preliminary TDA will be developed during the PDF-B project preparation phase, by pooling scientific and technical knowledge and arranging for the organized participation of different sectors of society, including academia, governmental institutions, NGOs, indigenous groups, etc. The focus initially will be on the principal sub basins with a view to subsequent integration at the Basin level. The threats identified at the subbasin level will be utilized to develop pilot demonstration projects in critical geographic and subject areas with the participation and involvement of affected groups, stakeholders, and financing agencies. These pilot demonstration projects will endeavor to forge alliances and associations for the future execution of the Framework Strategic Action Program. Particular emphasis will be placed on legal- and policy-related factors contributing to failures of enforcement and resource management leading to anthropogenically-induced environmental concerns in each of the major sub basins.

Expected Results and Outputs

- A Transboundary Diagnostic Analysis (TDA) of the Amazon River Basin, agreed by the eight countries, with the main environmental issues, their possible root causes, and "hot spots" within the Basin defined and identified at the subbasin level.
- A documented analysis of the principal threats to hydrobiological resources from land-based activities in critical areas of the Basin, by subbasin.
- An analysis of the political and legal framework governing the development and management of the Amazon River Basin, with an emphasis on reconciling policy conflicts, rationalizing sectoral demands and requirements, and coordinating actions for the sustainable development of the land and water resources of the Basin.
- A Framework Strategic Action Program (Framework SAP), agreed by the eight countries, outlining the policy, legal, and institutional reforms needed to address the critical issues within each subbasin as identified in the TDA, to be implemented during subsequent phases of the project.
- A consolidated Vision for the sustainable development of the Basin, agreed by the eight countries, with established mechanisms and processes for its promotion and dissemination within the region.

- Strategic alliances and agreements established among countries (within the framework of the TCA) and with financing agencies identified and briefed for the execution of priority transboundary activities.
- Identified and jointly implemented measures, within identified “hot spots,” to combat water pollution and deterioration of water quality, to promote the exchange of knowledge and technologies, and to enhance mechanisms for multinational and inter-institutional cooperation, including the development and/or harmonization of laws, regulations, and operating protocols.

Anticipated Outcomes

- Improved management of shared land and water resources within the Amazon River Basin as a result of targeted application of resources to address priority transboundary problems, and adoption and utilization of shared procedures and processes to effectively address priority transboundary concerns
- Enhanced coordination of resources at all levels of government and civil society within the Basin.
- Laws, regulations, and operational protocols for the sustainable management of the Basin’s land and water resources harmonized and integrated across sectoral and jurisdictional boundaries.

COMPONENT 2. *Institutional Strengthening and Capacity Building for Integrated Water Resource Management in the Amazon River Basin*

The strengthening of the institutional and technical capacities of Basin-wide, national, and sub-national institutions to implement a shared vision is critical to overcome the current fragmented efforts taking place in the Amazon Basin. This Component seeks to strengthen the technical and managerial capacity of water resource management institutions responsible for the sustainable management of the Basin, to support the regional coordinating role of OTCA, and to strengthen the capacity of Basin institutions to exchange information and experiences on matters pertaining to land use, water resources, climate, and meteorology. Specific efforts will be made to upgrade the existing hydrometeorological stations in the upper, middle, and lower Amazon River Basins, in order to improve, qualitatively as well as quantitatively, the availability of necessary hydrological, physical-chemical, and biological information within the Basin at appropriate spatial and temporal resolutions.

Indicative Activities

During the project preparation phase, opportunities and needs for institutional capacity building will be identified, particularly in relation to integrated water resources management, so as to design the activities to be implemented during the first phase of the project. Preliminary designs for an enhanced, integrated hydrometeorological system will also be developed during the project preparation phase, with the participation of the hydrological and meteorological agencies in each country, and with a view to addressing stakeholder needs and requirements for such information.

Expected Results and Outputs

- Strengthened capacity of national water agencies and sub-national institutions to implement the Framework Strategic Action program and reforms identified during the TDA/SAP formulation process.
- Interministerial and intersectoral mechanisms for encouraging the participation and involvement of all relevant ministries and organizations from civil society in the process of developing the project document, TDA, Framework SAP, and Vision for the Amazon River Basin. Established institutional arrangements for project execution, including the participation of civil society and indigenous groups, with an emphasis on the most vulnerable communities.
- Strengthened capacity of the OTCA to coordinate with sectoral ministries, civil society, and stakeholders in general the formulation and implementation of plans and programs for integrated water resource management and sustainable development within the Basin.
- An operational hydrological-environmental information and decision support system (DSS) implemented and operating in each country, to support decision-making in the Amazon River Basin, oriented initially toward assisting the Basin countries and their communities in dealing with hydrological variability due to climate change and associated droughts and reduced instream flows.
- An operational information system for the exchange of data and experiences among Amazon countries in the fields of land and water resource management, climate, and meteorology, and a Documentation Center for the Amazon River Basin established within the framework of the OTCA and consistent with the standards of IW-LEARN.
- A project document, agreed by the countries within the framework of the OTCA, for a second, implementation phase.

Anticipated Outcomes

- Improved management of shared land and water resources within the Amazon River Basin, at both basin and subbasin level, based upon effective institutional arrangements and a shared information and knowledge base.
- Enhanced coordination, collaboration, and communication between governmental units and civil society at all levels within the Basin.
- Implementation of an agreed Framework SAP involving the active participation and involvement of all levels of government and civil society within the Basin.
- Better public policy relating to the management of shared land and water resources consequent to the improved level of knowledge and enhanced dissemination of information at all levels of government and civil society.
- Accessible data informing stakeholder decisions at all levels of government and civil society in the Basin.

COMPONENT 3. Forecasting the hydrological impact of climate variation and change and the implications for development

This Component will build a scientifically-based consensus on climate, within and among the Amazon countries, in the interest of environmentally sustainable development and the prevention of

losses due to extreme events in the Basin. Specifically, the objective of this Component will be to strengthen the capacity for forecasting the impacts and consequences of climatic variation (in the short- and medium-terms) and change (in the longer term) on the land and water resources of the Amazon River Basin. Development of this capacity will include obtaining or producing forecasts with respect to: (i) global climate variation and change; (ii) regional climate variation and related phenomena (i.e., ENSO); (iii) climate variation and change in selected areas of the Basin; (iv) hydrological trends in the Basin and its principal sub basins, including its glacial headwaters; (v) trends in the sediment loads and surface discharges of the major rivers of the Basin; and, (vi) extreme hydrological events (droughts and floods). This Component also will aim to consolidate and strengthen the preparation and execution of joint research projects, and promote the exchange of scientific information, knowledge, and experiences among the relevant agencies in the participating countries. This Component will seek to encourage closer contacts between the scientific community and decision-makers, and to strengthen joint research groups on specific priority topics, thereby helping to shape a new generation of scientists resident within the Basin. This Component will complement efforts to acquire and disseminate information of the land and water resources, and climate, of the Basin to all stakeholders and interested persons within the Basin and elsewhere.

Expected Results and Outputs

- New research programs into climatic trends and their effects within the Amazon River Basin conducted by staff in academia and meteorological research institutions within the Basin.
- An operational hydroclimatological and soil use forecasting system installed within the Amazon River Basin, providing data for enhanced forecasting and drought/flood modeling capacity at both the Basin and subbasin levels.
- An assessment of the vulnerability of specific communities and ecosystems to extreme hydrological events, especially droughts and drought-induced fires, at the subbasin level.
- Identified options to assist the most vulnerable communities and identified ecosystems to adapt to extreme hydrological events, initially focused on drought management and response at the subbasin level and in the headwater areas of the Amazon River system.
- Defined and agreed strategic actions identified in the Framework SAP for reducing the impacts of development on climate variation and change, through horizontal cooperation and with international support within the Amazon River Basin.

Anticipated Outcomes

- Trained and motivated human resources exist within the Basin and are actively employed in integrated land and water resources management activities at all levels of government and civil society.
- Lives and property protected from extreme climatological events and natural hazards.
- Coordinated interventions within the Basin, adequately supported by human, financial, and institutional investment from within and outside the Basin.

COMPONENT 4. *Integrated and sustainable management of land and water resources*

Whereas Components 1 and 2 specifically target the political-legal and institutional factors contributing to the degradation of land and water resources in the Basin, at the subbasin level, this

Component will focus actions on the geographic manifestations of these failures, targeting not only critical environmental issues, but also related socio-economic development problems in selected “hot spots”, as identified through the TDA and public participation processes. Specifically, this Component will seek to implement sustainable land-use and conservation measures, promote the rehabilitation of degraded lands and waters, and initiate the adoption of sustainable land-use systems and water management practices in critical and vulnerable communities and ecosystems (i.e., in specific “hot spots”). Priority socio-economic issues like human health, sanitation, and poverty alleviation, as identified at the World Summit on Sustainable Development (WSSD), will also be important aspects of this Component.

Indicative Activities

Based on the results of the preliminary TDA and Vision processes, and the assessments of vulnerability of specific at-risk communities and ecosystems to climatic variability and change conducted under Component 3, actions in this Component will aim to alleviate existing, and/or prevent future, environmental degradation caused by land-based activities (mining, deforestation, urbanization, and their related runoff and pollutant discharges). Specifically, activities will be directed toward controlling transboundary pollution, preventing and monitoring soil degradation resulting from deforestation and inadequate land use, preventing the physical and biological degradation of critical habitats, and developing and implementing measures to control the overexploitation of natural resources, particular hydrobiological resources, within selected, vulnerable communities and ecosystems. To this end, environmental zoning and/or land-use plans will be prepared and/or updated for critical areas, where necessary, so as to direct productive activities and settlements toward places with the capacity to support them, while protecting areas where water resources and natural ecosystems are most at risk.

