



SUSTAINABLE FINANCING OF INDIGENOUS ORGANIZATIONS AND INDIGENOUS TERRITORIES

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Creating opportunities for sustainable financing for the indigenous organizations and their territories is one of WCS' long-term objectives. Achieving this will require successful organizational development, greater engagement with donors, new relationships with the private sector, and linkages to markets. No one approach is likely to be successful on its own, but a combination of diverse funding sources will create the conditions for sustainable financing.

WCS is deeply committed to the financial sustainability of initiatives undertaken with our partners. The financial sustainability of the activities undertaken in the framework of the USAID-WCS "Integrated Management of Indigenous Lands" project is an element that we have addressed from the earliest stages of the project, and requires a different mix of priorities and approaches as one moves from the short to the medium and long terms. We have initiated a gradual process to incorporate sustainable approaches in the design of the community initiatives supported under this program. These mechanisms reinforce the generation of tangible benefits for beneficiary groups, replicable multiplier effects, and the sustainability of initiatives undertaken with support of the project. This requires reducing the dependence on a few external financing sources, while enhancing alliances and diversifying financing sources from national and international public and private resources. We are working with local partners to establish tools that enable them to implement production and management initiatives to generate their own resources and to actively participate in the growing markets and opportunities derived from environmental services including the REDD initiative (Reducing Emissions from Deforestation and Forest Degradation in Developing Countries), within the general objectives of conserving biological diversity and using renewable resources sustainably.

In the short to medium term, the next three to five years, we are concentrating on generating additional donor funds to ensure the continuity of land management initiatives. One aspect of this is WCS's commitment to raise additional funds ourselves. Another is working with partner organizations to increase their ability to raise funds for activities that further project objectives. However, the world financial crisis has caused private foundations to reduce their commitments or disbursements as their endowments shrink. As a result, developing non-traditional funding streams has become ever more important. WCS will begin to employ some necessary building blocks toward more sustainable funding, through strategic and financial planning activities, e.g. business plans, and creating the conditions to tap into emerging markets (fees and incentives to promote sound management of ecosystem services, markets for wildlife-friendly products, etc.). This short-to-medium-term objective requires substantial advances in the construction of a basic system for social and environmental management, which guarantees conservation, long-term management, and improved living standards, based on the design and construction of a set of complementary financial mechanisms and instruments sustained by solid public-private social alliances.

In the medium to long term, we seek to enable local partners to generate their own resources in a number of ways, including helping them to develop the technical and administrative capacities needed to secure, manage and invest funds and to develop production and management initiatives that contribute to their land management

objectives while providing necessary sources of funding. This was the purpose of a WCS sponsored meeting (July 1, 2008) in Quito with our indigenous partners and a wide group of allies to consider current conditions and options for long-term financing of indigenous organizations and territories. We continue to work with the indigenous partners and other allies on advancing the options identified. In addition we hope to expand on the lessons learned and opportunities identified during a June 2009 workshop that provided information on the Socio Bosque, initially conceived as an incentive program to encourage private and community landholders to maintain native forests. WCS is signing a formal agreement with the Socio Bosque program to foster participation of indigenous groups in the program. In addition, WCS is exploring how we can provide specific support to the government and to our indigenous partners on issues related to REDD and the evolving carbon markets for avoided deforestation. Under the USAID-funded TRANSLINKS project, WCS organized a workshop on REDD in Lima in 2008 to review current advances and review guidelines (Ingram et al. 2008). The Government of Ecuador is developing its REDD framework around the Socio Bosque program.

We are undertaking actions in two general areas; (1) supporting and strengthening local partners, and (2) working to improve the funding environment.

1. SUPPORTING AND STRENGTHENING LOCAL PARTNERS

1.1. General organizational development. Our objective under this activity is to consolidate the capacity of indigenous organizations to generate and manage resources that support the sound management of indigenous territories, achieving both conservation and development goals. This includes assisting partner organizations to respond to funding opportunities, offering donors sources of counterpart funding, and leveraging new resources.

Currently we are supporting “cooperantes” within FCAE, NAWA, AMWAE and FEINCE whose duties include directly the generation of new proposals for the respective organizations. Together with other technical staff and leaders, these organizations have already generated new funding for their respective programs, complementing the support that USAID has provided to staff and activities. In the cases of FCAE (158%) and AMWAE (119%), the new funding exceeds the support from USAID-WCS (see Annex 2), in the case of FEINCE (91%) new funding is slightly less than 1:1, and in the case of NAWA (32%) considerably lower though still noteworthy considering the internal disarray of the organization.

We are also strengthening the administrative capacity of these four organizations to manage and account for donor funds through training and technical support. Financial audits during the second year of USAID support are further strengthening their administrative capacity.

Finally, we are helping these organizations to develop and consolidate technical teams, which in turn reinforce the respective organizations’ ability to manage projects and the territory under their jurisdiction. In the case of NAWA, this technical team includes a

Waorani counterpart to the “cooperante”, Waorani mapping technicians, and Waorani territory guards. These technical teams can promote sustainability by assuming responsibility for technical activities within the territories that external NGO or consultants tend to assume now, and thereby consolidate a line of employment for indigenous residents that is based on managing the territory. Initially these technicians are supported by donors, but they can be incorporated into government programs and/or trust fund programs. These technical “arms” of indigenous organizations can be formally established as foundations, as the Cofanes have done separating the Fundación Sobrevivencia Cofán from the political federation FEINCE, and in turn generate funding for technical activities from a variety of external actors.

