



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 03/09/2020 | Report No: ESRSC01154



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Colombia	LATIN AMERICA AND CARIBBEAN	P172719	
Project Name	Northern Colombia Sustainable Value Chains Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	5/18/2020	10/2/2020
Borrower(s)	Implementing Agency(ies)		
Republic of Colombia	Ministry of Environment and Sustainable Development		

Proposed Development Objective(s)

To strengthen integrated land management and sustainable agricultural value chains in deforestation hotspots in select areas of the Northern Andes of Colombia.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>11.01</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The project will promote integrated land-use management of target landscapes in post-conflict areas by addressing key deforestation drivers, enabling smallholders and producers to participate in green value chains, and protecting and improving the provision of ecosystem services and environmental values of local and global importance.

**D. Environmental and Social Overview**



D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social]

The Project's targeted location is the Northern Andean region of Colombia, that spans from the Choco-Uraba to the Catatumbo areas, connecting landscapes and tropical forest areas around the Natural National Parks of Paramillo and Catatumbo-Bari, and the Serrania de San Lucas area, which is undergoing a process of being declared a national protected area. This is an area that hosts the most threatened biodiversity refugees in the Andean region (Serrania de San Lucas and Paramillo), the last relict of the northeastern tropical rainforest in South America (Catatumbo), and important centers of bird and plant endemism and species exchange routes. There are four Important Bird and Biodiversity Areas (IBAs) called San Lucas, PNN Paramillo, Reserva Regional Bajo Cauca Nechí and PNN Los Katíos; three National Natural Parks (Katíos, Cataumbo-Barí and Paramillo), one Regional Natural Park (de los Humedales Entre los Ríos Leon y Suriquí); two National Forest Reserves (Río Magdalena and Los Motilones), one regional forest reserve (Río Leon), a proposed new protected area (the Integrated Management District Serranía de San Lucas); and a World Heritage Site shared with Panamá (PNN Los Katíos).

According to the IUCN Red List of Threatened Species there are at least 16 Critically Endangered (CR) species in the area (amongst which are spider monkeys, the Magdalena catfish and the blue-billed curassow); 30 Endangered (EN) species (including the chestnut-bellied hummingbird, the great green macaw and the tapir); and 82 Vulnerable (VU) species (including the manatee, the spectacled bear, and the Spanish Cedar). This geography also hosts a key part of the jaguar wildlife corridor that aims at protecting the species' habitat ranging from Mexico to Argentina.

The project is located in areas prone to floodings during rainy seasons and climatic events (i.e. La Niña), which may inflict damages on crops and settlements; and on roads preventing market access.

The area, considered a deforestation hotspot in Colombia (ie, representing 20% of the country's deforestation in the 2010-2018 period), has been exposed to the armed conflict, and to the presence of illicit productive activities (ie, mining, illicit crops, and expansion of extensive cattle ranching, and palm oil crops through unplanned land-use change, driven to a large extent by forced displacement, and by the lack of formal land tenure management. Forest loss has diminished the valuable habitat and has put at risk the provision of key ecosystem services, with negative impacts on food security, poverty reduction and sustainable development.

The population of this area is mainly composed by migrants peasants (colonos) coming from different parts of the country. There are indigenous reserves in deforestation hotspots, and Afro-Colombian communities in the North of Chocó.

The main economic activities are mining, oil and gas extraction, forestry, agriculture and cattle ranching. The geography of the region and its accessibility conditions restricts economic activities. In the lowlands, there is extensive livestock (beef and dairy), fisheries and commercial agriculture (palm oil and sorghum); in the midlands, rice crops, beans, cacao and rubber, that the national government has promoted as part of illicit crops substitution programs. On the slopes, especially in the Antioquia department, legal and illegal mining activities are prominent, and in the highlands and areas with more difficult access illegal timber extraction and coca production.

