

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

**Report No.:** ISDSC6213

**Date ISDS Prepared/Updated:** 13-Mar-2014

**Date ISDS Approved/Disclosed:** 20-Mar-2014

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Mexico	<b>Project ID:</b>	P120417
<b>Project Name:</b>	Mexico FCPF Readiness Preparation Grant (P120417)		
<b>Task Team Leader:</b>	Carole Megevand		
<b>Estimated Board Date:</b>	11-Jun-2015		
<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
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 support a participatory and inclusive process for the finalization of Mexico's National REDD+ strategy (ENAREDD+).

### C. Project Description

COMPONENT 1: Organization and Consultation. (FCPF amount: \$2,558,000)

The FCPF grant would support the continuing dialogue and participation process with stakeholder groups, within and outside government as part of the preparation of the ENAREDD+.

### Sub-Component 1a: National Readiness Management Arrangements (FCPF amount: \$950,000)

REDD+ readiness is a complex and challenging process. To be successful, it requires a solid consultation with, and coordination amongst the various platforms at the policy level and at the multi-stakeholder level. CONAFOR has been leading the preparation of the ENAREDD+ through a participatory process that is anchored by a multi-stakeholder technical advisory committee - Comité Técnico Consultivo or CTC-REDD+, - which includes representatives of key governmental institutions (forestry and non-forestry), NGOs, indigenous peoples, forest community-based organizations, the academic sector and financial institutions. Their mandate is to provide an open and transparent participation platform for the preparation of the ENAREDD+. In addition, CONAFOR also works closely with other important platforms that have been established such as the Technical Advisory Committee of the REDD+ Working Group under the CICC (Comité Técnico Asesor del Grupo de Trabajo REDD+ or CTA del GT-REDD+) and the ENAREDD+ working group of the Consejo Nacional Forestal (CONAF).

At the local and state level, existing platforms will be strengthened in order to ensure that potentially affected stakeholders have an opportunity to raise specific issues and concerns regarding REDD+ that affect them. For example, the approach of the Community Forestry program includes the identification and integration of spaces for social participation and consultation (foros regionales or regional natural resources committees) in order to better plan, evaluate and monitor the construction of community development processes and to strengthen social capital. These regional spaces are managed by Community Forestry Program staff and an average of 10 to 15 communities and ejidos are represented in each meeting. All resolutions/decisions are taken by consensus, documented and must be signed and sealed by the representatives.

Under this component, the FCPF grant would finance additional human resources in CONAFOR to provide technical assistance for the REDD readiness and the participative process in México and to coordinate the preparation of the documents required by the FCPF. It would also support the strengthening of the existing multi-stakeholder participative platforms both at the national (CTC-REDD+, CTA del GT-REDD+, and others in complementarity with other initiatives) and the state level (regional CTC in five states). At the local level, the FCPF grant would support the foros regionales to hold a comprehensive meeting on REDD+ at least once per year.

### Sub-Component 1b: Stakeholder Consultation and Participation (FCPF amount: \$1,608,000)

Context: The government of Mexico has been working to ensure a wide dissemination of REDD+-related information to the various stakeholders in order to guarantee their full and effective participation in the preparation of the ENAREDD+. Particular attention will be paid to Indigenous Peoples and forest-dependent communities as well as to other vulnerable groups such as women and youth. To date, the CTC REDD+, considered by many to be the most important representative participation platform at the national level, has been very involved in the early discussions and technical reviews of the ENAREDD+ [see details regarding the early information dissemination and participatory process in Annex 8 SESA workplan of the Assessment Note]. Additionally, CONAFOR and CDI signed a collaboration agreement in July 2013 that includes a mandate to design and implement consultation and dissemination activities specifically targeted to indigenous people, as well as the promotion of indigenous participation in the existing participatory platforms mentioned

above. It is expected that before the final draft of the ENAREDD+ is released for consultation, a guiding document defining the plan for the national consultation (Consultation Plan )will be prepared taking into account past experiences and existing inputs (to be ready by the end of 2013). During 2014, the final draft of the ENAREDD+ will undergo a comprehensive multi-stakeholder consultation process throughout the country, as per the approved Consultation plan.