1.2. Joint ventures.

Accessing donor funds represents one key component of a conservation finance strategy. However, over-dependence on one or two donors is not sustainable and leaves organizations at financial risk should a principal donor terminate support. As part of its strategy WCS is working with our partners to generate opportunities to develop joint ventures that will expand the economic opportunities associated with community-based production initiatives. We are coordinating with Rainforest Alliance (ICAA) and their partner Conservación & Desarrollo as well as with TNC (ICAA) to explore opportunities related to **community-based tourism** and **cacao** production in particular. C&D has signed an agreement with FEINCE to support **cacao** production and certification with 40 Cofán families. As part of its program, WCS is supporting the FEINCE technical staff who directly supervise these field activities and who are generating complementary resources from other funding sources.

We are supporting FCAE in their continued association with WWF and DED to move towards **forestry certification** (FSC), and to consolidating business relationships to commercialize Awá forestry products. We are supporting Fundación Altrópico’s work with indigenous (Awá, Pasto, Épera) and Afro-Ecuadorian communities on **honey production** and small-scale agriculture (Pastos only—small livestock, fisheries, crops). This support includes the establishment of rotating credit facilities in the Pasto case—market mechanisms that are expanding access of farmers to credit for investments in productive activities. In coordination with TNC, Rainforest Alliance, and Tropic, we are also supporting Fundación VIHOMA’s work with the Secoya people on **community-based tourism**: infrastructure, administration. Tropic has created the Foundation Conservation in Action to generate and manage donations from tourists and volunteers. The Quehueriono Association is being formalized in order to assume responsibility for managing the Waorani Lodge. Finally, we are supporting **handicraft** production by Awá, Cofán, and Waorani women. This support includes training to improve quality, the widening of commercial outlets, and the promotion of plant nurseries to increase the supply of inputs. AMWAE just recently opened a booth in Coca, with the support of the Municipality of Coca, to market handicrafts.

1.3. Creation of networks and environmental governance. The project will continue to support the construction of networks of community organizations with local public organizations, producer associations, NGOs and other entities that will allow them to

build strategic alliances so they can have access to new funding options. The Yasuní Biosphere Reserve Management Committee is one such network, and the national network of biosphere reserves to be promoted by Fundación Naturaleza & Cultura Internacional is another. With WCS support, the Yasuní Biosphere Reserve management committee led a process that has culminated in the legal recognition by the Ministry of Environment of biosphere reserves as a protected area category in Ecuador, and the creation of the national network of biosphere reserves. In the Yasuní landscape the management committee now benefits from the active participation of indigenous organizations, most importantly NAWE, AMWAE, and FCUNAE. This space for information and dialogue has allowed the indigenous organizations to disseminate their perspectives on key issues including the ITT oil concession, the Manta Manaus transportation corridor, and wildlife trade. Through the management committee they have consolidated their relations with local governments, and with other actors including the UN agencies managing the Yasuní program.

Another inter-institutional network being promoted by Fundación Altrópico is the Chiles-Mataje “Corridor of Life”. The focus of this corridor is on development and conservation, on local organizations and peoples as well as wildlife. This network includes local governments (parishes, municipalities, and provinces), Pasto and Afro-Ecuadorian communities, FCAE, UNIPA (Colombia), CAMAWARI (Colombia), non-indigenous communities, the Agricultural College of San Lorenzo, and ecological clubs. Again this network represents an invaluable space where the perspective of indigenous communities and organizations can be presented to local governments and other neighbors, establishing bases for coordination.

Yet another network promoted by Fundación Altrópico is the Lita-Alto Tambo committee for the co-management of the Cotacachi-Cayapas Reserve, including local governments, agricultural associations, and indigenous communities (Awá, Chachi).

The binational committee established by the four Awá organizations, with support from WCS and WWF and Fundación Altrópico, is a very important network linking the Awá peoples in Ecuador and Colombia with governments (national and local) and donors and partners. The Cofán organizations in Ecuador and Colombia are moving towards a formal binational organization as well. On the Colombian side, a group of donors including WCS, WWF, ACT and National Parks of Colombia have signed an “Acuerdo de Voluntades” in order to coordinate their support to the Cofán people.

With respect to tourism in particular, we have joined the network established by TNC and Rainforest Alliance to promote community-based tourism in the Yasuní and Cuyabeno landscapes. WCS is directly supporting the development of an interpretive center in the Kichwa community of Nueva Providencia, and through Fundación VIHOMA we are supporting the Secoya community tourism project.

With each indigenous organization we are coordinating efforts with other donors and allies including conservation and development NGOs, and we are promoting relations between indigenous organizations and local governments (parishes, municipalities,

prefectures) that are slowly achieving the incorporation of activities in favor of indigenous territories within local government workplans and budgets. For example, we are coordinating with DED, FCAE and Fundación Altrópico to promote relations between FCAE and the municipalities of Ibarra and Tulcán, as well as the provincial government of Carchi. DED has placed “cooperantes” with Fundación Altrópico and with these local governments in order to strengthen the local governments’ planning capabilities, and to promote greater collaboration between local government planning and FCAE planning.

