

**Critical Ecosystem Partnership Fund  
29th Meeting of the CEPF Donor Council  
Arlington, Virginia  
10 June 2016  
8:00-11:00 am EST**

**Proposed Emergency Response to the Earthquake in Ecuador**

**Recommended Action Item:**

The Donor Council is asked to consider the proposed response to the April 2016 earthquake in Ecuador, approve the award of grants to Ecuadorian civil society groups to ensure that reconstruction is environmental and socially sustainable, and approve the use of up to \$100,000 from the Special Projects budget for this purpose.

**Background**

On 16 April 2016, Ecuador suffered its most devastating earthquake in the last 60 years. Registering 7.8 on the Richter scale, the earthquake devastated Ecuador's central coast. More than 600 people were killed, tens of thousands of people were displaced and rendered unemployed, and three quarters of a million people required humanitarian aid.

In a recent visit to Quito by the CEPF Grant Director for the Tropical Andes, the Government of Ecuador made a direct appeal to CEPF to provide support to the reconstruction effort. Furthermore, Ecuador's environmental community expressed grave concern that the massive displacement and economic costs, which run well into the billions of dollars, will exacerbate the already precarious circumstances found in some of South America's most biologically diverse sites. Even prior to the earthquake, many Key Biodiversity Areas (KBAs) in the Tumbes-Choco-Magdalena Hotspot and the adjoining Tropical Andes Hotspot faced pressure from agricultural encroachment, illegal mining, logging, and hunting. These pressures are borne out by FAO findings that show Ecuador suffered among the highest rates of deforestation in Latin America in 2015.

Compounding these difficulties has been the country's economic recession. Prior to the earthquake, the Government of Ecuador announced a 95% budgetary reduction for the Ministry of the Environment, resulting in large-scale layoffs, including to its protected area system. Ecuador's environmental community is very concerned that these challenges will soon put Ecuador's coastal and Andean KBAs under tremendous pressure.

## **Recommended action**

The CEPF Secretariat proposes to award emergency grants to Ecuadorian civil society organizations to carry out the following activities:

1. Support a land-zoning plan for the Muisne region to promote environmentally and socially-sustainable reconstruction.
2. Develop protection and monitoring plans for three protected areas most vulnerable to deforestation through extraction of timber and gravel for post-earthquake reconstruction.
3. Support reconstruction planning and sustainable livelihood generation for three Chachi indigenous communities in Muisne that were severely impacted by the earthquake.

This will require amending the Spending Plan for FY17 to include an additional \$100,000 for this purpose. The CEPF Secretariat proposes that these funds be made available from the Special Projects budget.

## **Practicalities**

The CEPF Secretariat proposes to award more than one emergency grant, the total value of which will not exceed \$100,000. These grants will be awarded to Ecuadorian civil society organizations that were former grantees of CEPF and have an established track record of strong performance. The intention to provide funding to civil society organizations has been discussed with officials from the Ecuadorian Ministry of Environment, and has their support in principle.

The grants will target Muisne region, which is located 30 km north of the earthquake's epicenter. Muisne lies outside of the boundary of the Tropical Andes biodiversity hotspot, in the adjacent Tumbes-Choco-Magdalena biodiversity hotspot, where CEPF invested between 2002 and 2013. CEPF has an active program in the Tropical Andes, coordinated by a Regional Implementation Team (RIT) led by FUNDESNA ( *Fundacion para el Desarrollo del Sistema Nacional de Areas Protegidas de Bolivia*). Because CEPF does not have an active program in Tumbes-Choco-Magdalena, the CEPF Secretariat proposes that review, monitoring and support of the emergency grants will be supported by the Tropical Andes RIT. The proposed project sites are situated close to the Tropical Andes Hotspot, and monitoring of these grants can be combined with monitoring of other grants in Ecuador in the Tropical Andes portfolio.

Award and management of the grants will follow the policies and procedures set out in the CEPF Operational Manual. The CEPF Secretariat proposes to use the grant-by-invitation modality, which was reviewed by the CEPF Working Group in August 2015. One of the criteria that can be used to justify a grant-by-invitation is response to an emergency situation. The grant-by-invitation modality does not involve an open call for proposals. Rather, applications will be solicited from organizations identified as being best placed to respond to the identified needs by the CEPF Grant Director.

In April 2016, the World Bank approved a \$150 million loan to the government of Ecuador to reduce the potential effects of the El Niño phenomenon and the Cotopaxi volcano, and support the recovery of basic and production services in affected areas in case of an eligible disaster. With their focus on biodiversity conservation, the proposed emergency grants will complement the World Bank loan, which focuses on the water and flood protection, agriculture, livestock, aquaculture and fisheries, transport, and health sectors, and has no specific focus on forests and biodiversity, other than from the perspective of environmental safeguards. Nevertheless, the CEPF Grant Director has reached out to the World Bank Task Team Leader, to ensure that there is no duplication of effort and explore possible synergies.