Potential risks of the REDD strategy options applicable in Mexico will be widely discussed with relevant stakeholders during consultations and also as part of the SESA process explained below. Special attention will be given to Indigenous Peoples and other forest-dependent communities; lessons learnt from ATREDD+ will inform the preparation of the subnational REDD+ strategies. In order to foster an inclusive and informed consultation regarding ENAREDD+, particular efforts will be made to ensure a wide dissemination of information on REDD+ at the local level and to use the Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal (PROFOS) to channel culturally-relevant and user-friendly communication material on REDD+ through the local organizations that work directly with forest communities.

Under this component, the FCPF grant would finance the consultation process with relevant stakeholders at the national, state and local levels in order to influence the final version of the ENAREDD+. This process will be based upon other successful efforts such as the national consultation for the National Climate Change Strategy. This activity will be closely articulated with the Strategic Environmental and Social Assessment (SESA) under component 2d.

#### COMPONENT 2: Development of the REDD Strategy (FCPF amount: \$1,242,000)

The FCPF grant would support further analysis and design policies and programs to tackle the drivers of deforestation by analyzing barriers to inter-sectorial coordination, conduct dialogues on the critical aspects identified related to REDD+, extensive consultation and participation and the preparation of an ESMF that will provide guidance for the management of social and environmental risks during the implementation of the ENAREDD+, while putting in place the necessary institutional and legal framework and the institutional arrangements to make them effective.

#### Sub-Component 2a: Assessment of Land Use, Forest Policy, and Governance (FCPF amount: \$288,000)

1. Context: Mexico has made significant progress in assessing the main drivers of deforestation and forest degradation and the potential options to promote REDD+ in the wider context of sustainable rural development. As part of the preparation of the ENAREDD+, Mexico launched REDD+ Early Actions (ATREDD+) at the subnational level: the ATREDD+ will pilot innovative local governance models at the territorial level in order to plan, guide and assist communities to promote landscape-based management and help harmonize government interventions in the rural sector. Currently, ATREDD+ are being piloted in the States of Jalisco, the State of Oaxaca, the State of Chiapas and three states of the Yucatán Peninsula (Campeche, Quintana Roo and Yucatán).

To complement these on-going activities, the FCPF would support analytical work and technical assistance from experts in order to: further identify the barriers to inter-sectorial policy coordination for REDD+ implementation; identify additional sites with potential for successful replication of REDD+ Early Actions; and identify appropriate legal frameworks for the promotion of local governance mechanisms for REDD+ implementation.

**Sub-Component 2b: REDD Strategy Options**  
(FCPF amount: \$124,000)

Context: Mexico has made significant progress over the past three years to identify potential strategic options for the ENAREDD+ that would address deforestation and forest degradation. A third draft of the ENAREDD+ has been prepared and circulated for comment. However, critical issues related to the potential REDD+ strategic options (and particularly in terms of their potential social and environmental risks and impacts) still need to be further defined and analyzed. For example, carbon ownership and benefit sharing are critical issues that will be further analyzed as part of the SESA process.

Under this component, the FCPF would finance studies to support the finalization of the ENAREDD+ and the design of potential REDD interventions and to develop scenarios to model the impacts of strategic options for REDD+. The activities under this subcomponent will promote the dialogue between different actors to broaden the discussion at the national and subnational level about identified critical issues.

**Sub-Component 2c: REDD Feedback and Grievance Mechanisms**  
(FCPF amount: \$300,000)

Context: In order to provide adequate answers to Mexican citizens and to strengthen the existing mechanisms for complaints, grievances, suggestions and requests of information, CONAFOR established a Citizen Attention Mechanism or Mecanismo de Atención Ciudadana (MAC) that builds on existing mechanisms such as the Servicio de Información y Atención Ciudadana (SIAC), the Órgano Interno de Control (OIC) and the Unidad de Enlace del Instituto Federal de Acceso a la Información y Protección de datos (Unidad de Enlace- IFAI). This mechanism is already functioning in the context of the Forests and Climate Change project.

Under this component, the FCPF grant would support the further strengthening of the MAC specifically for REDD+ at the state level. Particular attention will be given to identifying and analyzing the gaps in attention at the state level as well as existing mechanisms in the Early Action Areas that could be strengthened. The specific needs of Indigenous peoples, women and vulnerable groups will be emphasized and a pilot of the proposed methodology will be undertaken in order to ensure its adequacy and relevance before it is finalized.