Expected Results and Outputs

- Documented analyses of the principal threats to hydrobiological resources from land-based activities in identified critical areas of the Basin, by subbasin.
- Harmonization, strengthening and implementation of environmental zoning and land-use plans for selected at-risk areas.
-
- Sustainable development (income-generating) plans and programs prepared and implemented at the community level.
- Dissemination of appropriate technologies for optimal and sustainable use of hydrobiological resources.
- Reduced pollution and contamination caused by the indiscriminate use of agricultural pesticides, wastewater from populated areas, mercury in gold mining, and as a result of natural and anthropogenic alteration of soils.
- Action plans and community programs developed to improve health and sanitation conditions in selected areas.
- Numbers or acres of land subjected to sustainable management practices, contributing to improved public health, welfare, and economic well-being.

Anticipated Outcomes

- Improved management of shared land and water resources within the Amazon River Basin as a result of targeted application of resources to address priority transboundary problems, and adoption and utilization of shared procedures and processes to effectively address priority transboundary concerns.
- Stakeholder processes and procedures become sustainable, optimizing the utilization and conservation of shared land and water resources.
- Effective governmental and nongovernmental organizations actively involved and engaged in sustainable economic activities.
- Land-based best management practices are adopted and implemented within the Basin, leading to improved water quality, sanitation, human health, and sustainable economic activity.

COMPONENT 5. *Public participation for integrated management of water resources in the Amazon River Basin*

This Component consists of activities for the sharing of experiences and knowledge, the exchange of information, and the participation of civil society and stakeholders in the decision making processes required for project design and implementation, and in general terms, for sustainable land and water resource management and development in the Basin.

Three groups of activities are envisioned:

- i. *The empowerment of participation and involvement by civil society* through disseminating information to communities, corporations, organizations, public gatherings, and the media (including radio, television, Internet, print media, newsletters, etc.); through consultations with communities and affected groups, including indigenous populations, NGOs, and the private sector within the Basin; and through the identification and implementation of consultative processes to empower communities and affected groups within the decision-making framework of the Basin and the participating countries.
- ii. *The generation and dissemination of scientific and technical knowledge* on the Basin's water resources, land and water use and management, climatic variation and change, water quality and sediments, aquatic biodiversity and fisheries, and hydrogeology, and the dissemination of information of general interest to the public, scholars at all levels from primary to tertiary, and other entities concerned with the Amazon River Basin.
- iii. *The execution of pilot demonstration projects replicating best practices*, in terms of methodological approaches, results, and recommendations in other representative areas of the Amazon River Basin. These projects, conducted as activities within the Components of this project, identify and address the principal transboundary problems of environmental degradation within priority areas for action at the national and multinational levels. The results of these projects will form inputs to the Framework Strategic Action Program to be implemented during the second stage of the project. The selection of pilot demonstration projects will be made during the project preparation phase, and in close consultation with the affected local groups. These projects are expected to focus on water quality (pollution from mining and "garimpos"), environmental sanitation, potable water supply, sustainable fishing

and fish farming, hydrological warning and response systems for droughts and floods, the rehabilitation of impaired areas, and land use and soil conservation.

Expected Results and Outputs

- Local implementation teams formed in each subbasin, involving, among others, stakeholders, NGOs, indigenous groups, and the private sector. Teams actively involved in project design and execution.
- Periodic consultations through public meetings for feedback to project steering committee.
- Documented project ownership and the active involvement of affected communities and groups, participating in the design, execution, and evaluation of the pilot demonstration projects.
- Information compiled and synthesized in technical documents on the technical, economic, social, and environmental feasibility of the practices to be implemented during the following phase in the control the principle environmental problems identified.
 - Hectares of degraded land and water ecosystems rehabilitated, and lands and waters protected from degradation, within the Basin

Anticipated Outcomes

- Improved management of shared land and water resources within the Amazon River Basin as a result of targeted application of resources to address priority transboundary problems.
- Enhanced involvement and participation by stakeholders at all levels of government and civil society within the Basin.
- Trained human resources, effectively supported by appropriate institutions and adequately financed, available to local communities and stakeholder organizations within the Basin.
- Sustainable land and water use policies and practices adopted by stakeholders in the economic development of the Basin.
- Sustained public investment in, and support for, effective public policies supporting sustainable development of the land and water resources of the Amazon River Basin.

D. INSTITUTIONAL ARRANGEMENTS FOR PROJECT IMPLEMENTATION, PUBLIC PARTICIPATION, AND SUSTAINABILITY

Institutional Arrangements

The OTCA is the agency designated by the eight signatory countries of the Amazon Cooperation Treaty as the local executing agency for this project. The OTCA will receive technical and administrative support in developing and implementing the project from the General Secretariat of the Organization of American States, through the Unit for Sustainable Development and Environment, and the OAS National Offices in the participating countries, and from the United Nations Environment Program (UNEP), as GEF implementing agency for this project.

The OTCA will coordinate the activities to be undertaken by the countries in terms of this proposal. Project execution will be coordinated in each country by the National Permanent Committees of the TCA, multisectoral entities established by the countries for implementation and application of the Treaty. (Annex 3 presents the institutions that make up each of the National Permanent Committees participating in this project). These Committees will act as **interministerial** and **intersectoral**

committees for the purposes of the project, serving as focal points for not only governmental but also societal participation and involvement in the project. The National Permanent Committees of the TCA embody the country-level commitment to the project, under the coordination of the Secretary General of the OTCA, who will act as Project Director during the preparation phase. In this capacity, the Secretary General will coordinate the technical work of the project and will supervise preparation of the project brief.

The GS/OAS, as the regional executing agency, and in consultation with the OTCA and UNEP, will hire the Project Technical Coordinator, who will be the specialist responsible for programming, coordinating, and supervising the technical work of the project, in close coordination and cooperation with the OTCA, UNEP and GS/OAS. The Technical Coordinator will work at the OTCA headquarters in Brasilia and will travel from time to time to the Amazon countries as necessary in support of the project activities.

The institutions responsible for water resource management in each country—the designated national focal points for the Inter-American Water Resource Network (IWRN)—will act as the National Executing Agencies for the project. These institutions will have responsibility for monitoring and executing the technical activities of the project, in coordination with and supported by the Permanent National Commissions, as described above. The National Executing Agencies have been tentatively identified as follows:

- Bolivia: National Hydrology and Meteorology Service
- Brazil: National Water Agency (ANA)/Ministry of Environment
- Colombia: Institute of Hydrology, Meteorology, and Environmental Studies
- Ecuador: National Water Resources Board
- Guyana: Guyana Water Authority/Hydraulic Research Division
- Peru: National Institute of Natural Resources (INRENA)
- Suriname: Ministry of Public Works
- Venezuela: Directorate of Hydrographic Basins/Ministry of Environment.

During the project preparation phase, the National Executing Agencies will be responsible for coordinating and conducting, within each country, the seminars, workshops, hearings, and other activities to ensure the participation and involvement of academic institutions, civil society, indigenous groups, stakeholder organizations, and institutions engaged in activities relevant to the project. These Agencies also will endeavor to incorporate the results of these consultations in the technical proposals to be implemented during the project. It is envisioned that the National Executing Agencies will facilitate day-to-day interministerial discussion, coordination, and participation in project activities, and ensure the active involvement of sister units of government having interests and mandates in the area of land and water resource management in the Amazon River Basin.

The National Executing Agencies, together with the OTCA, GS/OAS, and UNEP, will form part of a Technical Committee, which will meet regularly to review and discuss progress, achievements, and difficulties encountered in project execution. This Committee will address the scientific and technical aspects of the project for the Amazon River Basin as a whole. Representatives of the other GEF implementing agencies (UNEP, World Bank) and of regional and international financing

agencies (CAF, IDB, etc.) will be invited to attend and participate in meetings of the Technical Committee, in an *ex officio* capacity.

A Steering Committee will also be set up to establish general guidelines for the work and supervise overall implementation of the project. This Steering Committee will be structured along the same lines as the Amazon Cooperation Council (CCA) (see section F), and act through the CCA Coordination Committee, as the Treaty authority responsible for ensuring that activities undertaken in the Basin are consistent with the aims of the Treaty. The CCA Coordination Committee is tasked by the CCA with taking decisions concerning the bilateral or multilateral execution of projects and studies. For the purposes of the project, representatives of GS/OAS and UNEP, as well as other agencies and entities cooperating in the project, will be invited to attend meetings of the Steering Committee.

Public Participation and Involvement

The present project proposal is based upon the results of various seminars, workshops and meetings conducted within the framework of the Amazon Cooperation Treaty. The basic elements of the project were discussed during the meeting of the IWRN focal points from the Amazon River Basin countries, convened at the margins of the DELTAMERICA MSP (UNEP-OAS) meeting, with the participation of the National Hydrology and Meteorology Service of Bolivia; the National Water Agency (ANA), the Secretariat for Water Resources (SRH), and the Ministry of Environment of Brazil; the Institute of Hydrology, Meteorology, and Environmental Studies of Colombia; the National Water Resources Board of Ecuador; the National Institute of Natural Resources (INRENA) of Peru; and the Department of Hydrographic Basins of the Ministry of Environment of Venezuela.

During the project preparation phase, activities will be designed to ensure greater and more effective participation and involvement by civil society, particularly by stakeholders and indigenous groups, at the level of the principal sub basins. For each subbasin, a program of meetings and consultations with civil society will be conducted, involving local authorities, universities, academic and research groups, governmental institutions, NGOs, industry, etc. A series of pilot demonstration projects also will be conducted in each subbasin to address the issues and areas most representative of the transboundary problems affecting the specific area. In this way, the direct participation and involvement of affected communities in the selection and characterization of priority problems, and in the development of the technical proposals to solve them, will be facilitated. A Public Participation Program and Public Involvement Plan will be developed during the project preparation phase for implementation during subsequent phases of the project.