2. IMPROVING THE FUNDING ENVIRONMENT

2.1. Market instruments.

We are working with our partners to develop market instruments to connect indigenous organizations, and the patterns of community economic organization that they represent, to the market economy under the most favorable terms and conditions possible. The joint venture examples described above are one important type of market mechanism. Several other opportunities exist to develop sustainable financing opportunities.

With our partners we are exploring in particular the potential for carbon offset projects (avoided deforestation within indigenous territories) in international markets and under the government’s new Socio Bosque program. The Socio Bosque program itself (described below) is an incentive program for the conservation of native forests, and does not depend directly on carbon markets. However, the government would like to access carbon markets as well, and we are discussing current and future options with our partners and with government representatives.

Other Ecosystem Service Payments: In addition, we are supporting FCAE in its novel association with the Ministry of Electricity and local governments to develop a small hydroelectric project, we are supporting CI’s continued consolidation of the conservation payments model with the Gran Reserva Chachi, and we are learning from the experience of Fundación Altrópico and the Pasto community La Esperanza seeking to consolidate a project with the municipality of Tulcán for watershed protection and city water supply. These initiatives are described in more detail below.

New Markets and Investments: In several cases the indigenous organizations are considering forming private companies in order to manage certain productive activities within their territories. FECCHE has created a company that is promoting cacao production and certification, and that may undertake other activities as well such as the provision of solar panels to communities. The Quehueriono Association founded by the Waorani communities involved in the Waorani Lodge project and Tropic Tours is an example of an organization operating like a private company or micro-enterprise but on behalf of the communities to manage a tourism activity. FCAE is interested in improving management of forestry resources, and in improving incomes both to communities and to FCAE itself. FEINCE has considered both tourism activities and education programs as possibilities for a Cofán company.

As described above, several indigenous organizations are marketing handicrafts in formal stores (Puyo, Coca, Lago Agrio, Quito), but links to international markets remain informal. AMWAE in particular is concentrating on improving quality through training workshops in Waorani communities, and will soon open a web page that includes an online catalog of products. Market mechanisms promoted by Rainforest Alliance and Conservación & Desarrollo are certification programs in the case of cacao and tourism activities. As confirmed by the Waorani Lodge's success in drawing international clients, the Waorani territory and culture are a unique brand or product. However, this product risks being diluted by the proliferation of tourism activities of all types in the Waorani territory, with no regulation or overall strategy. The Ministries of Environment and Tourism organized a workshop in Coca in December to discuss these issues with the Waorani communities and tour operators, but they have not yet moved forward towards a strategy and regulation.

As part of its program activities WCS will help foster and strengthen these private initiatives, providing support for business planning and feasibility studies to help groups better assess the likelihood of success of their enterprises. WCS will work to ensure that there is actual market potential and that the groups are able to deliver the products and services.

2.2. Responding to challenges posed by hydrocarbon development and infrastructure projects. We are promoting exchanges of information and models that can be applied to the contexts of the Manta-Manaus transportation corridor, the ITT oil concession, and the Coca-Codo-Sinclair hydroelectric project. For example, we are promoting public fora, under the auspices of the Yasuní Biosphere Reserve Management Committee and FLACSO, in Coca that include a wide variety of actors—Ministry representatives, local governments, communities, indigenous and colonist organizations, the armed services, and NGOs:

--November 2008, on the Manta-Manaus corridor, "Eje Multimodal Manta Manaos: algunas aproximaciones técnicas."

--March 2009, on the ITT oil concession, "El proyecto ITT y la Iniciativa para Mantener el Crudo en Tierra: Escenarios que enfrentan el PNY."

Also, anticipating the imminent initiation of activities associated with the Manta-Manaus transportation corridor and the ITT oil concession, we are supporting Corporación Oikos in developing with Nueva Rocafuerte a "canton"-level environmental management plan as the basis for guiding development, mitigation, and compensation actions.

We continue to work with NAWE as the Waorani seek to manage oil exploitation within their territory. At the moment only one of eight companies working within the Waorani territory, REPSOL, has negotiated an agreement with NAWE on behalf of the Waorani people as a whole. The other companies support social programs in the communities within or neighboring their concessions, but have not worked with NAWE to develop long-term agreements based on strategic objectives, in part because the Ley de Minería does not promote agreements between oil companies and indigenous federations or local

governments. We seek to assist NAWE in developing with the Waorani communities a strategic vision for the Waorani people, as a framework for negotiations with oil companies and other external actors, and as a basis for recommendations that indigenous organizations could make to revise national legislation. One important mechanism is community mapping, a process whereby the Waorani communities discuss and represent their territorial vision on maps. With a team of Waorani technicians we have completed two exercises to date, one covering 60,000 ha and 5 communities (Quehueriono, Kakataro, Wentaro, Apaika and Nenquipare), and the other covering 15,000 ha and 4 communities (Gareno, Meñepare, Konimpare, and Dayuno).