**Sub-Component 2d: Social and Environmental Impacts**  
(FCPF amount: \$530,000)

Context: The government of Mexico has historically shown a full commitment to working with local communities and has recognized the rights of Indigenous Peoples and other forest dependent local communities to their lands, forests and natural resources. CONAFOR has been emphasizing the social dimensions of the REDD+ Strategy based on its past experience and lessons learned and the National REDD Strategy is being designed with the full participation of a wide range of stakeholders at various levels (national, regional and local) and also early information dissemination and dialogue with key stakeholders [for more details regarding these meetings and the results, see Annex 8 SESA workplan].

Given the amount of time that has passed since the prior discussions on SESA in 2011, a new draft of the SESA workplan has been prepared by CONAFOR to better reflect the current priorities in terms

of identifying the risks and benefits associated with the strategic options that are now articulated in the third draft of the National REDD+ Strategy (ENAREDD+). The SESA workplan includes a brief summary of the work completed between 2011–2013 and identifies the priority activities to be undertaken in the period 2013-2015. In addition, the SESA workplan includes information regarding how the existing participation platforms will be involved in the participatory process, information regarding the link between the SESA process and the preparation of the ENAREDD+ as well as a budget and timeline for implementation. The SESA workplan was reviewed by various representative groups of key stakeholders and their comments incorporated into the final version that was submitted to the Bank on February 28, 2014.

Under this component, the FCPF grant would support the implementation of the activities outlined in the SESA workplan. Activities financed under this component would be coordinated with the Consultation plan supported under component 1b and with the analytical work carried out under component 2b.

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

The FCPF Readiness Preparation Grant will support the preparation of the National REDD+ Strategy. Many of the activities that will be financed are national in scope although REDD+ activities themselves are likely to be concentrated in the five Early Action Areas/ATREDD: Oaxaca, Jalisco, Chiapas and the Yucatan Peninsula (Quintana Roo, Yucatan, Campeche).

In general, Mexico is extraordinarily diverse in terms of biodiversity, geography and culture. It is characterized by its location in two of the major bio-geographical regions of the planet, the Nearctic (characteristic of North America) and the Neo-tropical (characteristic of Central and South America), factors that helped to form a mosaic of environmental conditions and micro environments that promote a wide variety of habitats and life forms. Its high number of species, but also its wealth of endemic species, ecosystems and the large genetic variety in many taxonomic groups, has placed it among the 17 mega-diverse countries of the world; it is in fourth place among the set of countries that are home to 70% of the known species on the planet. Of the total surface area of the national territory (196.4 million hectares), approximately 70% is covered by forest ecosystems (138 million hectares, comprising forests, shrubs and other tree covered areas) and the rest corresponds mainly to areas with agriculture, livestock and urban areas (29.7 %). With regard to forest ecosystems, 41% corresponds to arid zones vegetation, (56.9 million hectares), 24% to temperate forests (33.5 million hectares) and 23% to tropical forests (31.3 million hectares).

In terms of indigenous peoples, there are approximately 15.7 million indigenous peoples (14.9% of the total population) that speak 62 distinct indigenous languages. These peoples have lived in Mexico for thousands of years and developed highly complex societies that were fully functioning at the time of contact with the Spanish in the 15th century. While this diversity makes a huge contribution to Mexico's natural and social wealth, it also makes the preparation of a national level policy such as REDD+ extremely complex. In addition, Mexico has the distinction of having the vast majority of its forests owned by local communities and indigenous peoples; between 65-80% are under community management and ownership. This makes for a unique situation among FCPF countries and means that most REDD+ activities will have to be implemented on a voluntary basis with co-benefits directed at those who own and manage these forests.

The FCPF Readiness Preparation Grant is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels. Activities to be financed by the FCPF would not include any physical investment or the implementation of any REDD+ activities on the

ground but, instead, there is a particular emphasis on consultation, participation and implementation of the activities outlined in the SESA workplan. In addition, the FCPF Readiness Preparation Grant will also support strengthening the national feedback and grievance mechanism – Mecanismo de Atencion Ciudadana – at the subnational state level with a focus on the specific needs of indigenous peoples, women and vulnerable groups. A small pilot in one of the Early Action Areas will be financed by the Preparation Grant in order to test the new methodology.