Sustainability

Sustainability of the project is related to the strengthening of the OTCA and participating national institutions (particularly those concerned with water resource management), the direct involvement and participation of affected communities, the involvement of financing agencies during the initial stages of project execution, and the incorporation of project results in the environmental agendas of each country and each of the economic sectors involved. The participation of the Permanent National Commissions of the TCA, as Interministerial Committees, and the National Executing Agencies will enhance the sustainability of the project and contribute to the replication of sustainable practices within the Amazon River Basin. The participation and involvement of these

agencies, as well as agencies of local government, stakeholder organizations, and other interested groups from within civil society, will ensure that adequate institutional, human, and financial resources are available to implement agreed strategic actions in the Basin.

E. MONITORING AND EVALUATION

UNEP, as the GEF implementing agency and in cooperation with the GS/OAS as regional executing agency, will ensure that the project meets the GEF reporting and financial management requirements. In addition, UNEP, GS/OAS, and the OTCA within the framework of the Steering Committee will be responsible for defining and supervising compliance with monitoring and evaluation indicators to be defined during the initial stages of the project. The definition and use of indicators for process, stress reduction, and environmental status will form an integral part of the entire project. These indicators, to be established for each of the project Components, will be defined during the project preparation phase and agreed to by the Steering Committee. The objective of monitoring is to help improve, and if necessary revise or modify, the project work program and to create a basis for project evaluation. Supervision will be conducted by the implementing agency through the regional executing agency and through direct participation in Steering Committee meetings.

During the project preparation phase, a comprehensive monitoring and evaluation plan will be prepared taking into account the GEF indicators for international waters, as well as other relevant indicators for the final products and results as established for each Component. The plan will provide a mechanism for periodic monitoring and evaluation using the agreed indicators to follow project progress from start to finish. All of the indicators will be quantified with numerical and chronological targets. Verification measures will also be described. During the project preparation phase, efforts will be made to collect all of the necessary reference data and identify any information gaps to be filled during the initial stages of project execution.

F. INFORMATION ON THE PROJECT PROPONENTS

Since the Amazon Cooperation Treaty was signed on July 3, 1978, Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname, and Venezuela have been deeply and broadly committed to joint activities to promote harmonious development in the region, the characteristics of which were clearly conceived and defined in the Treaty. This singular commitment has now given the Amazon countries a wide selection of policies and strategies through which to achieve sustainable development goals for the region.

A quarter century after the Treaty entered into force, and with a view to developing sustainable responses to shared concerns within the vastness and complexity of the Amazon River Basin, and based upon an integrated and comprehensive Vision, the States Parties decided to institutionalized this cooperation by creating the Organization of the Amazon Cooperation Treaty with its own Permanent Secretary, headquartered in Brasilia, Brazil. This new Organization entered fully into operation during January 2003, marking a historic milestone in terms of efforts to achieve more efficient and effective coordination of policies and strategies in pursuit of the sustainable development of the Amazon River Basin. The active participation of other societal actors is a key element of this new organization's operating philosophy and mandate.

The institutional structure of the Organization of the Amazon Cooperation Treaty (OTCA) comprises the following:

- i. *Meetings of Ministers of Foreign Affairs (MRE)* are the highest Treaty authority, with responsibility for establishing basic guidelines for a common policy and evaluating the Organization's work, programs, and projects.
- ii. *Amazon Cooperation Council (CCA)* forms a high level diplomatic organ responsible for ensuring compliance with Treaty objectives and purposes, examining proposals, making recommendations, and ensuring compliance with decisions taken by the Meetings of Foreign Affairs Ministers.
- iii. *Permanent Secretariat* is the executive body responsible for promoting and executing the cooperation activities agreed to by the Meetings of Foreign Affairs Ministers and the Amazon Cooperation Council.
- iv. *Coordination Committee of the Amazon Cooperation Council (CCOOR)* forms an auxiliary, consultative entity within the CCA, composed of diplomats from the States Parties stationed in Brazil.
- v. *Special Commissions*, at the operational-sectoral level, have responsibility for studying and promoting activities in response to specific problems or issues, including: environment, science and technology, indigenous affairs, health, transportation, communications and infrastructure, and tourism.
- vi. *Permanent National Commissions (CNPs)* are the highest political, advisory, consultative, and coordinating authorities for sustainable development of the Amazon River Basin in each of the countries concerned. The Permanent National Commissions are responsible for ensuring proper application of the Amazon Cooperation Treaty in each country and supervising compliance with and execution of the decisions taken and agreements reached by the Treaty's governing bodies. The CNPs are inter-ministerial and ensure a crosscutting approach to activities within the Basin through the participation of different governmental bodies directly or indirectly responsible for executing programs or projects in the Amazon River Basin. When considered necessary, the CNPs can draw on participation from other state and national agencies, academia, nongovernmental organizations, and the private sector, among others.

G. INFORMATION ON THE PROPOSED REGIONAL EXECUTION AGENCY

The OAS is the oldest regional association of nations in the world, dating back to the First American International Conference, held in 1890, in Washington, DC. It constitutes a regional agency within the framework of the United Nations. The Organization's Charter was signed in Bogotá, Colombia, in 1948, as amended by the Protocol of Buenos Aires which entered into force in

1970. Today, the OAS is composed of 26 Member States. The Organization's General Secretariat, its central, permanent organ, is headquartered in Washington, DC.

According to its Charter, the essential purposes of the Organization of American States (OAS) include: strengthening the peace and security of the continent; preventing possible causes of difficulties and ensuring the peaceful settlement of disputes that may arise among the Member States; providing for common action in the event of aggression; seeking solution of political, judicial, and economic problems that may arise among the States; and, promoting, through cooperative action, the economic, social, and cultural development of the Member States.

The Unit for Sustainable Development and Environment (USDE) is the primary technical instrument of the OAS General Secretariat responsible for responding to the needs of Member States in the area of sustainable economic development. The areas addressed by the USDE include transboundary water resource management, reduction of vulnerability to natural hazards, public participation in decision-making, climate change and sea level rise, coastal area management, renewable energy planning, and biodiversity.

Since its establishment in 1963, the Unit has evolved from an office dedicated to the preparation of natural resource inventories in various countries to one whose main activity is to follow up the mandates of Agenda 21, and the Summit of the Americas on Sustainable Development held in Bolivia. The USDE assists Member States in the preparation of projects for the purpose of obtaining loans or grants from bilateral and multilateral agencies, and nongovernmental, academic, and research organizations. The value of the current portfolio of projects executed by the USDE in cooperation with the countries, UNEP and/or World Bank is approximately US \$44 million, and includes the Bermejo, Upper Paraguay, San Francisco, Guaraní, and la Plata Basin projects financed by the GEF.

H. LINKS WITH PROGRAMS AND ACTIVITIES OF THE IMPLEMENTING AGENCY AND GEF

UNEP Programs and Activities

The project activities are consistent with the UNEP Environmentally Sound Management of Inland Waters (EMINWA) integrated watershed management planning process and related, regional seas programmes, and with the UNEP-GEF Plan of Action for Complementarity, which provides the framework for GEF projects. The project activities conform to the UNEP-GEF III strategy, which is based on the following four pillars:

1. Environmental evaluations, analysis, and research.
2. Development and demonstration of tools and methodologies for improving environmental management.
3. Strengthening of national capacities for implementing commitments undertaken as by signatories of environmental conventions and agreements.
4. Management of transboundary ecosystems, through developing a portfolio of GEF projects based on experience gained during previous projects and initiatives in each global region,

including the formulation of Transboundary Diagnostic Analyses and Strategic Action Programs, with emphasis on interventions in respect of integrated water resource and land management in the major watersheds of Latin America.

In Latin America, UNEP is partnership with the OAS and together with the riparian countries is currently the GEF Implementing Agency for a portfolio of approximately US\$ 29 million of GEF grant which includes the Bermejo, Upper Paraguay-Pantanal, Sao Francisco, Plata and DELTAmerica projects.

GEF Programs and Activities

Among the various initiatives being developed with GEF financing in the Amazon River Basin, those most directly related to this proposal include:

- Program for Protected Areas in the Amazon Region (ARPA): The aim of this program is to expand and consolidate protected areas within the Amazon Region of Brazil. The objectives of the first phase include: creating new protected areas totaling 18 million ha; consolidating 7 million ha under strict protection; establishing and operating a fund for the establishment and management of protected areas; and establishing a system for monitoring and evaluating the status of protected areas. Focal Area: Biodiversity. GEF Financing: US \$ 30.3 million.
- National Biodiversity Project (PROBIO): The objectives of this project are to: 1) cooperate with the Government of Brazil in initiating a program for the conservation and sustainable use of biodiversity, encouraging the development of subprojects and facilitating joint efforts between the public and private sectors, and disseminating information on biodiversity; and, 2) promote and support alliances between government, nonprofit organizations, academic institutions, and the private sector in improving the conservation and sustainable management of biodiversity. Focal Area: Biodiversity. GEF Financing: US \$ 10 million.
- Regional Strategy for the Conservation and Sustainable Use of Natural Resources in the Amazon Region: This regional project seeks to: 1) develop geographic information systems compatible at the regional level, and 2) strengthen national institutions for the management of protected areas, the rehabilitation of degraded areas, the implementation of zoning and land use plans, information sharing, and cooperation with the Amazon Cooperation Treaty in the development of regional strategies. The project includes activities with indigenous groups to identify traditional knowledge and promote the adoption of these practices by other communities at the regional level. Focal Area: Biodiversity. GEF Financing: US \$ 4.5 million (project completed).
- Renewable Energy Systems in the Peruvian Amazon Region: The objective of this project is to remove technical, financial, institutional, and information-related obstacles to the development of renewable energy in the region. The project includes: 1) the installation and operation of RAPS systems; 2) training for the operators of private RAPS systems; 3) establishment of energy efficiency programs; 4) identification and promotion of income-generating activities; 5) coordination, monitoring, and evaluation of RAPS system operations; and 6) promotion of dialogue on renewable energy and rural electrification policies. Focal Area: Climate Change. GEF Financing: US \$ 748,000.