The models of **strategic environmental and socio-economic impact evaluations** developed elsewhere, for example in Bolivia and Colombia, would appear to be excellent tools for analyzing long-term strategic impacts of hydrocarbon projects and transport corridors, and for developing programs with indigenous organizations that respond adequately to these impacts through a variety of financing mechanisms. However, they are not yet required nor applied in Ecuador.

In the case of the Coca-Codo-Sinclair project, FCAE has provided information to the Cofanes on the Mira hydroelectric project (see below) as an example of a process that has successfully integrated an indigenous organization. In turn, the Cofanes have met with representatives of the Coca-Codo-Sinclair project, seeking to negotiate a role in the development of the project.

In addressing the issues raised by increased investments and their impact on natural resources and local societies, WCS will begin to explore the feasibility of adopting the use of **biodiversity offsets**, either as a voluntary process, or through some level of regulation. WCS is a member of the Secretariat of the Business and Biodiversity Offset Program (BBOP). The Business and Biodiversity Offsets Program (BBOP) is a partnership of over 40 leading companies, governments, conservation experts and financial institutions worldwide that is exploring and testing biodiversity offsets. Biodiversity offsets are measurable conservation outcomes resulting from actions designed to compensate for significant residual adverse biodiversity impacts arising from project development¹ after appropriate prevention and mitigation measures have been taken. The goal of biodiversity offsets is to achieve no net loss and preferably a net gain of biodiversity on the ground with respect to species composition, habitat structure, ecosystem function and people's use and cultural values associated with biodiversity.

No policy exists to support offsets in the country at this time, and for the most part, such offsets are usually voluntary actions undertaken by companies either for purposes of corporate social responsibility or as a result of pressures from lending institutions and civil society. The objective is to work with companies so that they agree to permanently support offsets sites and activities, through trust funds or long-term payment agreements,

¹ While biodiversity offsets are defined here in terms of specific development projects (such as a road or a mine), they could also be used to compensate for the broader effects of programs and plans.

to address the residual impacts of their activities and strive to achieve no net loss of biodiversity.

2.3. Constructing alliances of public and private funds. We continue to seek opportunities to support indigenous organizations, provincial governments and national government agencies to design and implement long-term funding mechanisms, such as trust funds, or through matching fund mechanisms to promote biodiversity conservation and production based on principles of sustainable use of renewable resources. At the same time, we will work with the private sector, the donor community and FAN to develop public-private partnerships that we hope will lead to sustainable revenue flows and steady long-term support for conservation and sustainable resource management initiatives. Some potential opportunities are listed below, while WCS will identify new opportunities on the horizon.

2.3.1. Mira Hydroelectric Project: FCAE, Municipality of Mira, Provincial Government of Carchi, and SENPLADES.

The objective of this public-private alliance is to generate electricity for local consumption (80 families in the Awá community of Baboso) and for sale. FCAE has participated in all phases of the project: 1) Site selection, 2) Feasibility studies, 3) Complementary studies—hydrological, topographic, ecological, 4) Technical design of the project, 5) Environmental and sustainability analysis, 6) Technical specifications for construction, 7) Estimated budget and financial analysis, 8) Signing an interinstitutional agreement between the Ministry of Electricity and the Provincial Government of Carchi, 9) Discussion of the project with Awá representatives and legal advisors of Mira Municipality, and 10) Approval of the project in the Awá Congress.

FCAE is a full member, with voice and vote, of the Mira Hydroelectric Corporation. The corporation's income will be divided as follows: 50% to the fund for research on renewable energies, 20% to environmental studies, 10% to the Municipality of Lita, 10% to the Provincial Government of Carchi, and 10% to FCAE.

2.3.2. La Esperanza Commune Water Fund: La Esperanza Commune (Pasto), Municipal Government of Tulcán, Provincial Government of Carchi, Electric Company of Tulcán, Water Company of Tulcán, Fundación Altrópico.

The community has identified a protection area above 3500 meters, covering 6815 hectares (50% of the Commune's territory). Cost-benefit analyses suggest that the opportunity costs to the community of protecting the area average \$34.59 per hectare per year, while the population of Tulcán would be willing to pay between \$0.50-0.75 per month on their water bills towards páramo protection. A compensation fund will be constituted from direct payments (\$0.027 / m³) for water consumption, and from voluntary contributions from the electric company EmelNorte and the provincial government of Carchi. An environmental committee, conformed by the institutions participating in the project, will administer the fund and supervise execution by the La Esperanza Commune.

2.3.3. The Gran Reserva Chachi: FECCHE, CI, GTZ, and FAN.

Direct payments for conservation are being made of \$5/ha/year, for a total area of 7200 ha that includes portions of three Chachi centers, and benefits 300 families. The fund currently includes \$300,000, while an estimated \$2 million are required to fully cover conservation payments, technical assistance, and monitoring expenses. A board of directors will include one representative from each of the following: the participating centers, FECCHE, Ministry of Environment, Donors (2), and two external members.