Although many municipalities have been prioritized and included as part of the peace process, the Ejército de Liberación Nacional (ELN) guerrilla and paramilitary groups filled the vacuum left behind after the demobilization of the FARC following the peace agreement. These illegal armed groups have gained control over illegal activities such as mining and coca production and continue being the reason of these regions' social instability and inequality.

D. 2. Borrower's Institutional Capacity

Colombia's Ministry of Environment and Sustainable Development (MADS) has identified the Corporación Desarrollo y Paz del Magdalena Medio as the agency that will implement the project under its supervision. This agency will need to meet World Bank standards with respect to its technical, fiduciary, and environmental and social management capacity. This arrangement is currently being used in the cases of several World Bank-supported operations in the country. An appropriately staffed PIU, housed in the executing agency will be in charge of project management, and



will include technical, fiduciary, environmental and social specialists. Regional and sub-regional technical support teams will be hired to implement activities and to guarantee constant communication and interaction with local and regional stakeholders. These teams will be based in the intervention area.

The specific geographical areas to be covered by the project have not yet been defined, nor specific interventions in productive landscape and environmental restoration activities.

Fondo Accion, an NGO currently implementing FCPF's Deforestation Prevention Strategy Development in Colombia, has been commissioned to support the project design, including the Environmental and Social Assessment (ESA), and the development of an Environmental and Social Management Framework (ESMF) for the project. To this end, environmental and social specialists have been appointed and added to the technical team being formed at Fondo Accion.

The GoC has proved adequate levels of technical capacity and experience in the development of similar projects including those involving strengthening of the protected areas system and the development of sustainable productive systems, and this project can build on the technical experience and expertise found in MADS. MADS has institutional capacity and proven track record in implementing the Bank's environmental and social safeguard policies. It has a technically strong team at national level, working on REDD+ issues, and with good experience and engagement with a broad range of stakeholders, including Indigenous Peoples, campesino communities, Afro-Colombian peoples, small producers, and others. The Bank trained this team in 2015-2016 on Safeguards issues and in SESA processes including preparation of an Environmental and Social Management Framework (ESMF). Other agencies potentially participating in project implementation activities are the National Parks Service (PNN) or the regional environmental corporations (CARs), and/or other agriculture related agencies.

A Project Steering Committee will provide guidance and decision-making regarding implementation and supervision, and to guarantee an adequate inter-institutional coordination among the different sectors at the national and regional levels. The composition of this committee will be defined in the operations manual. Additionally, a Technical Committee will provide technical advice when necessary. Inter-institutional agreements will be signed between executing agencies and national institutions with competences such as PNN, Corantioquia, Corpamag, Corponor, Corpourabá, CVS, CSB, IDEAM, IAvH, ANT, the Ministry of Agriculture, and the DNP, among others, regarding the coordination and implementation of project activities that fall under each entity's responsibility. To this end and considering the differentiated scope of each of the Project components, agreements and sub-agreements will be formalized through the PIU.

Public Disclosure

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Substantial

#### Environmental Risk Rating

Moderate

Despite the environmentally positive design objectives, and the fact that the adverse risks and impacts can be preliminarily mitigable, the Moderate risk is due to (i) Project location in a sensitive area from the environmental and social standpoint, where an armed conflict still persists, and where paramilitary groups are engaged in illegal activities that drive deforestation processes; (ii) the complex Project design, involving many different stakeholders (the Corporación Desarrollo y Paz del Magdalena Medio, Natural National Parks of Colombia, Corporación Autónoma Regional (CAR), the Ministry of Agriculture, etc.) engaged in the implementation in multiple sites of different activities of different nature (e.g. analytical work, regulatory processes and other types of technical assistance; physical investments; set up of financial incentives; etc.); which makes difficult to assess the environmental risks and impacts



and to monitor the implementation of measures to minimize adverse ones in accordance with the mitigation hierarchy; (iii) the uncertainty on the nature, scope and location of value chain development of cattle ranching and oil palm, products that have traditionally helped trigger deforestation processes in the same targeted area; thus the potential significance of their associated risks and impacts. Also there may be producers located in restricted land use areas (ie, Forest Reserve areas set by Law 2 of 1959); and (iv) the pending capacity assessment of the Corporación Desarrollo y Paz del Magdalena Medio (and other institutions to be involved in the implementation of certain activities) for environmental and social management under the ESF standards.