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

The lead agency for REDD+ in Mexico is the National Forestry Commission (CONAFOR). CONAFOR is also the implementing agency for the Forest Investment Program (FIP), the Forests and Climate Change project and Component 2.1 of the GEF Coastal Watershed project. In addition to successfully managing the World Bank safeguards for these projects, CONAFOR is also developing a National Safeguard Information System for REDD+ (Sistema Nacional de Información de Salvaguardas or SIS) and is piloting social and environmental standards in Jalisco and the Yucatan Peninsula (both REDD+ Early Action Areas) through the REDD+ SES initiative. As a result, CONAFOR has built considerable capacity both at the national and state level to manage World Bank safeguards, the Cancun Agreements and UNREDD safeguards. They have a strong, multi-sectorial team of safeguard specialists in each of the technical units as well as a safeguard advisor in the International Affairs Unit (UAIFF). The FCPF Preparation Grant will further strengthen this capacity by adding up to three specialized consultants to work on the consultation/participation and dissemination activities. Additionally the FCPF grant will support CDI and CONAFOR in the design, implementation and follow up of the consultation activities targeted to indigenous peoples. The Bank will continue to provide on-going safeguard training and support.

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

Dora Patricia Andrade (C3PLA)

Kristyna Bishop (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	As part of the readiness process, through the SESA, the country will assess key social and environmental risks and potential impacts associated with REDD+, and develop a management framework (ESMF) to give general guidelines to prevent and mitigate such risks and potential impacts, also will outline specific instruments that should be developed to implement the strategy in a sustainable manner, taking into account the results of consultations with stakeholders. CONAFOR in advance has been working to integrate into institutional operational processes, activities to mitigate risks and prevent possible environmental impacts.
Natural Habitats OP/BP 4.04	Yes	The National Biodiversity Commission “Priority Areas” and “Gap Analysis” results will be mainstreamed early in the participatory

		<p>planning process to ensure key policy and regulatory recommendations from the readiness phase will take into account and report on downstream impacts during the national REDD+ strategy implementation. It is expected that if REDD+ strategies are successful, the impacts on critical forest habitats will be positive, however, the SESA will assess the possible risks associated with strategic options relating to forest habitats in protected areas and other sensitive habitats that are under private control or community. It is necessary to ensure that activities carried out in protected areas will be consistent with their management plans, and to integrate rules and guidelines from the preparatory phase to take into account possible future impacts during the implementation of the national strategy for REDD+ to ensure that critical habitats are not affected. This analysis should be worked in close coordination with the CONANP and the National Commission for the Knowledge and Use of Biodiversity (CONABIO).</p>
Forests OP/BP 4.36	Yes	<p>The REDD+ Strategy will build largely on the experience of CONAFOR with the Community Forestry, Payment for Environmental Services (PES), and Sustainable Forest Management Certification programs. During the preparation phase, these and other forestry and rural development initiatives will be evaluated in order to ensure lessons are incorporated early in the design and key social and environmental risks and potential impacts associated with REDD+ are considered in the ESMF.</p>
Pest Management OP 4.09	TBD	<p>This policy may be triggered depending on the final scope of the National REDD+ Strategy and the results of the SESA process. If potential impacts are identified, mitigation measures will be included in the ESMF.</p>
Physical Cultural Resources OP/ BP 4.11	TBD	<p>This policy may be triggered depending on the final scope of the National REDD+ Strategy and the results of the SESA process. If potential impacts are identified, mitigation measures will be included in the ESMF.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>Within the first few months of the grant period, the ENAREDD+ Consultation Plan, which is a</p>

		<p>condition of disbursement, will be prepared and will outline the specific process for the free, prior and informed consultation with indigenous peoples as required by OP 4.10. This consultation will be undertaken in collaboration with the National Indigenous Peoples Development Commission (CDI), National Indigenous Language Institute (INALI) and the key indigenous representative organizations identified in the stakeholder map that will also be updated and finalized. In addition, the SESA workplan includes studies that will analyze the potential impacts of the REDD+ strategic options on indigenous peoples and these will be used to inform the final version of the ENAREDD+. The main product of the consultation and SESA processes will be an ESMF with a stand-alone Indigenous Peoples Planning Framework (IPPF) or Indigenous Peoples Plan as appropriate. Per the requirements of OP 4.10 and the conditions of this grant, a representative group of Indigenous leaders will provide their broad community support for the IPPF prior to approval. The IPPF will be validated by a representative group of indigenous leaders and will provide a clear process for the development of specific Indigenous Peoples Plans if required and the process for attaining and documenting broad community support at the regional/local level for any future REDD+ actions financed by the World Bank. In addition, section V.6 of the third draft of the National REDD+ Strategy (July 2013) refers to Mexico's commitment to the safeguards outlined in the Cancun Agreement including compliance with the principle of free, prior and informed consent for indigenous peoples and rural communities for the implementation of REDD+ related activities in their territories.</p>
<p>Involuntary Resettlement OP/BP 4.12</p>	<p>Yes</p>	<p>There will be no acquisition of land or resettlement of persons and it is not anticipated that use of natural resources in national protected areas will be restricted by the strategic options that are currently included in the ENAREDD+. However, OP 4.12 has been triggered as the strategic options have not been</p>



