

## FONAG: WATERSHED CONSERVATION AND RESTORATION

*Through a financial mechanism, the FONAG aims to achieve medium and long-range goals and ensure positive and lasting impacts on the conservation of water sources in the metropolitan district of Quito (DMQ)*

### OVERVIEW

- Organization data:
  - ✓ Name: Fondo para la Protección del Agua del DMQ
  - ✓ Organization type: Trust company
  - ✓ Year of foundation: 2000
- Beneficiaries: Urban and rural inhabitants of the basin, 2'700.000 people
- Donors and financing: Metropolitan Public Water and Sanitation Company, The Nature Conservancy, Empresa Eléctrica Quito, la Cervecería Nacional, Camaren consortium and The Tesalia CBC – 18.7 million USD
- Location: Upper basin of Guyallabamba river, Napo and Pinchincha provinces, Ecuador
- Beginning date: 2000
- Motivations: Facilitate the protection of watersheds that supply water to the DMQ and guarantee water quality and quantity to the population



### CONTEXT AND ACTION

The upper basin of the Guayllabamba River is one of the most populated areas in Ecuador, mainly due to the presence of the capital Quito. In this region water demand is growing exponentially and comes mainly from irrigation for agriculture, drinking water and industry.

In response to this problem, FONAG was created as a financial mechanism for the implementation of projects to protect the ecosystems that are DMQ's water sources. Through various economic contributions, FONAG uses the financial revenues generated by this fund to co-finance conservation, monitoring, investigation, restoration and environmental education programs.

FONAG gives priority to participatory management in its actions by directly involving the populations living in the basin. It develops hydrosocial assessments to understand the needs and socio environmental problems and establishes conservation agreements with the communities and private landowners. To recover degraded areas it applies passive and active restoration strategies that include planting native flora, seed bombing and protecting areas with fences.

FONAG also has "paramo" rangers who carry out duties such as monitoring, control and surveillance to protect water sources from threats like forest fires, illegal fishing or hunting, uncontrolled tourism, etc.

**Local challenges |**

- Increased demand for water due to population growth and economic development;
- Pressure of livestock activities on paramos and wetlands;
- Urban growth that is expanding to paramo areas;
- Forest fires.

**Local responses |**

- Ecological restoration program: recovery of degraded ecosystems.
- Water management program: monitoring and information generation on climate, hydrology and watershed management.
- Environmental education program: workshops with communities, awareness tour towards water sources, learning experiences for teachers on ecology and pedagogy;
- Sustainable water conservation areas program: partnerships for conservation based on trust, will and commitment.

**BENEFITS****Environmental |**

FONAG works on the restoration of degraded areas of paramo with native flora to improve water regulation.

**Social |**

FONAG works with a social equity approach ensuring water access and food sovereignty for communities located in water sources. It also works to generate alternative sustainable means with gender equity.

**Economic |**

FONAG is a financial mechanism established for 80 years under the Stockmarket Law. Its structure allows the members to give periodic contributions that generate a solid and transparent financial structure that guarantees the development of the programs and activities.

**SUCCESS FACTORS**

Transparency in the management of funds  
 Trust of the financiers of the fund  
 Financial mechanisms are designed for the long term;  
 As an endowment fund FONAG has secured resources for the return on its assets

**OBSTACLES**

Changes in local authorities may give problems in the advance of launched processes;  
 Lack of information about global functioning of Andean ecosystems;  
 Urban beneficiaries not sufficiently aware of the benefits of the fund's work



*« We share the responsibility of ensuring that there is always water... for everyone. »*

**The FONAG**

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▪ **Related link(s):**

[www.fonag.org.ec](http://www.fonag.org.ec)

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