2.3.4. Cofán Trust Fund: FSC, FEINCE, CI, TNC, and FAN.

This fund has been designed by not yet implemented. The capital required is estimated at \$9 million, generating approximately \$400,000 in annual income. This would be used to cover administrative costs for the indigenous organization and the protected areas, salaries of 54 park guards, and environmental monitoring. Management costs average barely \$1.00 per hectare. The financial administration would be by the Fondo Ambiental Nacional (FAN), while technical administration would be by the Fundación Sobrevivencia Cofán (FSC). The board of directors will include one representative each from FEINCE, the Ministry of Environment, donors, and one external representative.

2.3.5. Socio Bosque Program: Ministry of Environment, Chachi centers, FEINCE.

The government of Ecuador has developed the Socio Bosque program as a national program of payments for conservation, with the intention of integrating the program into a future REDD (avoided deforestation) international carbon market. The first agreements were signed in 2008: in return for the commitment to protect their forests, indigenous communities and organizations will receive annual disbursements of government resources over a period of 20 years. The Socio Bosque program has also signed cooperation agreements with CI, TNC, Fundación Altrópico and WCS whereby these organizations provide technical support to the indigenous organizations and to the Ministry of Environment in developing and implementing the forest management agreements.

FEINCE signed two cooperative agreements with the government's Socio Bosque program, committing annual disbursements of \$49,000 in government resources to the conservation and management of 30,000 ha of Cofán territory (Río Cofanes), and \$31,000 annually to conserve 7,000 ha of the Cofán Dureno territory.

CI worked with FECCHE to present and discuss the objectives of the MAE Socio Bosque program. As a result, to date 9 Chachi centers (22 communities) signed agreements with the Ministry of Environment in December, covering a total of 17,902 ha and benefiting 820 families. In 2009 the centers are developing the full documentation required, including investment plans and detailed zoning plans for each center. Negotiations between the Ministry of Environment and additional centers are underway. The status of the negotiations and agreements as of April 2009 is summarized in the tables below.

Table 1: Centers that have signed the formal agreement with the Ministry of Environment and are receiving benefits.

Center	Communities per center	Total ha per center	Ha in conservation area	Number of families benefiting
Capuli	1	13,227	4,500	69
Tsejpi	2	6,698	2,000	78
Guadual	2	2,500	1,000	52
San Miguel	7	6,547	3,000	235
Calle Mansa	2	1,476	300	46
Corriente Grande	3	6,200	2,500	86
La Ceiba	1	1,502	1,000	48
San Salvador	2	8,905	602	117
Chorrera Grande	1	5,512	3,000	89
Total	22	52,567	17,902	820

Table 2: Centers that have fulfilled the requirements, are registered with the Ministry of Environment, but have not yet signed the formal agreement.

Center	Communities per center	Total ha per center	Ha in conservation area	Number of families benefiting
Gualpi de Cayapas	2		600	65
Jeyambi	1		500	42
Hoja Blanca	1		300	54
Canande	5		1,100	318
El Encanto	3	6,563	1,800	150
Total	12		4,300	629

Table 3: Centers that registered with the Ministry of Environment, but have not yet fulfilled the requirements.

Center	Communities per center	Total ha per center	Ha in conservation area	Number of families benefiting
Agua Blanca	1	2,490	700	61
Mediania	1		500	66
Total	2		1,200	127

Table 4: Centers that have not signed the formal agreement with the Ministry of Environment because of internal dissension.

Center	Communities per center	Total ha per center	Ha in conservation area	Number of families benefiting
Sabalito	2	5,800	1,500	45
Balsar	1	3,742	2,000	46
Total	2	9,542	3,500	91

In coordination with CI and TNC and the Ministry of Environment's "Socio Bosque" program team, WCS organized a 2-day workshop (June 1-2) in Quito for indigenous and campesino organizations and communities to learn more about how this incentive program (payments for the protection of native forests) functions. In addition to the Socio Bosque presentations, the Chachi and Cofán organizations who signed agreements back in December 2008 and are receiving funds presented their experience and criteria regarding the program to the other participants. Including these two indigenous groups, the participants represented a total of 8 indigenous groups (Awá, Waorani, Pasto, Secoya, Shuar, Kichwa) and 8 campesino organizations. Including WCS, CI and TNC, 14 conservation and development NGO's working with these groups also participated in the meeting, and several including WCS have signed formal agreements with Socio Bosque to support the indigenous and campesino organizations and communities in joining the program. As a result of the meeting, all of the indigenous and campesino organizations requested further information from Socio Bosque in their communities and assemblies over the next 2-3 months, with the intention of joining the program. In addition, although Sápara representatives were unable to attend the Quito workshop, the Sápara assembly in Conambo (5-9 June) voted to join the program as well with a block of approximately 80,000 ha.

2.3.6. Sani Isla tourism and conservation: Sani Lodge, Sani Isla Kichwa community, WCS.

On a smaller scale, WCS has negotiated a model agreement whereby tourism revenues are used directly to cover costs of community park guards. Sani Lodge is a community tourism project run by the Kichwa community of Sani Isla, on the Napo river. From its tourism revenues, Sani Lodge has agreed to pay half of the salaries for three community park guards, and to provide a canoe and outboard motor for these guards to travel to and from the guard post on the Tiputini river (Yasuní National Park). WCS is contributing the other half of the salaries, and will cover food and fuel expenses. The community of Sani Isla has designated the guards and is responsible for supervising their activities and maintaining the infrastructure and equipment.