		fully defined and they may change during the process of finalizing ENAREDD+. During the SESA process, specific efforts will be made to review the potential risks and benefits of the strategic options identified in the ENAREDD+ in relation to the use of natural resources in protected areas. If necessary, a stand-alone Process Framework will be prepared to accompany the ESMF in order to manage any negative impacts and to ensure that appropriate compensation or livelihood support for those affected is provided. It is anticipated that this Process Framework will be consistent with the Process Frameworks approved for other REDD+-related projects such as the Forests and Climate Change and Coastal Watersheds.
Safety of Dams OP/BP 4.37	No	This policy is not triggered as the project will not support the construction or rehabilitation of dams nor will it support other investments which rely on the services of existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered as REDD+ activities will not be implemented in any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered as REDD+ activities will not be implemented in any disputed areas.

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 31-Mar-2015

**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:**

<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.

Given the highly specific nature of REDD+ Readiness, the Participant's Committee of the FCPF proposed using a Strategic Environmental and Social Assessment (SESA) as a way to address social and environmental safeguards during readiness. SESA, as contemplated by the FCPF Participant's Committee, combines analytical work and a participatory process to analyze the strategic options being proposed in order to inform and generate inputs for the ENAREDD+. The SESA process is characterized by a strong analysis of the drivers of deforestation and the strategic options and a participatory approach to reviewing the potential environmental and social safeguard issues that will need to be considered during the preparation of the ENAREDD+ and the REDD+ Readiness process.

Potential risks of the REDD strategic options will be widely discussed with relevant stakeholders during consultations and also as part of the SESA process explained below. Special attention will be given to Indigenous Peoples and other forest-dependent communities; lessons learnt from ATREDD+ will inform the preparation of the subnational REDD+ strategies. In order to foster an inclusive and informed consultation regarding the draft National REDD+ Strategy, particular efforts will be made to ensure a wide dissemination of information on REDD+ at the local level and to use the Programa de Fomento a la Organización Social, Planeación y Desarrollo Regional Forestal (PROFOS) to channel culturally-relevant and user-friendly communication material on REDD+ through the local organizations that work directly with forest communities and indigenous peoples on a regular basis (4 per year) and ejidos.

Sub-Component 2d of the FCPF Readiness Preparation grant would support the SESA process and finance the targeted consultation with key stakeholders and the analytical activities necessary to identify the potential risks and benefits associated with future REDD+ investments under ENAREDD+. The SESA process will be conducted in close coordination with the additional analytical work on the REDD+ strategic options (Component 2) and the consultation process outlined in the ENAREDD+ Consultation Plan (Component 1).

The main product of the SESA process will be a comprehensive Environmental and Social Management Framework (ESMF) as well as a stand-alone Indigenous Peoples Planning Framework (IPPF) and/or a Process Framework (if required). The ESMF will provide guidance regarding the management of environmental and social issues during the implementation of World Bank financed REDD+ investments. An ESMF must be submitted as part of the R-Package in order to be considered by the Carbon Fund.

A draft SESA workplan has been prepared by CONAFOR and will be finalized within the first six months of the grant period. It reflects work already completed and underway as well as activities focused on identifying the risks and benefits associated with the strategic options that have been identified in the third version of ENAREDD+. The SESA workplan includes a summary of the work completed on the drivers of deforestation and engagement with civil society since 2011, concrete activities for the next 2 years of readiness preparation, institutional arrangements including information regarding how the existing participation platforms will be involved in the SESA process and the link between the SESA process and the preparation of the ENAREDD+ as well as a budget and timeline for implementation. The implementation of the SESA workplan will be managed by the CONAFOR safeguard advisor with support from the safeguard staff in each of the technical units.

#### **IV. APPROVALS**

Task Team Leader:	Name: Carole Megevand	
<b><i>Approved By:</i></b>		
Regional Safeguards Coordinator:	Name: Glenn S. Morgan (RSA)	Date: 18-Mar-2014
Sector Manager:	Name: Victoria Stanley (SM)	Date: 20-Mar-2014