- Conservation of Biodiversity and Natural Resource Management at the Community Level in the Nanay River Basin: This project broadens conservation efforts and enhances the participation and involvement of local actors in the management of protected areas and in sustainable use of resources by creating the area known as the Allapahuayo-Mishana Reserve (in the Nanay River Basin). The project outputs include a proposal for a new protected area in the upper basin, appropriate management plans; and the sustainable use of natural resources in this River Basin. Focal Area: Biodiversity. GEF Financing: US \$ 773,000.
- AQUA-BIO: This project is intended to support the formulation of a long-term strategy for sustainable management of the Amazon River Basin within Brazil, including the conservation of aquatic biodiversity and fisheries management. The project will focus its activities in the lower portion of the Basin (near the mouth) and in the main tributaries of the middle basin. The project will target the management of water and other natural resources in the Basin, and the main priority areas of environmental impact (e.g., sedimentation, impact of hydroelectric power, etc.), with a special emphasis on the conservation of aquatic biodiversity. The project also is intended to improve the management of natural resources in the Basin through the participation of local groups, the development of a legal and institutional framework supportive of sustainable resource development in the Basin, and, in particular, the sustainable development of water resources. Focal Area: Multiple. GEF Financing: US \$ 211,000 (PDF, Block B proposal).
- Management of Protected Areas in the Peruvian Amazon Region: This project is designed to improve the conservation and sustainable utilization of biodiversity in the Amazon region of Peru, involving indigenous communities in the management of protected areas. The project components include, *inter alia*: the preparation of planning documents and conduct of a consultative process for the creation of new protected areas and the permanent classification of three reserves; the establishment of committees to manage protected areas and community alert and monitoring systems; the training of indigenous leaders; and the implementation of a public awareness program. Focal Area: Biodiversity. GEF Financing: US \$ 10.3 million.

The aim of the present project proposal, in part, is to coordinate current and programmed activities so as to enhance complementarity and synergy, and avoid duplication. Designed as a Basin-level activity to be coordinated by the OTCA, this proposal provides a framework for the better integration and dissemination of the results and outputs of current activities, as well as those of the activities proposed as part of this project, thereby improving opportunities for sustainable replication of best practices.

The development of basin-scale agreements, programmes, plans, and policies is wholly consistent with the process established at the World Summit on Sustainable Development (WSSD), wherein water resources were identified as a major component not only of economic development but also in achieving sustainable utilisation of shared natural resources. This project responds specifically to WSSD Programmes of Intervention (POI) paragraphs 23-25, 27, 38, 60, 67 and 104. These priority issues are internalised within the GEF International Waters focal area in Strategic Priority IW-1, which seeks to catalyse financial resources for the sustainable management of freshwater resources through the TDA-SAP, or equivalent, process.

I. PROJECT PREPARATION PLAN

This proposal is the result of priorities and needs indicated by the Amazon countries in various fora, seminars, and technical meetings held within the framework of the Amazon Cooperation Treaty. Countries have stressed the need to establish a common framework for action in the Amazon River Basin so as to jointly address the main environmental problems affecting them, and to provide guidance and coordination of sustainable development of the Basin. The Permanent Secretariat of the Organization of the Amazon Cooperation Treaty (OTCA), as the agency responsible for implementing the objectives of the Treaty, has expressed an interest in obtaining financial support from the Global Environment Facility (GEF) for the formulation of a project to strengthen the institutional framework for planning and executing activities for the protection and sustainable management of water resources in the Amazon Basin. A key element of the project is to create and implement a shared vision for sustainable development in the region, based on the protection and integrated management of its transboundary water resources and adaptation to climate changes.

PDF Block B financing in the amount of US \$ 700,000 is requested from the GEF to prepare this project, to be executed over a period of 18 months. As noted above, the proposed project produces local, regional, and global benefits. The grant resources will be used mainly to define the project components in greater detail, develop a Vision for the Basin, and conduct a preliminary diagnostic assessment, with active participation by, and consultations with, the affected communities and stakeholders. Table 1 shows the activities to be conducted during project preparation. Table 2 shows an indicative budget, assuming contributions from the GEF, the countries, and the participating agencies.

Completion of these project development activities within 18 months, as shown in Table 3, will allow the eight Basin countries, within the framework of the OTCA as local executing agency, to define the parameters, establish terms of reference, and determine the components and activities to be included in the GEF project. The outcome of the activities set forth below will be the preparation of a project document (Project Brief) for the project. This document will not only guide the application for GEF funds, but also stimulate parallel actions to strengthen the Basin vision and its integrated management.

The preparation of the project will involve the institutions in each country responsible for defining the policies required for the sustainable and integrated management of water resources, including substantive participation from the appropriate national environmental institutions, NGOs and stakeholders, should water resources responsibilities be spread across several agencies. Six core elements form the PDF-B activities, and are set forth below.

Budget for the Execution of the PDF Block B Activities (indicative and preliminary)

The total estimated cost for the project preparation phase is US \$ 1.4 million: US \$ 700,000 to be requested from the GEF in the form of a Block B grant; US \$ 600,000 in-kind, including personnel, office space, and equipment for the activities to be provided by the participating countries as cofinancing; and US \$ 100,000 to be provided by the participating agencies. Table 2 shows the estimated costs and financing sources envisaged for each of the activities shown in Table 1.

Table 1. Activities to be conducted during the project preparation phase, by Component

Component	Activities
<p>1. Vision for the Basin and Transboundary Diagnostic Analysis (<i>Definition of strategic objectives; identification of principal transboundary problems, possible courses of action, and monitoring and evaluation indicators at the subbasin level</i>)</p>	<ul style="list-style-type: none"> ▪ Compilation and analysis of primary and secondary information and formulation of the transboundary diagnostic analysis at the subbasin level. ▪ Provision of specialized technical support to, and consultations with, the OTCA General Secretariat to develop a Vision for the Basin, and preliminary identification of the principal transboundary problems, with the participation of the national focal points of the IWRN. ▪ Conduct of national public participation and consultation workshops, and three regional and international seminars. ▪ Convening of political and technical meetings within the framework of the TCA, including agreement of appropriate Monitoring and Evaluation Plan, indicators, and milestones. ▪ Consultations with the OTCA on the preparation and administration of cooperation activities, projects and coordinated measures to strengthen and shape a shared Vision, and to develop and execute the Framework Strategic Action Program (Framework SAP). ▪ Definition of the scope and terms of reference for activities needed to prepare the Framework SAP, and identification of priority activities at the subbasin level. ▪ Publication and dissemination of the results.
<p>2. Institutional Strengthening and Capacity Building for Integrated Water Resource Management</p>	<ul style="list-style-type: none"> ▪ Compilation of the institutional analyses and proposals already prepared for the Amazon River Basin. ▪ Identification of existing sources of information on the Amazon River Basin and preparation of a digital map, including existing information centers and systems. ▪ Specialized consultations to analyze the institutional strengthening needs of institutions responsible for water resource management, and holding of an international seminar-workshop to agree the preliminary project proposal. ▪ Preparation of a study and technical proposal for the implementation of horizontal cooperation activities, traineeships, institutional liaisons between agencies, and inter-ministerial coordination capacity between governmental units concerned with water resources management in the Amazon countries. ▪ Development of a conceptual basis and terms of reference for the design and implementation of the Decision Support System (DSS) in each country and for the OTCA. ▪ Preparation of proposals for strengthening existing water resource information systems, including inter-institutional coordination activities and integrating the hydrometeorological and user networks of the Amazon countries. ▪ Definition of activities for the technical-institutional

	<p>strengthening of the OTCA for the purposes of planning and coordinating integrated water resources management in the Basin, including the establishment of technical management mechanisms or fora for guiding efforts of third parties interested in supporting and promoting the formulation and execution of the Framework SAP and strengthening institutional, technical, and financial capacity in the Basin.</p>
<p>3. Forecasting the hydrological impacts of climatic variation and adaptation to change</p>	<ul style="list-style-type: none"> ▪ Execution of specialized consultancies to define the conceptual basis and terms of reference for the design and operation of the hydroclimatological forecasting system. ▪ Conduct of an international multidisciplinary (climate, hydrology, edaphology, soil use, ecology, etc.) workshop to define the technical basis for the forecasting system to be developed, identification of priority geographic areas and at-risk communities and ecosystems, definition of research capacity, gaps and needs, and determination of strategic courses of action to be carried out jointly by the Basin countries. ▪ Preparation of a technical proposal and terms of reference for the strengthening of academic and meteorological institutions in the region. ▪ Provision of Joint technical support for the OTCA in identifying joint projects to facilitate the exchange of scientific information, knowledge, and experiences among the institutions working in this area in the Amazon region.
<p>4. Integrated and sustainable management of water use</p>	<ul style="list-style-type: none"> ▪ Compilation and analysis of existing information on water resources, and their value in the hydrological cycle and in the provision of goods and services for society and for nature. ▪ Collection, compilation, and dissemination of information on related initiatives and projects in the region using the IWRN in a manner consistent with the principles of IW-LEARN. ▪ Preliminary investigation into the legal aspects of agreed priority issues (such as fishing and fish farming, mining and water pollution control, and climatic variability and droughts in the Amazon countries), and identification of similarities and opportunities for standardization and joint action. ▪ Completion of new or refined land-use and environmental zoning maps and materials for critical communities and ecosystems (“hot spots”). ▪ Preparation of the conceptual basis and terms of reference for studies on aquatic ecosystems and biodiversity, identifying “hotspots” and developing proposals for joint action to reverse and prevent deterioration, through the participation of local populations and indigenous groups (in coordination with the formulation of the TDA and Framework SAP). ▪ Development of technical proposals for the coordination and harmonization of the knowledge and work of national