WCS is also collaborating with the Napo Wildlife Center, a community tourism project run by the Kichwa community of Añangu on the Napo river.

3. KEY ISSUE IN SUSTAINABLE FINANCE

The key in all of these activities is that they be developed in the context of strengthening shared responsibility for conservation and natural resource management among key actors in the areas where they are implemented. While our focus is on strengthening indigenous territorial management, indigenous organizations are not the only actors in the areas they seek to manage. Many of their livelihood and resource management problems are the outcomes of unfavorable relationships with other actors. WCS recognizes the importance of engaging with the host of actors operating in a landscape, including the private sector, which can have a significant impact on land use decisions. This

engagement can lead to a variety of solutions and financing mechanisms that can support both conservation and improved livelihoods. In the landscapes where WCS and other conservation organizations work, development will take place. The key is to balance that development toward a more sustainable path by identifying mechanisms that contribute to the long-term conservation of ecosystem services.

Thus, the key to financial sustainability is also the key to the overall landscape conservation approach that we are proposing, the definition and implementation of a process to construct a vision shared by a critical mass of actors of what they want the areas to be, and for which they are willing to assume shared responsibility with other actors to bring into being.

4. CONCLUSIONS

Table 5 below summarizes the sources that currently finance indigenous organizations and territories, as well as sources under development and potential sources.

Most of the indigenous organizations currently depend to a high degree on donors. This “project fever” can be negative if it restricts the independence of the organizations in pursuing their own strategies. However, the success that most of the organizations demonstrate in generating resources from a variety of donors is commendable.

4.1. Organizational and institutional capacity for integrated management of the territory and the environment.

Organizational and institutional development, including sound governance structures and financial and technical administrative capacities, is not only an objective in its own right, but a means to create the conditions necessary for an organization to generate its own sources of funding and manage them well. Most organizations have been successful at maintaining key personnel over periods extending beyond single project funding cycles, and at maintaining overall strategies that are broader than narrow project activities. Donor support should not be neglected, but the organizations should seek to diversify their funding sources. One key strategy to ensure that indigenous organizations are not donor-driven, already managed by most of the indigenous organizations that we support, is to consolidate strategic plans or “Planes de Vida” as the guiding frameworks within which donors are required to operate. A second key strategy, one that we are promoting but that has not been implemented yet, is to develop formal indirect cost rates that the organizations can charge on all donor projects, ensuring that basic personnel and functions of the indigenous organization are sustained.

4.2. Development of market instruments.

The market instruments that are most relevant to indigenous territories are related to unique products and services that only indigenous territories can supply, or cases where products and services from indigenous territories can be differentiated from and acquire value relative to similar products and services offered by non-indigenous sources: the

certification of agricultural products such as cacao, ecotourism and cultural tourism, environmental services including REDD. In marketing, therefore, the indigenous brands must be developed and publicized. In relation to environmental services, the active management activities conducted by the indigenous communities and organization must be emphasized as well as the unique cultural and environmental qualities of the indigenous territory.

4.3. Financial instruments that generate a regular flow of funds through integrated territorial planning and cadastre systems.

In the long term, the concept of greatest interest to indigenous territories is acquiring authority directly as local governments in order to manage government conservation and land/resource management programs and budgets directly. In the short-to-medium term, the explicit inclusion of conservation and territorial management activities to be undertaken inside indigenous territories by local governments in their planning and budgeting also can strengthen the financial sustainability of indigenous territories and organizations.

Some of the indigenous organizations are generating important alliances with local governments (parishes, municipalities, provinces) and with the national government (CODENPE; Ministries of Environment, Health, Education, Social and Economic Inclusion, Energy; ECORAE). The Cofanes in particular have participated much more actively than ever before in local elections, either as candidates directly or as voting blocks in support of particular candidates, which over time will result in greater local government support of Cofán initiatives. The public sector offers important possibilities for long-term support to indigenous organizations and territories.

However, one limitation is the financial guarantee imposed by MIES, for example, that the organization place in bond a property equivalent in value to the cost of the project. Most indigenous organizations do not own land or buildings, while the title to the indigenous territory is communal and cannot be placed under bond. In some cases the indigenous organizations are negotiating a waiver of the requirement, or an agreement that a local government cover the guarantee. A second limitation is that government projects generally do not support leaders of indigenous organizations or administrative expenses, thus the indigenous organizations must generate additional funds in order to qualify for these government projects. A third challenge is the large number of local governments with which some of the indigenous organizations must interact—for example, the Awá territory overlaps with three municipalities and eight parishes. Although each of these local governments receives public funds based on the population within their jurisdiction, including the Awá population, they generally neglect to spend resources directly within the Awá territory unless FCAE can successfully negotiate with them.

One potential solution that indigenous organizations are exploring is the consolidation of “circunscripciones territoriales”, a legal figure ratified in the new Ecuadorian constitution but not yet defined in supporting legislation. Indigenous organizations are promoting a

definition which would recognize them as local government within the respective indigenous territories and assign public resources directly to the indigenous organization on behalf of the indigenous population within the territory. Indigenous organizations are in practice local governments, yet they lack the authority to raise taxes, and taxation is an essential long-term financing mechanism for governments.