**Social Risk Rating**

Substantial

In general, the project is expected to have significant social benefits and limited and manageable adverse social impacts. The possible social risks and adverse impacts on human populations and / or the environment are likely to be moderate. Impacts on physical, cultural and / or archaeological sites are not expected. However, support for protected area management or other regulations may imply some restriction to the land use, therefore, any decision on this matter should be voluntary, as well as the possibility of not participating (the national government methodology, which stipulates this right not to participate will be used). The project will not support resettlements, land acquisition, or involuntary displacements or restrictions, nor any economic displacement. However, should the creation of protected areas be supported, a Process Framework must be prepared. In the project area, there are some reservations of Indigenous Peoples, which will not undergo modifications, but that are expected to participate in the benefits of the project, for which a Framework for Indigenous Peoples will be prepared.

The main risks arise to project beneficiaries and contractors from operating in an area still heavily affected by illegal activities and by the presence of illegal armed groups, given that some of the project’s activities could be seen as threatening these groups. Strong community acceptance will therefore be key to managing risks. The project executing agency has long-standing experience in the project area and has executed projects for the World Bank and European Union, among other donor organizations and is well-versed in managing this risk.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

**Overview of the relevance of the Standard for the Project:**

The Project foresees a broad range of investments and activities of different nature and with different geographic scopes; most of which will be defined in detail only during Project implementation. At this stage, only the type of project activities related to value chain development, ecosystem restoration, protected area development, and land use formalization. For that reason, specific Environmental and Social Management Plans (ESMP) to mitigate or avoid potential risks and impacts related to the investments, will be developed during project implementation.

Nonetheless, to help screen environmental and social potential risks, and determine the best mitigation instruments to address such risks, an Environmental and Social Management Framework (ESMF) will be developed before appraisal, including criteria for subprojects eligibility, and an exclusion list including resettlements and activities posing severe biodiversity impacts. ESMF will include guidelines for drafting ESMP, and for incorporating obligations both on contracts and ESCP. The measures to manage them will be identified only when possible and the ESA will set out guidelines to further refine the assessment once the details of the activities are defined. The ESA will also include terms of reference to develop specific plans and mitigation measures to be used in line with the mitigation hierarchy.

Public Disclosure



A geographical prioritization assessment will be carried out to better focus the project’s geographical scope to attain better impact and cost management. This will inform the development of the ESA to identify and assess impacts at the regional/landscape level, and to provide inputs for the various environmental and social risk mitigation instruments to be developed. Also, as the Executing Agency is defined, an institutional capacity assessment will be carried out to identify areas to be strengthened.

The most relevant risks and impacts identified at concept stage are described, as follows:

**Component 1 on “Development of Integrated Landscape Management (ILM) Systems”:**

This component basically includes land use planning activities to develop or strengthen integrated landscape strategies and management. Main risks and impacts would be those associated to the exposure of Project workers to wilderness conditions, or to the presence of armed illegal groups, when conducting fieldwork in remote areas. In addition to the health risks related to that kind of work, the fact that the Project area has been subject to armed conflicts also imposes safety risks. Land use planning and enforcement may impose restrictions to the use of lands and natural resources of local stakeholders traditionally engaged in productive activities in such areas, which may require strong consultation and negotiation processes, to avoid exacerbation of local conflicts. Other risks and impacts may result from eventual physical investments (to be identified and further assessed during Project implementation) to support the piloting of Integrated Landscape Management (ILM) approaches in productive landscapes.