	<p>institutions and laboratories responsible for the management of water quality, including the harmonization of analytical approaches and methodologies, and horizontal cooperation between national agencies with responsibilities in this area.</p> <ul style="list-style-type: none"> ▪ Preparation of informational materials to heighten community awareness, in particular with respect to the prevention and management of pollution in critical areas, and the management of fisheries and key aquatic species (in coordination with Component 5).
<p>5. Public participation for the sustainable management of water resources</p>	<ul style="list-style-type: none"> ▪ Preparation of conceptual designs and terms of reference for the execution of environmental information programs (public awareness, training, and formal and informal education programs) to heighten awareness and improve understanding of water quality and land-based pollution in the most vulnerable communities. ▪ Preparation of the Public Participation Program and Public Involvement Plan, consistent with the principles of the ISP, to be implemented during project execution, including in specific local communities and indigenous groups. ▪ Development of the conceptual basis and technical proposals for the acquisition and dissemination of technical and scientific information on land and water resources, among resource professionals, at all levels of government and in the private sector, and dissemination of useful information about the Amazon River Basin to the general public. ▪ Identification and selection of pilot demonstration projects to be conducted during the first phase of the project, and preparation of the terms of reference for this purpose, utilizing the Basin Vision, the preliminary of the TDA process, and the program of consultations with local communities conducted during the project preparation phase.

Table 2. Indicative budget for the preparation of a program for the integrated and sustainable management of the transboundary water resources of the Amazon River Basin.

Activity	Amount (US \$ x 1,000)			
	GEF	Countries	Agencies	Total
1. Vision for the Basin and Transboundary Diagnostic Analysis (<i>Definition of strategic objectives; identification of principal transboundary problems, possible courses of action, and monitoring and evaluation indicators at the subbasin level</i>)	225	195	100	520
2. Institutional strengthening and capacity building for integrated water resources management in the Basin	185	180	0	365
3. Forecasting the hydrological impacts of climatic variation and adaptation to change	90	80	0	170
4. Integrated and sustainable management of water use	80	80	0	160
5. Public participation for the sustainable management of water resources	70	65	0	135
Contingencies	50	0	0	50
TOTAL	700	600	100	1400

Results and Outputs of the PDF-B

The most important output of the PDF-B process will be the preparation of the project brief, and a defined Vision for the sustainable development of the Basin, with an agreed scope and terms of reference for the development of a program of strategic action between the countries and among society. Specifically, outputs of the execution of the PDF Block B program will include:

- i) Strengthening of the capacity of the OTCA to formulate programs and projects, coordinate the execution of activities between countries, and catalyze co-operation and financing within the Amazon River Basin;
- ii) Preparation of the TORs for the preparation of the Framework SAP for the Basin; intra-Basin traineeships, cooperation activities, and institutional arrangements; design and implementation of the DSS; strengthening and integration of the information systems within the Basin; design and operation of a shared hydrometeorological system; preparation of strategies for the integrated aquatic biodiversity and

ecosystem management and action plans to address “hot spots” within the shared Basin; development of common analytical protocols for water quality monitoring and management; design and execution of environmental education, public involvement and participation, and technical exchange programs; and, identification and selection of pilot demonstration projects;

- iii) A stakeholder and public participation plan and involvement program;
- iv) An agreed Monitoring and Evaluation plan;
- v) Definition of the technical and instrumental basis, with appropriate terms of reference, for implementing a Decision Support System in the Amazon River Basin;
- vi) Identification of a group of concrete demonstration projects to quantify critical topics and areas, capable of being executed during the period of the formulation of the Framework SAP, that will provide information and experience in the integrated management of the water resources of the Basin, their costs and feasibilities, to be incorporated into the Framework SAP;
- vii) Publication of a group of technical documents containing:
 - a Vision for the sustainable development of the Basin agreed among the eight countries as it relates to shared water resources in the Basin,
 - a framework for the Transboundary Diagnostic Analysis (TDA) aimed at identifying the root causes of, and priorities for action to address, the main environmental problems in the Basin;
 - a preliminary characterisation of the primary and secondary data sources from which to determine and quantify the principal transboundary problems facing the Basin that will form the basis of the TDA;
 - a proposal and operating protocol for the strengthening and operation of a shared data collection and dissemination network and hydrometeorological forecasting network
 - the development of an institutional analysis, highlighting potential areas for cooperation in the area of management of transboundary water resources, and a proposal for a DSS to support decision-making at all levels of society within the Basin at a subbasin level;
 - the development of a program of public participation and stakeholder involvement at the subbasin level consistent with the ISP;
 - an analysis of the current legal and jurisdictional framework for the management of shared transboundary water resources in the Basin and proposals for harmonizing the existing systems to enhance sustainable use of the common resources;
 - the definition of indicators of success included within an agreed Monitoring and Evaluation plan; and
 - a cartographic base map of the Basin, linked to up-to-date economic, social, and environmental information consistent with the protocols of IW:LEARN.

Table 3. Preliminary timetable of project preparation activities.

ACTIVITIES	QUARTER							
	1	2	3	4	5	6	7	8
<p>1. Vision for the Basin and Transboundary Diagnostic Analysis (<i>Definition of strategic objectives; identification of principal transboundary problems, possible courses of action, and monitoring and evaluation indicators at the subbasin level</i>)</p> <ul style="list-style-type: none"> ▪ Compilation of primary and secondary information sources ▪ Development of a Vision for the Basin, and identification of the transboundary problems. ▪ Conduct of national public participation workshops, and regional/international seminars. ▪ Convening of political and technical meetings within the framework of the TCA. ▪ Preparation and administration of activities to develop the Framework SAP. ▪ Identification of priority activities at the subbasin level. ▪ Publication and dissemination of the results. 								
<p>2. Institutional strengthening and capacity building for water resource management</p> <ul style="list-style-type: none"> ▪ Compilation of the institutional analyses and proposals for the Amazon River Basin. ▪ Analysis of institutional strengthening, and conduct of an international workshop. ▪ Proposals for horizontal cooperation activities in the Amazon countries. ▪ Definition of activities for the technical-institutional strengthening of the OTCA. ▪ Preparation of a digital map, including existing information centers and systems. ▪ Design and implementation of the DSS in each country and for the OTCA. ▪ Proposals for strengthening water resource information systems and user networks. 								
<p>3. Forecasting the hydrological impact of climatic variation and adaptation to change</p> <ul style="list-style-type: none"> ▪ Terms of reference for the hydroclimatological forecasting system. ▪ Conduct of an international multidisciplinary workshop on the forecasting systems. ▪ Terms of reference for the strengthening of academic and meteorological institutions. ▪ Exchange of scientific information, knowledge, and experiences among the institutions. 								

ACTIVITIES	QUARTER							
	1	2	3	4	5	6	7	8
<p>4. Integrated and sustainable management of water use</p> <ul style="list-style-type: none"> ▪ Analysis of the value of water in the provision of goods/services for society and nature. ▪ Collection and compilation of information on related initiatives and projects in the region. ▪ Preliminary investigation into the legal aspects of fishing and fish farming. ▪ Identification of “hotspots” and developing proposals for joint action. ▪ Technical proposals for the coordination and harmonization of institutions/laboratories. ▪ Preparation of educational materials to heighten community awareness. 								
<p>5. Public participation for the sustainable management of water resources</p> <ul style="list-style-type: none"> ▪ Terms of reference for the execution of environmental education programs. ▪ Preparation of the Public Participation Program and Public Involvement Plan. ▪ Technical proposals for the acquisition and dissemination of scientific information. ▪ Identification and selection of pilot demonstration projects. 								
Monitoring and Evaluation								

List of Annexes

8. Text of the Amazon Cooperation Treaty (TCA)
9. Protocol of Amendment for the Creation of the OTCA
10. National Permanent Committees of OTCA
11. Endorsement letter from Brazil (SEAIN)
12. Endorsement letter from OTCA
13. GEF Sec.'s review and IA's response
14. World Bank's comments and IA's response

Annex 1

Amazon Cooperation Treaty

Treaty for Amazonian Cooperation

The Republics of Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela,

CONSCIOUS of the importance to each one of the Parties of their respective Amazonian regions as an integral part of their respective territories,

INSPIRED by the common aim of pooling the efforts being made, both within their respective territories as well as among them-selves, to promote the harmonious development of the Amazon region, to permit an equitable distribution of the benefits of said development among the Contracting Parties so as to raise the standard of living of their peoples and so as to achieve total incorporation of their Amazonian territories into their respective national economies,

CONSCIOUS of the usefulness of sharing national experiences in matters pertaining to the promotion of regional development,

CONSIDERING that, so as to achieve overall development of their respective Amazonian territories, it is necessary to maintain a balance between economic growth and conservation of the environment,

CONSCIOUS that both socio-economic development as well as conservation of the environment are responsibilities inherent in the sovereignty of each State, and that cooperation among the Contracting Parties shall facilitate fulfillment of these responsibilities, by continuing and expanding the joint efforts being made for the ecological conservation of the Amazon region,

CONFIDENT that cooperation among the Latin American nations on specific matters which they have in common shall contribute to progress on the road towards the integration and solidarity of all Latin America,

CONVINCED that this Treaty represents the beginning of a process of cooperation which shall benefit their respective countries and the Amazon region as a whole,

RESOLVE to sign the following Treaty:

ARTICLE I

The Contracting Parties agree to undertake joint actions and efforts to promote the harmonious development of their respective Amazonian territories in such a way that these joint actions produce equitable and mutually beneficial results and achieve also

the preservation of the environment, and the conservation and rational utilization of the natural resources of those territories.

