

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC6841

**Date ISDS Prepared/Updated:** 27-Nov-2013

**Date ISDS Approved/Disclosed:** 01-Dec-2013

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Chile	<b>Project ID:</b>	P124908
<b>Project Name:</b>	Chile FCPF Readiness Preparation Grant (P124908)		
<b>Task Team Leader:</b>	Peter Jipp		
<b>Estimated Board Date:</b>			
<b>Managing Unit:</b>	LCSAR		
<b>Sector(s):</b>	Forestry (100%)		
<b>Theme(s):</b>	Climate change (100%)		
<b>Financing (In USD Million)</b>			
Total Project Cost:	3.80	Total Bank Financing:	0.00
Financing Gap:	0.00		
<b>Financing Source</b>		<b>Amount</b>	
Borrower		0.00	
Carbon Fund		0.00	
Readiness Fund of the Forest Carbon Partnership Facility		3.80	
Total		3.80	
<b>Environmental Category:</b>			
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The Project Development Objective is to assist the Recipient in carrying out the Readiness Preparation Activities.

### C. Project Description

The Readiness Preparation Proposal (R-PP) prepared by the Government of Chile identifies a broad set of activities to support the country in strengthening its technical and institutional capacities to

participate in a future REDD+ mechanism. The financial envelope needed to cover the set of activities needed to reach REDD+ Readiness in Chile has been estimated to USD 13.68 million in the R-PP. This envelope will be supported by different sources, which include multilateral and bilateral financing arrangements in addition to the Chilean government's own contribution. The FCPF Participants Committee (PC) authorized grant funding of \$3.8 million in March 2013 (PC14) based on Chile's submission of its R-PP in October 2012, while the Government of Chile will provide significant funding in the amount of USD 4.919 million. Recently, the country registered a Forestry NAMA with the Secretariat of the UNFCCC, for which the Swiss Government has contributed approximately US\$3 million. That, together with funding currently being negotiated with the private sector at the national level, is expected to finance the priority activities of the REDD+ Readiness process, which will allow the country to build a strong base for further engagement in the REDD+ process.

The FCPF grant will only finance specific activities included in components 1 and 2 of the R-PP. These activities have been selected after technical discussions with the National Forestry Corporation (CONAF), taking into account the technical and financial needs of Chile's REDD+ Readiness process, the comparative advantage of the World Bank in supporting them, as well as the complementarity with support made available by other partners. It should be noted that the activities to be financed by the FCPF in support of the REDD+ Readiness Program in Chile do not include the implementation of REDD+ programs or activities on the ground. The FCPF support is limited to analytical studies, capacity building, and consultation processes and awareness-raising at the national and sub-national levels.

The specific REDD preparation activities Chile intend to carry out in preparing its Readiness Package are described in the R-PP, and include: strategy development through stakeholder consultations, analytical work, capacity-building, a Strategic Environmental and Social Assessment (SESA), and technical work to establish a national forest Reference Emission Level/Reference Level and monitoring system. These activities are funded by the FCPF Readiness Preparation Grant of \$3.8 million.

The FCPF Grant will support the following components:

Component 1: Readiness Organization and Consultation (USD 870,915).

1.1 National Readiness Management Arrangements (USD 298,915)

1.2 Information Sharing and early Dialogue with Key stakeholder Groups - FCPF USD 172,000

1.3 Participation and Consultation process (USD 400,000)

Component 2: REDD+ Strategy preparation (USD 2,629,085).

2.1 Land Use, Drivers of Land Use Change, Forest Law, Policy and Governance (USD 70,000)

2.2 REDD+ Strategy options (USD 2,257,085)

2.3 REDD+ Implementation framework (USD 104,000)

2.4 Social and Environmental Impacts: SESA and ESMF (USD 198,000)

Activities to be financed by the FCPF would not include any physical investment or the implementation of any REDD program on the ground.

#### **D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

The FCPF Readiness Preparation Grant does not entail physical investments or pilot projects on the ground. Instead, the grant will finance a number of analytical and diagnostic studies as well as a

series of consultation meetings and workshops with relevant stakeholders. While Readiness Preparation is conceived as mostly strategic planning at this stage, key policy and regulatory precedents are being set at the readiness phase that will have downstream impact at the national level once the national REDD+ strategy is ready to be implemented.

### **E. Borrowers Institutional Capacity for Safeguard Policies**

The executing agency will be the Chilean National Forestry Corporation (CONAF) responsible for overseeing all forestry activities in the country, including management of incentive programs for plantations and native forest management, national parks, fire prevention and suppression and environmental impact assessments for activities in forest areas. CONAF headquarters are in Santiago, and they maintain a large and diverse staff throughout the country in regional and local offices. Notably, CONAF has a dedicated technical team at the national and regional level with experience and systematic engagement with a broad range of stakeholders, including indigenous peoples, campesino communities, small producers, etc.