**Component 2 on “Promotion of sustainable food production practices and responsible value chains”:**

Main risks and impacts are associated to the use of resources, to the generation of wastes and pollution, and to safety issues affecting producers, and the flow of products and resources to the markets. There may be an increase in the use of pesticides, and there is always the risk of expansion of the agriculture frontier, or the setting or continuation of productive activities in environmentally restricted areas. There are risks of child and forced related to investments in the field, and risks to IPs intangible cultural heritage as a result of adopting new production-conservation approaches and vi) barriers to develop an inclusive and culturally adequate stakeholder engagement strategy. This, as traditional productive practices may require changes that represent different cultural approaches that may be resisted by local dwellers.

Component 3 on “Conservation and restoration of natural habitats”, involves some labor management related risks, such as the potential discrimination, and the occupational health and safety issues affecting workers dealing with pesticides. Also, there are risks related to the presence of illegal armed groups, affecting access to the areas to be restored, or inflicting direct pressure on workers and institutions involved.

The Recipient will also develop a Stakeholder Engagement Plan (SEP) based in the stakeholder analysis developed for the ESA. The SEP will cover consultations on the ESA that will be disclosed before project appraisal.

**Areas where “Use of Borrower Framework” is being considered:**

The Recipient of the grant has not requested to use any part of its ES framework.

**ESS10 Stakeholder Engagement and Information Disclosure**



Early consultation and participatory process will start as soon as possible. Special importance will be given to those being affected by activities under Component 1. A Stakeholder Engagement Plan (SEP) will be prepared and disclosed prior to appraisal. A readily accessible Grievance Mechanism will be established and in place as early as possible.

One of the risks identified for many of the Project activities is the lack of participation in the decision making process related to land use planning, location and scope of value chain development activities, and land title formalization processes. The lack of participation might exacerbate pre-existing social conflicts. Also, the active participation of local communities in the project development and implementation may be instrumental for enhancing safety of workers, institutions, and the local communities involved in the project, or located in the area of influence. To this end, early engagement of stakeholders in the process is important to assess governance issues, to promote awareness for the value of biodiversity and its integration into socio-economic development, and to secure better coordination and strengthening of the value chains to be developed, so that access to the markets can be attained. Additionally, the project will design a detailed stakeholder engagement plan (SEP) and the Project Grievance Redress Mechanism (GRM) will be disclosed and consulted with key stakeholders from the project preparation throughout implementation. These instruments will have tailored components for indigenous peoples that will aim to design culturally appropriate processes that are respectful to their traditional mechanisms. Consultation activities will be held with project affected and interested parties in locations that will be identified with MADS and FONDO ACCION during project preparation. Stakeholders will include, among others, local producer associations, production unions and cooperatives (i.e. cattle, forestry, oil palm, cacao), protected areas' sponsors and managers, representatives from departments and municipalities, indigenous and afro-descendants', universities, NGOs, Indigenous Peoples, media, and national and local institutions (e.g., CARs, IvH, ART, ANT, Safety Counselor at the Presidency, Army).

Main characteristics of the GRM will include clear procedures for managing claims and its design will be guided by principles such as: (a) availability for beneficiaries and stakeholders respecting their sociocultural characteristics and needs; (b) known procedures and timeline for analyzing and resolving claims; and (c) affordability for the GRM users. The GRM will be supported by information and communication technologies as appropriate.

Regarding ESS2, if any part of the Project requires contracting firms for land planning, provision of agriculture materials and inputs, workers, or agricultural services, etc. there will be a specific GRM for all contracted workers, as well as for community workers. Related to IPs, the GRM will be tailored and include measures respectful to their culture, such as the use of indigenous language and adoption of their own conflict resolution mechanisms, among others.

## **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### **ESS2 Labor and Working Conditions**

Assessment of social risks will also include labor and working conditions - particularly those related with child and adolescent labor in rural productive activities, disability constraints and special needs of gender and age per each of the foreseen activities.



MADS will commit (through the ESCP) to develop Labor Management Procedures (LMP) applicable to the value chains and other activities supported by the project based on ToRs in accordance with the requirements of ESS2. Procedures will consider five different groups: i) direct workers (e.g. those from MADS, Executing Agency, Natural National Parks of Colombia, CARs, ART, and other institutions directly involved in the implementation of some Project activities); ii) contracted workers; iii) primary supply workers iv) community workers under financed “sectoral intervention portfolios” in general; and v) community IP workers under financed “sectoral intervention portfolios” in particular.