PARAGRAPH: to this end, they would exchange information and prepare operational agreements and understandings as well as the pertinent legal instruments which will permit the aims of the present Treaty to be attained.

ARTICLE II

This Treaty shall be in force in the territories of the Contracting Parties in the Amazonian Basin as well as in any territory of a Contracting Party which, by virtue of its geographical, ecological or economic characteristics is considered closely connected with that Basin.

ARTICLE III

In accordance with and without prejudice to the rights granted by unilateral acts, to the provisions of bilateral treaties among the Parties and to the principles and rules of International Law, the Contracting parties mutually guarantee on a reciprocal basis that there shall be complete freedom of commercial navigation on the Amazon and other international Amazonian rivers, observing the fiscal and police regulations in force now or in the future within the territory of each. Such regulations should, insofar as possible, be uniform and favor said navigation and trade.

PARAGRAPH: This article shall not apply to cabotage.

ARTICLE IV

The Contracting Parties declare that the exclusive use and utilization of natural resources within their respective territories is a right inherent in the sovereignty of each state and that the exercise of this right shall not be subject to any restrictions other than those arising from International Law.

ARTICLE V

Taking account of the importance and multiplicity of the functions which the Amazonian rivers have in the process of economic and social development of the region, the Contracting Parties shall make efforts aimed at achieving rational utilization of the hydro resources.

ARTICLE VI

In order to enable the Amazonian rivers to become an effective communication link among the Contracting Parties and with the Atlantic Ocean, the riparian states interested in any specific problem affecting free and unimpeded navigation shall, as circumstances may warrant, undertake national, bilateral or multilateral measures aimed at improving and making the said rivers navigable.

PARAGRAPH: For this purpose, they shall carry out studies into the means for eliminating physical obstacles to the said navigation as well as the economic and financial implications so as to put into effect the most appropriate operational measures.

ARTICLE VII

Taking into account the need for the exploitation of the flora and fauna of the Amazon region to be rationally planned so as to maintain the ecological balance within the region and preserve the species, the Contracting Parties decide to:

a. Promote scientific research and exchange information and technical personnel among the competent agencies within the respective countries so as to increase their knowledge of the flora and fauna of their Amazon territories and prevent and control diseases in said territories.

b. Establish a regular system for the proper exchange of information on the conservationist measures adopted or to be adopted by each State in its Amazonian territories; these shall be the subject of an annual report to be presented by each country.

ARTICLE VIII

The Contracting Parties decide to promote coordination of the present health services in their respective Amazonian territories and to take other appropriate measures to improve the sanitary conditions in the region and perfect methods for preventing and combating epidemics.

ARTICLE IX

The Contracting Parties agree to establish close cooperation in the fields of scientific and technological research, for the purpose of creating more suitable conditions for the acceleration of the economic and social development of the region.

PARAGRAPH ONE: For purposes of this Treaty, the technical and scientific cooperation among the Contracting Parties may be as follows:

a. Joint or coordinated implementation of research and development programs;

b. Creation and operation of research institutions or centers for improvement and experimental production;

c. Organization of seminars and conferences, exchange of information and documentation, and organization of means for their dissemination.

PARAGRAPH TWO: The Contracting Parties may, whensoever they deem it necessary and convenient, request the participation of international agencies in the execution of studies, programs and projects resulting from the forms of technical and scientific cooperation defined in Paragraph One of this Article.

ARTICLE X

The Contracting Parties agree on the advisability of creating a suitable physical infrastructure among their respective countries, especially in relation to transportation and communications. They therefore undertake to study the most harmonious ways of establishing or improving road, river, air and telecommunication links bearing in mind the plans and programs of each country aimed at attaining the priority goal of fully incorporating those respective Amazonian territories into their respective national economies,

ARTICLE XI

In order to increase the rational utilization of the human and natural resources of their respective Amazonian territories, the Contracting Parties agree to encourage joint studies and measures aimed at promoting the economic and social development of said territories and generating complementary methods for reinforcing the actions envisaged in the national plans of their respective territories.

ARTICLE XII

The Contracting Parties recognize the benefit to be derived by developing, under equitable and mutually beneficial conditions, retail trade of products for local consumption among the respective Amazonian border populations, by means of suitable bilateral or multilateral agreements.

ARTICLE XIII

The Contracting Parties shall cooperate to increase the flow of tourists, both national and from third countries, in their respective Amazonian territories, without prejudice to national regulations for the protection of indigenous cultures and natural resources.

ARTICLE XIV

The Contracting Parties shall cooperate in ensuring that measures adopted for the conservation of ethnological, and archeological wealth of the Amazon region are effective.

ARTICLE XV

The Contracting Parties shall seek to maintain a permanent exchange of information and cooperation among themselves and with the agencies for Latin American cooperation in the areas pertaining to matters covered by this Treaty.

ARTICLE XVI

The decisions and commitments adopted by the Contracting Parties under this Treaty shall not be to the detriment of projects and undertakings executed within their respective territories, according to International Law and fair practice between neighboring and friendly countries.

ARTICLE XVII

The Contracting Parties shall present initiatives for undertaking studies for the elaboration of programs of common interest for developing their Amazonian territories and in general terms provide for the fulfillment of the actions contemplated in the present Treaty.

PARAGRAPH: The Contracting Parties agree to give special attention to the consideration of initiatives presented by the least developed countries which require joint action and efforts by the Contracting Parties.

ARTICLE XVIII

Nothing contained in this Treaty shall in any way limit the rights of the Contracting Parties to conclude bilateral or multilateral agreements on specific or generic matters, provided that these are not contrary to the achievement of the common aims for cooperation in the Amazonian region stated in this instrument.

ARTICLE XIX

Neither the signing of this Treaty nor its execution shall have any effect on any other international treaties in force between the Parties nor on any differences with regard to limits or territorial rights which may exist between the Parties nor shall the signing or implementation of this Treaty be interpreted or invoked to imply acceptance or renunciation, affirmation or modification, direct or indirect, express or tacit, of the position or interpretation that each Contracting Party may hold on these matters.

ARTICLE XX

Notwithstanding the fact that more adequate frequency for meetings can be established at a later date, the Ministers of Foreign Affairs of the Contracting Parties shall convene meetings when deemed opportune or advisable, in order to establish the basic guidelines for common policies, for assessing and evaluating the general development or the process of Amazonian cooperation and for taking decisions designed to carry out the aims set out in this document.

PARAGRAPH ONE: Meetings of Foreign Affairs Ministers shall be convened at the request of any of the Contracting Parties, provided that the request has the support of no fewer than four Member States.

PARAGRAPH TWO: The first Meeting of Foreign Affairs Ministers shall be held within a period of two years following the date of entry into force of this Treaty. The venue and date of the first meeting shall be established by agreement among the Ministries of Foreign Affairs of the Contracting Parties.

PARAGRAPH THREE: Designation of the host country for the meetings shall be by rotation and in alphabetical order.

ARTICLE XXI

The Amazonian Cooperation Council comprising of top level diplomatic representatives shall meet once a year. Its duties shall be as follows:

- 1 . To ensure that the aims and objectives of the Treaty are complied with.
2. To be responsible for carrying out the decisions taken at meetings of Foreign Affairs Ministers.
3. To recommend to the Parties the advisability and the appropriateness of convening meetings of Foreign Affairs Ministers and of drawing-up the corresponding Agenda.
4. To take under consideration initiatives and plans present by the Parties as well as to adopt decisions for undertaking bilateral or multilateral studies and plans, the execution of which as the case may be, shall be the duty of the Permanent National Commissions.
5. To evaluate the implementation of plans of bilateral or multilateral interest.
6. To draw-up the Rules and Regulations for its proper functioning.

PARAGRAPH ONE: The Council shall hold special meetings through the initiative of any of the Contracting Parties with the support of the majority of the rest.

PARAGRAPH TWO: The venue of regular meetings shall be rotated in alphabetical order among the Contracting Parties.

ARTICLE XXII

The functions of the Secretariat shall be performed *Pro Tempore* by the Contracting Party in whose territory the next regular meeting of the Amazonian Cooperation Council is scheduled to be held.

PARAGRAPH: The *Pro Tempore* Secretariat shall send the pertinent documentation to the Parties.

ARTICLE XXIII

The Contracting Parties shall create Permanent National Commissions charged with enforcing in their respective territories the provisions set out in this Treaty, as well as carrying out the decisions taken at meetings of Foreign Affairs Ministers Amazonian Cooperation Council, without jeopardizing other tasks assigned them by the State.

ARTICLE XXIV

Whenever necessary, the Contracting Parties may set up special Commissions to study specific problems or matters related to the aims of this Treaty.

ARTICLE XXV

Decisions at meetings held in accordance with Articles XX and XXI shall always require the unanimous vote of the Member Countries of his Treaty. Decisions made at meetings held in accordance with Article XXIV shall always require the unanimous vote of the participating countries.