4.4. Generation of collaboration and networks between community organizations and formal enterprises.

The construction of spaces in which community-based enterprises and more formal businesses can learn about what each has to offer the other and develop agreements benefits from participation in public (national, international) events—fairs, exhibitions, workshops—as well as direct participation of indigenous organizations in economic settings driven by supply and demand.

Some of the indigenous organizations are also developing important alliances with the private sector: tourism companies, oil companies, timber companies and certification processes, cacao certification processes, and handicraft production. These relationships are complicated because of the differing priorities and time schedules of private companies versus community organizations. Yet there are examples of increased capacity within indigenous organizations allowing them to assume a role in these private companies, or in companies created by the indigenous organizations, or in joint-venture operations such that indigenous peoples begin to administer the resources within their territories that tend to be exploited by outsiders: oil, timber, minerals, and water.

4.5. Funds for developing social and environmental responses to integrated impacts of hydrocarbons and transport corridors.

We will promote a combination of trust funds and matching funds focused on long-term social and environmental management systems through initiatives such as land titling and territorial planning, indigenous peoples' development plans, monitoring and information systems involving multiple actors, protected areas and critical environmental services. The main contributions to these financial mechanisms should come from funds from compensation and mitigation programs associated with hydrocarbon and highway infrastructure activities.

What is required for long-term sustainability is that indigenous territories and organizations develop new visions that are based on the management of their territory. Standard development activities have limited potential in territories that are geographically isolated or distant from markets, with relatively small human populations, and among people who have less experience than their neighbors in such activities. Most notable is the Cofán visionary strategy of territorial consolidation through the co-management of protected areas, with a large cadre of park/territory guards and other Cofán technicians employed in managing the territory. The Secoya people have an important group of parabiologists involved in ethnobotanical research as well as a community tourism project that is related to their work. With NAWÉ we have begun to

develop such a cadre of Waorani technicians, including the territory guards and mapping technicians. Perhaps the most remarkable case of all is the Secoya artist Ramón Piaguaje, renowned nationally and internationally for his immense and intricately detailed oil paintings of Secoya forests, who maintains himself and generates additional resources for his community from his art.

Reference

Ingram, J.C., T. Stevens, T. Clements, M. Hatchwell, L. Krueger, R. Victurine, C. Holmes & D. Wilkie. 2008. WCS REDD project development guide. New York: WCS TRANSLINKS.

Table 5: Types of support actual (X), being developed (Y), and potential (Z) by each organization / territory.

	Cofán	Cofán (Colombia)	Secoya	Chachi	Awá	Awá (Colombia)	Pasto	Waorani	Kichwa	Sápara
Donors + indirect costs	X	X	X	X	X	X	X	X	X	X
Local governments	X	X	X	X	X	X	X		X	X
Government ministries	X	X		Y	X	X	X	X	X	X
Social and environmental mitigation programs— oil, infrastructure								X	X	
Environmental services (water)					Y		Y			
Trust funds	X							Y		
Direct payments for conservation: Socio Bosque program, others	X		Y	X	Y		Y	Y	Y	Y
Carbon payments: REDD, others	Y	Z	Z	Z	Z		Z	Z	Z	Z
Tourism (private sector)	Y		X	Y	Y			X	X	Y
Agriculture/Livestock	X	X	X	X	X	X	X	X		
Forestry management (private sector)	X	Z	Z	X	X	Z		Z	Z	Z
Handicrafts	X		Y	X	X			X	X	

Annex 1: Partners

NAWE and AMWAE (Waorani):

Governmental

Ministry of Environment (Plan de Medidas Cautelares in the Tagaeri-Taromenane Intangible Zone)
Ministry of Social and Environmental Inclusion (MIES)
Ministry of Tourism
Ministry of Culture
Bilingual Education Directorate
ECORAE
United Nations: UNESCO, UNDP, FAO, UNIFEM
Municipal governments of Orellana, Pastaza

Private

REPSOL
Petrobras, PERENCO, PetroOriental, Petrobel, PetroEcuador
Tropic Tours

Non-governmental/International

ECOLEX
US Peace Corps
WCS
Ibis-Denmark
Acción Ecológica
Land is Life
Save America's Forests
Sinchi Sacha
Fundación Pachamama
PUCE (Catholic University)
USFQ (San Francisco University)
Duke University (volunteers)

Kichwas:

Governmental

Ministry of Environment
Ecofondo
Provincial Council of Orellana
United Nations: UNESCO, UNDP, FAO, UNIFEM

Private

REPSOL
Petrobras

Non-governmental/International

FEPP
WCS
Conservación & Desarrollo
Fundación REPSOL
Rainforest Alliance

TNC
USFQ (San Francisco University)
Proyecto Bosques (European Community)

FCAE (Awá):