The ESA will pay attention to risks of child and informal labor (as this practice is culturally accepted and prevalent in family oriented agriculture and livestock activities) to include preparation of the necessary mechanisms in the ESCP to prevent, monitor and remedy it, while taking into account local circumstances and cultural values, so that ESS2 is complied with,

The LMP will include measures to avoid discrimination and grant equal opportunities, and measures related to occupational health and safety. A code of conduct will be established for contracted workers, to ensure respect for local communities. Inherent security risks will need to be considered and special security and supervision arrangements will be set in place for working in conflict affected areas. A GRM will be provided for all direct workers and contracted workers to raise their concerns.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

Regarding pollution, best agricultural practices will be promoted to promote the reduction of agricultural discharge to surface water through runoff of pesticides, fertilizers and manure, or leaching of nitrogen into groundwater. Water conservation, and rationalization of water use will be taken into account in particular with reference to the risk management procedures related to silvopastoral and oil palm value chains. Formal water use permits will be sought in case the usage is not formalized. The project is not expected to imply adverse impacts on human health and environment from hazardous materials, air pollution, disturbance by noise, or other forms of pollution. Integrated pest management (IPM) plans will be developed as needed, as the project is expected to allow procurement and use of small quantities of low toxic pesticides. Minimizing GHG emissions will essentially result from good agricultural practices related to low tilling and ploughing, to the use of natural nitrogen fixing sources (e.g. cover legums under oil palm trees), thus avoiding the use of nitrogen rich fertilizers that may end up in increased GHG emissions. Also, low tilling and ploughing practices will reduce CO2 emissions from soil, and if the practice avoids the use of tractors, also from fuel combustion.

### **ESS4 Community Health and Safety**

The ESA will include identification of necessary measures to improve community health and safety, through the promotion of and training on IPM to secure prevention of negative health impacts amongst producers, their families and the adjacent communities. The Project expected impacts on provisioning and regulating ecosystem services are expected to be positive, as the Project activities are designed to support environmentally friendly landscape and species management through planning and capacity building, and to counter traditional extensive cattle ranching and expansion of the agriculture frontier, through environmentally friendly value chain development, including silvo pastoral activities and through the adoption of sustainable practices, zero deforestation in oil palm and agroforestry cacao developments. The project will not have significant emissions of air pollutants, odors or noise that may affect





communities' health. Agricultural discharges from oil palm processing will be attended to, although Colombian regulation already requires discharge limits in COD concentration of effluents. ESMF will also consider the use of water resources, to avoid unwanted cumulative effects on nearby water streams and community uses. Adequate safety training and safety equipment will be provided for the protected rangers utilizing project-funded vehicles, and to the workers involved in value chain developments and ecological land restoration activities. The project design and the ESMF will include security arrangements for workers and personnel involved in project activities. Also, the ESA will include an evaluation of influx risk screening provisions, so that the ESMF and Process Framework include the corresponding mitigation measures. GHG emissions will be assessed during project preparation, but they are considered to be not significant, as long as the agricultural frontier is not expanded. On the contrary, preventing deforestation in the project zone will have a very high positive impact in the country's emission reductions. The project area is prone to seasonal flooding in rainy seasons, and to potential emergency events during La Niña (Pacific Ocean temperature oscillation phenomenon). Therefore, a Risk Hazard Assessment (RHA) will be developed as part of the ESA, and an Emergency Response Plan (ERP) will be prepared in coordination with the relevant local authorities and affected communities.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is relevant under (i) the declaration of the national protected area of Serranía de San Lucas; (ii) in relation to the existing land use restrictions in the areas belong to the Forest Reserve Areas established by Law 2 of 1959; and (iii) with regards to potentially new land use restrictions arising from ILP related instruments (e.g., POT, POMCA). A Process Framework will be prepared and disclosed prior appraisal, and adopted for the management of restrictions on access to land, and natural resources by indigenous peoples, peasant communities and other interested parties, to ensure that compensation is provided to families affected by eventual physical or economic displacement. A gap analysis will be carried out as part of the ESA to determine required provisions to ensure that affected people will receive the most favorable compensation for any potential economic displacements. Also, the ESMF will include provisions to ensure that value chain activities are aligned with land use restrictions in the project areas. A Grievance mechanism will be set by the Executing Agency, so that specific concerns about rights and procedure about compensation, relocation of livelihood restoration measures, are addressed, or to resolve any inquiry, dispute, or claim regarding land use restrictions arising from the project.