ARTICLE XXVI

The Contracting Parties agree that the present Treaty shall not be susceptible to interpretative reservation or statements.

ARTICLE XXVII

This Treaty shall remain in force for an unlimited period of time, and shall not be open to adherence.

ARTICLE XXVIII

This Treaty shall be ratified by all the Contracting parties and the instruments of ratification shall be deposited with the Government of the Federative Republic of Brazil.

PARAGRAPH ONE: This Treaty shall become effective thirty days after the last instrument of ratification has been deposited by the Contracting Parties.

PARAGRAPH TWO: The intention to denounce this Treaty shall be communicated by a Contracting Party to the remaining Contracting Parties at least ninety days prior to formal delivery of the instrument of denunciation to the Government of the Federative Republic of Brazil. This Treaty shall cease to have effect for the Contracting Party denouncing it one year after the denunciation has been formalized.

PARAGRAPH THREE: This Treaty shall be drawn up in English, Dutch, Portuguese and Spanish, all having equal validity.

IN WITNESS WHERE OF the undersigned Ministers of Foreign Affairs have signed the present Treaty.

EXECUTED in the city of, Brasilia on July 3, 1978, to be deposited in the archives of the Ministry of Foreign Affairs of Brazil which shall provide the other signatory countries with true copies.

For the Government of the Republic of Bolivia
Oscar Adriazola Valda

For the Government of the Federative Republic of Brazil
Antonio F. Azeredo Da Silveira

For the Government of the Republic of Colombia
Indalecio Lievano Aguirre

For the Government of the Republic of Ecuador
Jose Ayala Lasso

For the Government of the Cooperative Republic of Guyana
Rashleigh Esmond Jackson

For the Government of the Republic of Peru
Jose de la Puente Radbill

For the Government of the Republic of Suriname
Henck Alfonsus Eugene Arron

For the Government of the Republic of Venezuela
Simon Alberto Consalvi

Annex 2

Protocol of Amendment for the Creation of the Organization of the Amazon Cooperation Treaty (OTCA)

The Republics of Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela:

Reasserting the principles and objectives of the Amazon Cooperation Treaty,

Taking into account the convenience of institutionally improving and strengthening the cooperation process developed under the auspices of the aforementioned instrument,

Do hereby agree to:

- I) Create the Organization of the Amazon Cooperation Treaty (OTCA), with corporate body status, and empowered to enter into agreements with Contracting Parties, non-member States and other International organizations.
- II) Modify Article XXII of the text of the Treaty as follows:

The Organization of the Amazon Cooperation Treaty will have a Permanent Secretariat, based in Brasilia, which will be responsible for implementing the objectives established in the Treaty in conformity with the decisions taken in the meetings of Ministers of Foreign Affairs and the Amazon Cooperation Council.

Paragraph one: The powers and functions of the Permanent Secretariat and of its head will be established in the regulations, which will be approved by the Ministers of Foreign Affairs of the Contracting Parties.

Paragraph two: The Permanent Secretariat will prepare, in coordination with the Contracting Parties, its work plans and program of Activities, as well as its budget-program, which will need to be approved by the Amazon Cooperation Council.

Paragraph three: The Permanent Secretariat will be headed by a Secretary General, who will be empowered to enter into agreements on behalf of the Organization of the Amazon Cooperation Treaty, whenever the Contracting Parties unanimously authorize him/her to do so.

- III) This amendment will be subject to compliance with the internal constitutional requirements of all Contracting Parties and will enter into force on the date of the receipt, by the Government of the Federal Republic of Brazil, of the last note by means of which the compliance with such requirements is advised.

Subscribed hereto in Caracas, this fourteenth day of the month of December of nineteen ninety eight, in eight (8) original copies, in the languages of Spanish, English, Portuguese and Dutch, all equally authentic.

Annex 3

National Permanent Committees of the Treaty for Amazonian Cooperation

Bolivia

The NPC of Bolivia is currently being restructured. It is to be presided by the Ministry of Foreign Affairs and Cultural Affairs, and composed of the following Viceministries:

- Viceministry of Government Coordination
- Viceministry of Sustainable Development
- Viceministry of Planning
- Viceministry of Natural Resources and Environment
- Viceministry of Transportation
- Viceministry of Education
- Viceministry of Science and Technology
- Viceministry of Health
- Viceministry of Agriculture and Fisheries
- Viceministry of Indigenous Affairs
- Viceministry of Tourism
- Viceministry of Defense
- Civil society, international cooperation agencies, as invited by the NPC.

Brazil

Instituted by Presidential decree on November 8, 2002, the NPC of Brazil includes representatives from:

- Minister of Foreign Affairs, who presides the Committee;
- Ministry of Environment and Planning;
- Ministry of Science and Technology;
- Ministry of Justice;
- Ministry of Health;
- Ministry of Development, Industry, and Trade;
- Ministry of Education, Sports, and Tourism;
- Ministry of Transport, Communication;
- Ministry of Defense;

Colombia

The Colombian NPC is being restructured. It is expected to be composed of:

- Ministry of Foreign Affairs
- Ministry of Interior and Justice
- Ministry of National Defense
- Ministry of Social Protection
- Ministry of Environment, Housing, and Territorial Development
- Ministry of Trade, Industry, and Tourism
- Ministry of Transport
- Ministry of Education
- Department of National Planning

- Colombian Institute for the Development of Science and Technology-(COLCIENCIAS)
- Colombian Institute for Amazonian Research SINCHI

Ecuador

The NPC of Ecuador is composed of:

- Ministry of Foreign Affairs, who presides the Committee
- Ministry of National Defense
- National Planning Office – ODEPLAN
- Institute for the Ecodevelopment of the Ecuadorian Amazon Region-ECORAE, which acts as Technical Secretariat of the NPC.

Guyana

- Ministry of Foreign Affairs, who presides the Committee
- National Geologic Commission
- Institute for Applied Science and Technology
- Ministry of Public Works and Communication
- Ministry of Agriculture
- Ministry of Education
- Ministry of Health
- Ministry of Tourism, Industry and Trade
- Ministry of Defense
- Office for National Statistics
- Guyana University

Perú

- Ministry of Foreign Affairs, who presides the Committee
- Ministry of Defense
- Ministry of Education
- Ministry of Trade and Tourism;
- Ministry of Health
- Ministry of Transport and Communication;
- Ministry for Women Development and Human Development;
- National Environmental Council
- National Council for Science and Technology
- National Institute for Natural Resources
- National Agrarian University
- Institute for Amazon Research, which acts as Technical Secretariat
- National Commission for Amazon Communities and Indigenous groups
- Peruvian Agency for International Cooperation

Suriname

- The NPC of Suriname is composed of the Ministries and Institutions responsible for the Special Commissions of the Amazon Cooperation Treaty: Health, Education, Environment, Science and Technology, Communication and Transport, Indigenous Affairs, Tourism.
- Note: The Government of Surinam is presently restructuring the NPC in light of the recent institutionalization of the Treaty with the creation of OTCA.

Venezuela

- Ministry of Foreign Affairs, which presides the CNP;
- Ministry of Internal Affairs;
- Ministry of Finance;
- Ministry of Defense
- Ministry of Development
- Ministry of Education;
- Ministry of Sanitation and Social Assistance
- Ministry of Agriculture;
- Ministry of Transport and Communication
- Ministry of Justice
- Ministry of Energy and Mines
- Ministry of Environment and Renewable Natural Resources;
- President of the Central Coordination and Planning Office of the Presidency of the Republic
- Director of the Venezuelan Corporation of the Guayanas
- President of the National Institute for Scientific and Technological Research

Annex 4

Endorsement letter from OTCA

03/1349

**PERMANENT SECRETARIAT OF THE
AMAZON COOPERATION TREATY ORGANIZATION (PS-ACTO)**

FAX 1

OTCA-SP-61/2003

Brasilia, September 30, 2003

Mr. Ahmed Djoghlaif
Assistant Executive Director & Director
UNEP/Division of GEF Coordination
P.O. Box 30552
Nairobi, Kenya
Fax: [254 20] 624041/623696/623162/624042

cc. Vladimir Mamaev, Senior Programme Officer
Isabelle Vanderbeck, Program Manager
Jan Vermeiren, Acting Director OAS/USDE

01 OCT 2003
Isabelle
Amazon PPS

Dear Mr. Djoghlaif:

The Permanent Secretariat of the Amazon Cooperation Treaty Organization (PS-ACTO), on behalf of its eight Signatory Countries: Bolivia, Brazil, Colombia, Ecuador, Guiana, Peru, Suriname and Venezuela, has the pleasure to submit for your consideration, a GEF project proposal entitled "Integrated and Sustainable Management of Transboundary Water Resources in the Amazon River Basin".

The Concept Document, hereby attached, is the result of several meetings, seminars, and consultations taken over the last two years in the region. These meetings underscored the need for a framework for joint action among Amazon basin countries, so as to guide the development process and help reduce the growing threats affecting the planet's largest watershed.

The project proposal was officially presented during the Eleventh Regular Meeting of the Amazon Cooperation Council (CCA) and the Seventh Meeting of the Ministers of Foreign Affairs of the Amazon Cooperation Treaty (ACT), held in Santa Cruz de la Sierra, Bolivia, during November 2002. At this latter meeting, the Ministers welcomed the proposal presented by the ACTO, to hold a technical meeting in Brasilia, Brazil, in order to continue the process of preparing the project proposal with a view to presenting it for consideration by the Global Environment Facility (GEF). The Declaration of Santa Cruz, signed by the Ministers of Foreign Affairs of the Amazon countries, stresses *"the importance of water resource management and conservation in the Amazon Basin and the need to integrate and harmonize the initiatives and*

efforts of each country.” It further expresses the concern of the Ministers of Foreign Affairs over “the progressive melting of glaciers in the Andes Mountain Range, which could have severe consequences for the sustainability of the Amazonian forest.”