As REDD+ involves a wide-range of stakeholders, interests may differ and the national REDD+ process may require negotiation as part of the consultation process. The potential need for mediation and management of conflict among stakeholders is taken into account throughout the process and expertise will be sought for in this area. Budget is allocated to recruit social development expertise in order to lead the multi-stakeholder and multi-level consultation process.

### **F. Environmental and Social Safeguards Specialists on the Team**

Raul Tolmos (LCSSEN)

Mi Hyun Bae Mbayo (LCSSO)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	This project is classified as Category B. The Strategic Environmental and Social Assessment (SESA) being carried out under the project in compliance with OP/BP 4.01 will serve to identify, avoid, and mitigate the potential negative environmental and social impacts associated with future activities to be supported by the final REDD+ strategy by providing guidance and key elements for the preparation of an Environmental and Social Management Framework (ESMF). The SESA will also influence the final national REDD+ strategy, by ensuring that social and environmental risks are factored in the preparation of the strategy.
Natural Habitats OP/BP 4.04	Yes	The application of this policy seeks to ensure that all options proposed in the National REDD + Strategy take into account the conservation of biodiversity, as well as the numerous environmental services and products that natural habitats provide to Chilean society. Overall,

		REDD+ activities are expected to have significant positive impacts on natural habitats, as the country puts in place an effective strategy to reduce loss of natural forests. The SESA will address issues related to natural habitats and potential impacts of the National REDD+ Strategy, which will later be included in the ESMF.
Forests OP/BP 4.36	Yes	Overall, REDD+ activities are expected to have significant positive impacts on forest, in that the main goal of the program is to reduce deforestation and forest degradation, while contributing to the well-being of forest-dependent communities. Potential impact of the National REDD+ Strategy on natural forests will be assessed through the SESA and included in the ESMF. The SESA and associated ESMF will reflect the requirements of the Bank's Operational Policy regarding forest management, in particular as these relate to the establishment of plantations and use of critical forest areas.
Pest Management OP 4.09	TBD	This policy could be triggered depending on the final scope of the National REDD+ Strategy. Agricultural intensification and reforestation activities, for instance, could trigger this policy, depending on the methods employed by concrete activities on the ground to manage pests. The SESA will address critical issues related to pest management, as necessary, and these will also be included in the key elements for the ESMF.
Physical Cultural Resources OP/ BP 4.11	TBD	This policy could be triggered if REDD+ activities promote actions in areas containing sites deemed physical cultural resources (PCR). Though it is not anticipated that the project will have negative impacts on any such sites, the existence of any such sites and the corresponding need to trigger this policy will be determined once the National REDD+ Strategy is completed. If triggered the ESMF will include provisions for how to address preservation of known PCR and how to address chance finds.
Indigenous Peoples OP/BP 4.10	Yes	SESA began at the formulation phase and will continue throughout the readiness phase with

		<p>the participation of indigenous peoples in identifying the key issues and providing recommendations for the design of the National Strategy. As part of the formulation phase, indigenous peoples participated in the regional SESA workshop for the Araucania and Bio Bio where they assessed the risks and benefits of the proposed REDD+ strategic options from their own perspective and contextual realities. CONAF plans to carry out the required social assessment and prepare an Indigenous Peoples Planning Framework (IPPF) in close consultations with indigenous peoples' communities, as a specific chapter of the ESMF. , prior and informed consultations with indigenous peoples will be carried out as per the policy in seeking broad community support on the National Strategy. Chile has also committed to follow its obligations under ILO Convention 169 on Indigenous and Tribal Peoples.</p>
Involuntary Resettlement OP/BP 4.12	Yes	<p>During the readiness phase, SESA plans to assess the potential restrictions of access to natural resources as part of the design phase of the National Strategy and provide the adequate recommendations from the perspective of stakeholders. CONAF will prepare the required Resettlement Policy Framework and Process Framework (PF) in close consultations with indigenous peoples, campesino and other small farmers. The RPF will manage impacts in the event of potential relocation and/or land acquisition of indigenous peoples and small farmers as a result of the implementation of the national strategy on the ground. The PF will help manage the potential risk of restriction of access to forest resources. The RPF and PF will be prepared as a specific chapter of the ESMF.</p>
Safety of Dams OP/BP 4.37	No	
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

#### A. Tentative target date for preparing the PAD Stage ISDS: 15-Jun-2015

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

**B. Time frame for launching and completing the safeguard-related studies that may be needed.  
The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

The SESA will be conducted to identify and address the environmental and social benefits and risks of the REDD+ strategy based on a participatory approach and integrates the World Bank's environmental and social operational policies. As part of the SESA process, an ESMF will be prepared to manage and mitigate any possible risks and potential for eventual investments and/or activities on the ground once the national strategy has been designed. The ESMF is intended to be a live document that may evolve and be updated overtime when new REDD + strategy options and projects or activities (including investments), or policies/regulations are identified during implementation of REDD+.

**IV. APPROVALS**

Task Team Leader:	Name: Peter Jipp	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Glenn S. Morgan (RSA)	Date: 28-Nov-2013
Sector Manager:	Name: Laurent Msellati (SM)	Date: 01-Dec-2013