The declaration of the new protected area may cause economic displacements, which will be managed the zoning of uses and management and the category of protection to be consented by and between the interested parties. For this purpose, the environmental and social procedure established in Resolution 1125 of 2015, of the Ministry of Environment and Sustainable Development, for the declaration of protected areas will be accepted. In a complementary manner, the Presidential Directive 10 of 2013 will be applied, which adopts the guide for carrying out prior consultation with ethnic communities.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

Main concerns under ESS6 are the potential expansion of the agriculture frontier, or any other deforestation caused by existing drivers (e.g., illicit crops, land tenure speculation, illegal mining, agriculture related fires). Thus, the project will develop value chains using sustainable productive practices, and will help deter agriculture expansion, in particular through the strengthening of three commodities (ie, cacao, oil palm, and livestock), in already degraded lands, so that local communities may improve income generation, without the need to engage in illegal activities



(e.g., crops, mining, timbering). The ESMF will include guidelines for Environmental Management Plans for project funded agriculture and livestock activities to prevent any affection to natural forests and biodiversity. Also, the project ILM approach under Component 1, will be designed to improve connectivity (e.g. reduce fragmentation of critical corridors, reduce encroachment on buffer-zones and core areas of protected habitats) between natural areas that are legally protected, designated for protection, or recognized as of high biodiversity value. It will not implement any activity that have potential adverse impact on such critical habitats. When it comes to the connecting landscapes surrounding the critical habitats, where the Project would promote active management activities (basically other natural habitats and modified habitats with significant biodiversity value), the ESA will assess potential Project-related adverse impacts and the ESMF will detail the measures to take in order to apply the mitigation hierarchy so as to manage those impacts.

A further aspect to be consulted with relevant stakeholders and considered in the ESA is potential use of alien species (e.g. exotic pastures for cattle management), attending respective ESS6 requirements and excluding use of any invasive alien species.

The ESA will include specific guidelines to ensure all the ToRs to develop Technical Assistance and investment activities include provisions on design approaches and make recommendations based on ESS6 requirements (e.g. mapping of wetlands will consider the same approach on natural, critical, and modified habitats that is being applied in the ESA, in response to ESS6). Also, provisions on buffer area management will be included, as will performance and activity indicators in line with GEF indicators. The ESA will ensure that existing value chain standards and certification processes are taken into account both in the assessment and in the ESMF.

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

This standard is relevant, as there are various indigenous reserve areas in the project's area of influence, and some Afro-Colombian Community Council Areas located in the Uraba-Choco region. Activities related to the establishment of the new National Natural Park in the Serrania of San Lucas, potential new changes in land use planning, involving use restrictions, as part of the ILM component, and enforcing already existing land use restrictions in Forest Reserve Areas (Law 2 of 1959), may prevent access to natural resources and ignore customary rights and cultural practices of indigenous or Afro-Colombian peoples settled there. New potential restrictions in land use or the use of natural resources will be consulted under an FPIC approach, consistent with Colombian's legal framework related to prior consultation of ethnic communities.

The management of information, consultation and prior consent in components 1 and 2 of the project will prevent negative effects and enhance benefits. Special attention will be given to the incorporation of sites of cultural importance (v.gr places of origin, sacred sites, collection areas, food exchange and storage; among others) in the instruments of territorial planning.