Subsequently, during July 2003, the ACTO, with support from the General Secretariat of the Organization of American States and the National Water Agency of Brazil, held a follow-up technical meeting in Brasilia. This meeting was attended by the focal points of the Inter-American Water Resources Network (IWRN), who prepared a preliminary document presenting the conceptual basis for a Program for Sustainable Water Resource Management in the Amazon River Basin.

The results of this technical meeting, and the document resulting from it, were then presented to a meeting of the Coordination Committee of the Amazon Cooperation Council (CCACC), wherein the countries highlighted the strategic character of the proposal and jointly undertook to make it a reality, as an important step to define a shared vision, and strengthen the institutional framework for the protection and sustainable management of transboundary water resources in the basin, with adaptation to climatic changes. The cost for preparation of the full project has been estimated at US\$1,400,000, with US\$700,000 being requested from GEF in the form of a Block B grant.

We hope for a positive response, and look forward to work in collaboration with UNEP in this important initiative for the integrated management of the shared water resources of the Amazon Basin.

Sincerely yours,



Amb. Sergio Sánchez Ballivián
General Secretary
Amazon Cooperation Treaty Organization

Note: The original Document “In Extenso”, is being sent by e-mail and also by courier

Annex 5

GEF Operational Focal Point Endorsement

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Brasília, September, 26, 2003

Mr. AHMED DJOGHLAF
Executive Coordinator
GEF Coordination Office
United Nations Environment Programme – UNEP
P.O Box 30552
Nairobi, Kenya

Subject: GEF's Concept Note – *"Manejo Integrado y Sostenible de los Recursos Hídricos de La Cuenca Transfronteriza del Rio Amazonas"*

Dear Mr. Djoghlaif,

We would like to inform you that this Secretariat, in its capacity as the GEF Operational Focal Point in Brazil, gives its acknowledgement to the annexed Concept Note *"Manejo Integrado y Sostenible de los Recursos Hídricos de La Cuenca Transfronteriza del Rio Amazonas"*, under the conditions below:

- the project must be in accordance to the Brazilian legislation on the matters related, more specifically *"Medida Provisória nº 2.186-16 (Aug 23, 2001)"* and *"Decreto 3.945 (Sep 28, 2001)"*, among others, such as the decisions of the *"Conselho de Gestão do Patrimônio Genético – Council for Management of the Genetic Heritage"*, when dealing with sensible genetic material and traditional knowledge;
- on its Spanish version, at the end of page 12, *"...para adquirir y divulgar información a todos los interesados sobre ..."*, the word *"interesados"* must be substituted by *"coparticipes"*.

2. Also, we remind you that any further step towards the development of the project (PDF or the project itself), must be submitted to this Focal Point again, before it is eventually sent to the GEF.

Sincerely,

CARLOS EDUARDO LAMPERT COSTA
GEF's Operational Focal Point in Brazil

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Annex 6

GEF Sec Review Sheet and IA's response

GEF Sec. Review sheet

See separate Acrobat File

IA's response

Comments from the review sheet were discussed at the Bilateral meeting held on 29 October 2003 and further addressed in a revised concept. Overall all comments were addressed while maintaining the essential elements on which countries have agreed.

With a view to streamline the project design as per GEF Sec's recommendations, component 2 and 3 have been combined into a single component that is component 2. Environmental education activities were removed from component 6 and incorporated as a facet in each other components.

The focus on drought and fires related with extreme climatic variations during El nino years has been incorporated in component 3. Component 3 will now also undertake an assessment of the vulnerability of ecosystems and communities and will undertake an analysis of adaptation options.

Component 4 "Integrated Land and Water Management and protection of Aquatic Ecosystems" has been revised to take into consideration the land and water linkage, especially with respect to water quality aspects affecting critical ecosystems and resources.

Component 5 has been revised to underline the role of public participation in decision making.

The role of OTCA and the Inter-ministerial committees have been made more clear and Annex 3 provides the list of ministries participating in the committees for each of the riparian countries.

Suitable reference to IW:LEARN, the ISP and WSSD were done as appropriate.

Annex 7

World Bank comment – IA's response

World Bank Comments

Please find attached comments from my World Bank colleagues on the above referenced GEF Proposal:

We feel the proposal is extremely ambitious and is trying to do too many things over a huge land area - ranging from transboundary diagnostic analysis - TDA (a huge effort in itself for a Basin like the Amazon) to integration and sustainable management of land and water use and the protection of aquatic ecosystems (component 5) and environmental education (component 6). There are some activities that would make sense to start developing on a basin wide basis, such as the TDA (comp. 1), institutional strengthening for cooperation among countries (comp 2); and hydro-environmental systems, so that all countries would develop the same or compatible systems for the whole basin (comp 3). These 3 components would already constitute a challenging full plate of activities to be implemented Basin-wide in a single project, and would be clearly under the mandate of UNEP. The other components seem to add complexity to an already very complex project, and most of them would be better planned and executed at the country level.

In the course of preparing the AquaBio GEF project in Brazil, the World Bank team met some time ago (over a year ago) with staff from ANA (National Water Agency), the executing agency in Brazil for the proposed UNEP project. At the time we discussed interaction between their proposal (still at rudimentary stages at the time) and the AquaBio. At that time, their proposal was strictly focused on water resources management - institutional aspects across countries in the basin, shared monitoring systems and predictive models, transboundary analysis. We agreed that the proposals were complementary since AquaBio would be focusing on "on the ground" activities for sustainable land-water management, on environmental education, while also working on a smaller scale to identify problems in two sub-basins, and testing models of participatory river basin management for the Brazilian Amazon. It was agreed that those models could serve as pilots for future expansion to other sub-basins within Brazil and other Amazonian countries. We also agreed to work very closely on a monitoring system for the sub-basins under the AquaBio, using what ANA already had for water resources and combining with the system developed under the ProVarzea (PPG7) for monitoring of commercial fisheries. After that meeting there was another meeting between ANA and AquaBio staff in the Ministry of Environment, but after that ANA had no communication with the AquaBio team.

The current UNEP proposal now also includes the types of activities contemplated by the AquaBio (components 5 and 6), which may be very hard to implement under a project that has such a wide scope of area and activities - and involves 8 countries. Adding these components both complicates the project and also overlaps with activities in the AquaBio Project. The Bank team has also been visited by David MacGrath, a researcher working in the Brazilian Amazon, with a proposal for a GEF Medium sized project focused on community management of land/aquatic resources. After talking with him it was understood that this proposal was originally planned to be part of this larger UNEP project, but since the proponents were coming to the conclusion that such a large and

complex project would take a very long time to materialize, they were trying to go ahead independently with a Medium sized proposal.

Overall- at this time, knowing the difficulties of implementing things in the Amazon through the PPG7 and other Bank work in the region, we feel that existing proposal is too complex and would need to be simplified to increase its chances of success.

Since this project's main objective is to get a consensus with other countries (the 'shared vision') on the Amazon Basin, it is fully consistent with OTCA objectives. One would expect that most of the funds would be used in travel and meetings, i.e., it would focus on coordination, exchange of experience, and reaching a common view. Probably little would be done in the field except the upgrade of existing meteorological stations and pilot demonstration projects. On one hand, it is very important to have a shared vision among the countries, on the other hand, there is the risk that this vision reflects only that of a few organizations. For instance, local executing agencies may have narrow objectives (Bolivia hydrology and Meteorology service; Colombia Institute of Hydrology; Suriname hydraulic research division), although there are executing agencies in some countries with a broader objective (Peru National Institute of Natural Resources). In this context, component 6 (participation) is very important. The component mentions the execution of pilot demonstration subprojects to replicate best practices. This would be difficult with limited resources for the 6 countries. ProVarzea (a water resource management project for the Brazilian Amazon within the Rainforest Pilot Program) already has some \$4 million for subprojects, and there are many other initiatives in the Amazon. The proposed project should rather assess and disseminate the lessons learned from existing projects instead.

Minor Technical comments from the Bank team. Page 4 (Background) mentions the Amazon as the world's longest river. Most sources quote the Nile as the longest river (with 6.695 km) and the Amazon as the second longest. However, a Brazilian from INPA recently used new satellite maps and claims that the Amazon is the longest. Page 5 mentions the population of the Basin at 10 million concentrated mostly in urban areas and that a high percentage of the total population consist of indigenous communities settled along the river banks and tributaries. We estimate the population much higher than 10 million. The Brazilian Amazon has more than 15 million people, and although there are many indigenous communities, this is not a high percentage of the population. In the next paragraph about land use, it does not mention mining or soya. Page 6, the INPE data on deforestation for 2000 is 18.226 (not 19.836), and the data for 1999 is correct.

We hope you find these comments useful in moving forward.

Best Regards,

Karin J. Shepardson
Sr. Regional Coordinator
World Bank
Latin America and Caribbean Region
Tel. (202) 473-8954
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IA's Response

Overall the comments from the World Bank are quite supportive of the concept. As mentioned above and as reflected in the revised concept, the design has been simplified while maintaining the essential elements on which the countries have agreed.

This concept design team has taken good note of the points raised by the World Bank with respect to the AQUABIO project and as reflected in the original concept document, the design team was aware of the numerous but regional and sub regional activities going on in the basin. Due collaboration will be ensured with the AQUABIO project via ANA which is playing a key role in both projects for the Brazilian portion of the Basin.