
- Presentation
- 5th World Parks Congress – Sustainable Finance Stream
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Presentation Structure

- Section I
  - Kaa-Iya Process Basic Data: Facts, Actors and Dynamics

- Section II
  - The Financial Subject in the Pathway to Sustainability

- Section III
  - Lessons Learned: Potentials, uncertainty and thresholds of vulnerability

Kaa-Iya in the Region

- Peru
- Brazil
- Paraguay
- Argentina
- Chile
- Bolivia
- Kaa-Iya

Space & Territory

- Isoso Territory: 1.5 million Has.
- Kaa-Iya PA: 3.4 million Has.
- Total under CABI responsibility: 5.3 million Has.
Conditions and Challenges
1. Governance and Vision
2. Space and Territorial Ordering, Zoning and Management Plans, State owned Assets
3. Integrated Rural and Urban Cadaster, land Governance
4. Territorial management and economic Zoning
5. Biodiversity and Wildlife
6. Changes of use of Soil and Vegetation
7. Population and related dynamics
8. Effective Sustainable Development and Financing

[Selection]
First approach to Financial Sustainability

Critical conditions and capacities for dealing with the question of sustainability in general and the question of financial sustainability in particular:

- Vision, legitimacy and Voice
- Time frame Horizon and spatial scale wide enough to support on long term back casting
- Governance, in the construction of social and environment management systems
- Territorial ordering, zoning and management plans for supporting distribution of rights of propriety and use of land and natural resources
- A network of cooperation between CABI and their counterparts, in the referred agreements, made available critical information and momentum for better negotiation conditions.

Institutional Agreements and Partnerships 1996-2003

3. PDPI AND PMA Agreement 1997 – 2002
5. Agreement between CABI, APG and the TRANSIERRA consortium, April 2002
6. Agreement for the creation of the Kaa-Iya Foundation signed formally in September 2002,
   h. CABI – WCS new agreement renewing the Strategic Partnership between them. This agreement is signed on June of 2003 as a long term

Kaa-Iya: The Financial Subject in the Pathway to Sustainability

Momentum and Catalyst towards Financial Sustainability

Momentum
Between 1997 and 2003 were invested more than 2,000 US million in the region, concentrated on Hydrocarbons, International Roads and induced regional development.
The trigger, the first and major of this macro investments was, since 1997, the “Principal gas pipeline of integration Bolivia – Brazil”. This pipeline has a total extension of 3,150 km. The Bolivian portion has 577 Km of which 260 km, 45% traverse the Kaa-Iya Protected Area and the Isoso Indigenous Territory.

Catalyst
PDPI and PMA-E New Agenda
- 1 Institutional Frame and Governance.
- Land and territorial entitlement for Indigenous People, including support for ecological and economic Zoning, Management Plans and Sustainable Development
- Sustainable Financial Mechanisms for environment conservation in the Kaa-Iya area and sustainable development initiatives. A Trust Fund of 1 million US was established as a first step in this perspective
- 4 Support to specific Environmental Management Plan to create knowledge and conditions for monitoring and response, to face uncertainties and risks on a long term basis
Funds, Cost efficiency and Investments

<table>
<thead>
<tr>
<th>Concept</th>
<th>Amount in US</th>
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<tbody>
<tr>
<td>1. Trust Fund, from PDPI, mainly support for the protected area management. (Since 1998)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>2. Return Fund for Territory securing, zoning, management plan and sustainable development initiatives. Guaranteed a first rotation for 2003 (Since 1999)</td>
<td>730,000</td>
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<tr>
<td>3. Fund form the Right of way of GASYRG (pipeline from Argentina to Santa Cruz). Only Investments (Since 2002)</td>
<td>300,000</td>
</tr>
<tr>
<td>4. System of matching Funds, agreement with Kaa Iya Foundation, WCS to match rentals generated by the trust funds (since 2002). two years projection</td>
<td>90,000</td>
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**FUNDS SUBTOTAL** 2,120,000

Section III Lessons Learned: Potentials, uncertainties and Future

**Necessary Conditions**
- Vision and Legitimacy on long term and wide spatial scale
- The Governance put in first place the question of power and responsibility in the construction of socio-economic and environment management systems and the required institutional capacities (planning, performance, accountability etc).
- Strategic Partnerships and coordination with multiple and diverse public, private, civil society, ONGs, and Cooperating actors is essentially for effective action allowing articulated and simultaneous responses to complex social and environmental challenges as the discussed here.
- Necessary link between conservation, and sustainable development and progressive solutions to population poverty. Zoning an Management Plan had proved to be excellent instruments to enfold the environmental issues in the core of sustainable development plans.
- Territorial Ordering, equity in the distribution of property and use rights over land, territories and natural resources.
- Knowledge, information and Monitoring systems on critical environment issues, as hydrologic and water balances, Biodiversity, forest fires etc

Financial Sustainability Issues

- **International Financial Capital (Globalization Issues)**
  - the International Financial Capital and his externalities are the driving forces.
  - In the long term without effective global changes towards sustainable growth, equity in distribution of income and services, reversal of trends towards poverty and unemployment and rates of depletions of natural resources and ecosphere, financial sustainability is a dream turning into a nightmare.

- **Financial Sustainability at regional and local level**
  - Establish financial objectives in both spaces: The protected Area, requires an average of 400,000 US per year to accomplish the goals and demands defined in his Management Plan. Actually his budget is around 250,000 US, including counterpart funding from the Trust Fund.
  - It means for example a financial gap of 750,000 US for the next 5 years.
  - The TCO Isoso will require at least 5 US millions of investments on Sustainable development programs in order to generate growth, income and better life quality for their people.
  - CABI must define (is doing it) a diversified portfolio of Investment Opportunities, linked to improving traditional strategies of production and developing new areas or scales of investment like Eco Tourism, wild life management, ecological products, energy, medicine and genetic resources, environmental services.
Financial Portfolio

- Related to both previous points CABI, in consensus with his associates must propose (it is in process now) a Financial System that balances and integrates:
  - Trust Funds (great Capital / very little rent ability)
  - Matching and Counterpart Funds
  - Return Funds with a wide portfolio of support to investment
  - Direct Investment funds for selected projects of medium to great scale.

The Institutional framework and Partnerships constructed by CABI and his allies, focused on Sustainable development and environment protection, could be the principal factor to guarantee (except the externalities) significant advances towards Financial Sustainability.