To make the standard effective, a Planning Framework for Indigenous Peoples will be prepared and disclosed prior appraisal, so that differentiated management measures will be proposed for each project activity involving IP participation. To this end, culturally appropriate information, consultation and consent strategies will be designed and implemented.

### **ESS8 Cultural Heritage**



No direct, indirect or cumulative impact on cultural heritage under the project has been identified at the Concept Stage, since the projected activities involving excavations will take place in already degraded areas. Changes in productive activities in the three commodities’ value chains will be evaluated in terms of their potential impact on cultural heritage and managed accordingly with specific measures and in consultation with the relevant authorities when necessary. The ESA will assess whether the adoption of best agriculture and livestock production practice may impact intangible cultural heritage of IPs considering their traditional agricultural practices. If ESA results indicate that there are potential impacts on this matter, a proper consultation will be designed and performed to reach FPIC following a process detailed in the IPPF. Consultations on ESS8 will be included in the process, and will include communities and relevant stakeholders. Chance find protocols and procedure under national law will be included in the ESMF.

**ESS9 Financial Intermediaries**

As of concept stage, the support to sustainable productive transformation of key value chains would be provided through technical assistance activities. However, the validation of financial instruments might involve the use of financial intermediaries. If this was confirmed, the environmental and social management systems currently used by the financial intermediaries to be engaged should be assessed in light of the ESS9 requirements; and if necessary, specific measures to fill the gaps identified would be detailed in the ESCP.

**C. Legal Operational Policies that Apply**

<b>OP 7.50 Projects on International Waterways</b>	No
<b>OP 7.60 Projects in Disputed Areas</b>	No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

N/A

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

Preparation and consultation of the Project's Environmental and Social Assessment (ESA), a draft Stakeholder Engagement Plan (SEP), an Environmental and Social Management Framework (ESMF), a Labor Management Procedure (LMP); a Process Framework (PF), and the Recipient's Environmental and Social Commitment Plan (ESCP) are expected to be ready and properly disclosed prior to Appraisal. An institutional capacity assessment of the executing agency is pending. Potential outside experts may be considered if needed, once the assessment is undertaken.

Public Disclosure



**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

The Environmental and Social Commitment Plan (ESCP) would include the commitment to develop an Environmental and Social Management Framework (ESMF) based on the ESA, , taking into account the WB’s Environmental, Health and Safety General and Sector-Specific Guidelines; and including specific ESMPs for value chain development activities, and for land restoration works; an Indigenous Peoples Planning Framework (IPPF); a Process Framework (PF); Labor Management Procedures (LMP); Biodiversity Management Plan (BMP); Chance Find Procedures (CFP); Grievance Redress Mechanism (GRM). Risk Hazard Assessment (RHA); Emergency Response Plan (ERP); Integrated Pest Management Plan; FPIC procedures. ESMF will include screening provisions to assess environmental and social risks of specific interventions, and apply the appropriate management measures. It will set guidelines for the identification, and management of activities oriented to the conservation of ecosystem services; and it will define criteria for assessing risks, and for monitoring and reporting about ESMF implementation.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

31-Mar-2020

**IV. CONTACT POINTS**

**World Bank**

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**Borrower/Client/Recipient**

Borrower: Republic of Colombia

**Implementing Agency(ies)**

Implementing Agency: Ministry of Environment and Sustainable Development

**V. FOR MORE INFORMATION CONTACT**

Public Disclosure



**The World Bank**

Northern Colombia Sustainable Value Chains Project (P172719)

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**VI. APPROVAL**



Task Team Leader(s):	Julian Lee, Luz Berania Diaz Rios
Practice Manager (ENR/Social)	Maria Gonzalez de Asis Recommended on 02-Mar-2020 at 09:15:28 EST
Safeguards Advisor ESSA	Maria Da Cunha (SAESSA) Cleared on 09-Mar-2020 at 02:13:11 EDT