Governmental

Ministry of Public Health
Ministry of Social and Environmental Inclusion (MIES)
Ministry of Electricity and Renewable Energy
Ministry of Public Works
Ministry of Urban Development and Housing (MIDUVI)
SENPLADES
Plan Ecuador
Bilingual Education Directorate
Campesino Social Security
CODENPE
Municipal governments of Tulcán, Ibarra, Mira
Provincial government of Carchi
INREDH (Regional Human Rights Foundation)

Private

ArtParquet

Non-governmental/International

UNHCR
International Migration Office
Red Cross
Norwegian Refugee Council
World Food Program
Fondo Ítalo-Ecuatoriano
CONAIE
WWF
CI
WCS
Fundación Altrópico
OXFAM
DED
FLACSO
Sinchi Sacha
PRODER
Ibis-Denmark
US Peace Corps
PRIMANET
Acción Ecológica
Fundación Pachamama

Awá Colombia:

Governmental

Ministry of Culture, Colombia

Municipal governments

Non-governmental/International

UNHCR

USAID (human rights)

WWF

WCS

Planeta Paz

OXFAM

Fundación Altrópico

FECCHE (Chachi):

Governmental

Ministry of Social and Economic Inclusion (MIES)

Ministry of Education

Ministry of Health

Bilingual Education Directorate

Socio Bosque Program

Municipal Government of Esmeraldas

Fondo Ambiental Nacional (FAN)

Non-governmental/International

CI

GTZ

DED

WCS

ECOLEX

Fundación Altrópico

Pastos:

Governmental

Ministry of Culture

Ministry of Agriculture

Ministry of Social and Economic Inclusion (MIES)

Ministry of Education

Ministry of Urban Development and Housing (MIDUVI)

Provincial government of Carchi

Municipal government of Tulcán

Non-governmental/International

Canadian Fund

Italo-Ecuadorian Fund

Polytechnical University of Carchi (UPEC)

Fundación Altrópico

WCS

Heifer Foundation

FEINCE and FSC (Cofán):

Governmental

Ministry of Environment
Plan Ecuador
Socio Bosque Program
Ecofondo
FODI (Infant development fund)
CODENPE
Municipal governments of Lago Agrio, Sucumbios Alto.
Parrish government of Puerto Libre
CISAS (Center for Agricultural Investigation and Services, Sucumbios provincial government)
Fondo Ambiental Nacional (FAN)

Non-governmental/International

Fondo Ítalo-Ecuatoriano
UNHCR
FIDA (International Fund for Agricultural Development)
Fundación TIDES
CARE (European Union)
TNC
Field Museum of Chicago
Gordon & Betty Moore Foundation
ECOLEX
WCS
Conservación & Desarrollo
Rainforest Alliance

Cofanes Colombia:

Governmental

Parques Nacionales Naturales de Colombia—Dirección Territorial Amazonía
Orinoquía

Non-governmental/International

WWF-Colombia
WCS-Colombia
ACT-Colombia
Samaritan's Purse

Secoyas (OISE):

Governmental

Ministry of Education

Ministry of Tourism

Municipal government of Shushufindi

CISAS—Provincial government of Sucumbios

Non-governmental/International

Fundación VIHOMA

Ecofondo

WCS

TNC

Rainforest Alliance

Tropic Tours

Fundación Lianas

Annex 2: New projects generated by partners

FCAE (WCS-USAID support \$398,000; Total new projects \$630,000):

- MIES Carchi, livestock and agriculture, \$96,050.
- MIES Esmeraldas, livestock and agriculture, \$59,700.
- IBIS-Denmark, education, \$60,112.
- Italo-Ecuadorian Fund, construction of bridges and health centers, \$200,000.
- Norwegian Refugee Council, secondary education, \$15,000.
- WWF-OXFAM, Bosques y Territorio, \$167,527.
- CI, Conservation of the Oso Reserve, \$19,955.
- UNIFEM, support to women, \$12,000.

AMWAE (WCS-USAID support \$111,000; Total new projects \$132,000):

- UNDP Small grants—Yasuní Program, handicrafts program, \$50,000.
- Ministry of Culture, research project on traditional handicrafts, \$12,000.
- Corporación Humanas-Ecuador and Ministry of Culture, “Ethnography and historical memory of the Wao-Tededo nationality”, \$15,000.
- REPSOL, handicrafts store and general support, \$55,000.

NAWE (WCS-USAID support \$272,000; Total new projects \$88,000):

- UNDP Small grants—Yasuní Program, territorial guard program, \$50,000.
- REPSOL, within the \$830,000 annual budget signed with REPSOL for 2009 NAWA negotiates \$3,000 for reviewing statutes and \$25,000 for the territorial guard program

FEINCE (WCS-USAID support \$208,000; Total new projects \$190,000):

- Italo-Ecuadorian Fund, “Agua sana y mejores condiciones sanitarias para el Pueblo Cofán”, \$149,000.
- Municipal Government of the Cantón Sucumbios, construction of a footpath from la Barquilla to the Cofán community of Río Verde, \$14,000.
- CISAS (Consejo Provincial de Sucumbios), cacao production with 40 families in the communities of Uperito and Pisorié: tools, inputs, and construction of collection centers; in-kind support.
- CODENPE, office infrastructure for FEINCE, \$20,870.
- ECOLEX, communications between colonists and Cofán communities, \$6,000.