

Pilot project for the reforestation and rehabilitation of degraded forest lands in Ecuador

Final Report

PD 17/97 Rev. 3 (F)

I. Introduction

This project constituted a follow-up project to consolidate, strengthen and expand the promotional activities geared towards the restoration and rehabilitation of Ecuador's degraded forestlands initiated under pre-project PPD 8/94 Rev.2 (F) "Diagnosis and Design of a PLANFOR Support Programme" and project PD 156/91 Rev.2 (F) "Establishment of Two Model Forest Nurseries and Forest Management Project".

The project was approved by the Council at its Twenty-fourth Session in May 1998 and financed in full at the Twenty-fifth ITTC Session in Yokohama, Japan. The Project Agreement was signed in February 1999 and the first disbursement of funds was made to CORMADERA in April 1999.

II. Project Objective

The Project aimed at setting the groundwork required to develop and sustain a country-wide forest rehabilitation initiative which, once implemented, would offset the currently increasing deforestation rates in Ecuador, create a sustainable source of woody raw material and, at the same time, improve the living standards of the Ecuadorian rural communities through the creation of permanent forestry jobs.

III. Project Strategy and Activities

The Project strategy consisted in the compilation and dissemination of baseline silvicultural information and the development of appropriate intermediate technologies with a view towards promoting the rehabilitation of degraded forestlands and achieving the establishment of 10,000 ha of forest plantations, and specifically focused on the following:

1. The development of economic, financial and environmental studies for the rehabilitation of degraded forest lands;

2. The design of potential financing mechanisms for the establishment of forest plantations;
3. The identification and evaluation of 10,000 ha for rehabilitation purposes;
4. The improvement of the local technical skills in plantation forestry;
5. The establishment of a Services and Training Unit to provide support for environmental impact assessments and the establishment and management of forest plantations; and
6. The consolidation of a national network of forest nurseries to guarantee an adequate supply of quality seedlings.

IV. Project Achievements and Outputs

The Project was completed in June 2003. In accordance with the project document, all planned activities, plus others not originally contemplated, were successfully carried out and achievements can be summarized as follows:

Inter-institutional collaboration was strengthened among forestry-related organizations at both the national and regional levels. Agreements were fostered with forestry and marketing-related associations such as AIMA, CORPEI, TROPIMADERAS, TROPITECA, and the Fundacion Club 4F, and with the academic sector, in particular the Universities of Tecnica del Norte, Tecnica de Quevedo and Tecnologica Equinoccial, for the promotion of plantation forestry in Ecuador;

- Reforestation agreements were arranged with various Ecuadorian institutions, such as: PROFAFOR, PROBONA, Grupo Noboa, Grupo Wong, Grupo Electroecuatoriana and CAPEIPI;
- 42,000 ha of degraded forestlands were inventoried and evaluated for their reforestation potential;
- A 10,000 ha pilot reforestation plan was devised and implemented;
- A national and international tropical timber market study was carried out covering major native and exotic tree species in Ecuador;
- Financing and incentive mechanisms, including a mechanism for future sales of forest plantations, were designed and promoted among the government and banking sectors of Ecuador;
- A Methodology for the Evaluation of the Environmental Impact of Forest Plantations was developed, published and disseminated throughout Ecuador. It included an interactive methodology on a CD-ROM;
- A technical package of plantation establishment guidelines was developed and widely disseminated throughout Ecuador. It comprised the following: market tendencies, profitability model, technological guidelines, methodology for the evaluation of environmental impacts, and an inventory of lands apt for reforestation. The package also included software developed to calculate economic returns on plantation investments and to monitor national and international timber market trends;
- Several seed sources were identified at the national and international level, in order to provide for high quality seedlings for the establishment of plantations. The information was incorporated into a database, and includes species availability, provenances and prices;
- More than 1,200 ha of demonstration plantations were established in 7 areas in the Provinces of Guayas, Esmeraldas, and los Rios;

- A Forestry Services Technical Unit to provide assistance to potential investors in the establishment of plantations was developed and implemented;
- Several workshops were organized to disseminate the aforementioned package of guidelines to landowners and potential investors, both private and community oriented; and
- 50 technicians were trained in plantation establishment and management techniques.

V. Target Beneficiaries Involvement

Target beneficiaries actively participated in the workshops and in the establishment of demonstrative plantations. Beneficiaries included landowners, farmers, rural communities, forest industries, and municipalities. Due to the project's promotional activities, many of them have initiated their own reforestation programs and also created the National Association of Tropical Reforesters. Forest industries expect to have an improved supply of better quality raw materials. Local communities and the country in general also stand to gain from increased job creation due to the ever-growing plantation programs initially fostered by the project.

VI. Lessons Learnt

Among the many lessons learnt, it is relevant to highlight that, due mainly to the economic standing of the country, it was virtually impossible to crystallise any effective support from development banks, other financial institutions or the government itself for the provision of appropriate financing mechanisms needed for the development of plantation forestry in Ecuador. In this light, any new project of this kind should seriously contemplate this aspect first before embarking on its implementation.

VII. Dissemination of Results

The dissemination and promotion of the project's objectives and activities was continuous via collaborative partnerships with the academic, private and public sectors, and through presentations, seminars, pamphlets, radio and television. Aside from aforementioned, several technical documents related to forestry plantation establishment and management were published and widely distributed throughout Ecuador, the most important ones being:

- "Forest Market Trends and Estimation of Investment Returns: Key Tools for the Establishment of Productive Forest Plantations". This publication also includes software developed to calculate economic returns on plantation investments and to monitor national and international timber market trends;
- "Technical Guidelines for the Establishment and Management of Productive Forest Plantations on the Ecuadorian Coast"; and
- "Methodology for Assessing the Environmental Impact of Forest Plantations".

VIII. Recommendations related to future work

CORMADERA, through its Forestry Services Technical Unit, is expected to continue providing the technical assistance required by investors in the establishment and management of forest plantations in Ecuador. However, institutions such as CORMADERA, the National Association of Tropical Reforesters and others, should continue to lobby strongly for the creation of appropriate financing mechanisms for forest plantation establishment in Ecuador, as this was the Achille's heel of the current project. While the interest is there, the financial resources are not.

IX. Concluding Remarks

Overall, the project provided the foundation for the development of sustainable plantation forestry and the rehabilitation of degraded forestlands in Ecuador.

As the ITTO Secretariat has received the Project Completion Report, the Final Technical Report, the Final Financial Audit Report and all other publications and technical documents, this project can be reported as completed.