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Report No: 62811-CO

PROJECT PAPER

ON A

PROPOSED ADDITIONAL GRANT FROM THE
GLOBAL ENVIRONMENT FACILITY TRUST FUND

IN THE AMOUNT OF US\$4 MILLION

TO PATRIMONIO NATURAL-FONDO PARA LA BIODIVERSIDAD
Y AREAS PROTEGIDAS

FOR THE BENEFIT OF THE REPUBLIC OF COLOMBIA

FOR THE

NATIONAL PROTECTED AREAS PROJECT

June 22, 2011

Sustainable Development Department
Colombia and Mexico Country Management Unit
Latin America and the Caribbean Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective March 16, 2011)

Currency Unit = Colombian Pesos

1887.67 Pesos = US\$1

0.000558659 dollars = COL\$1

FISCAL YEAR

January 1 – December 31

ABBREVIATIONS AND ACRONYMS

AATIS	Traditional Indigenous Authorities Associations (<i>Asociación de Autoridades Tradicionales Indígenas</i>)
AF	Additional Financing
AM	Aide Memoire
ASOCARS	National Association of Regional Autonomous and Environmental Authorities
CAR	Regional Autonomous Environmental Authorities (<i>Corporaciones Autónomas Regionales y de Desarrollo Sostenible</i>)
CAM	Regional Autonomous Environmental Authority of the Upper Magdalena (<i>Corporación Autónoma Regional del Alto Magdalena</i>)
CBD	United Nations Convention on Biological Diversity
CM	Conservation Mosaic
CORPOAMAZONIA	Regional Autonomous Environmental Authority of Southern Amazonia (<i>Corporación para el Desarrollo Sostenible del Sur de la Amazonía</i>)
CORPONARIÑO	Regional Autonomous Environmental Authority of Nariño (<i>Corporación Autónoma Regional de Nariño</i>)
CORTOLIMA	Regional Autonomous Environmental Authority of Tolima <i>Corporación Autónoma Regional del Tolima</i>
CPS	Country Partnership Strategy
CRC	Regional Autonomous Environmental Authority of Cauca (<i>Corporación Autónoma Regional del Cauca</i>)
CRQ	Regional Autonomous Environmental Authority of Quindío (<i>Corporación Autónoma Regional del Quindío</i>)
CVC	Regional Autonomous Environmental Authority of Valle del Cauca (<i>Corporación Autónoma Regional del Valle del Cauca</i>)
CY	Calendar Year
DA	Designated Account
DNP	National Planning Department
EA	Environmental Analysis
EMP	Environmental Management Plan
ES	Environmental Services
FM	Financial Management
FMA	Financial Management Assessment

FUNBAP	Biodiversity and Protected Areas Conservation Trust Fund- <i>Fundación Fondo de Apoyo a la Biodiversidad y Areas Protegidas</i>
GEF	Global Environment Facility
GEO	Global Environmental Objective
GHG	Green House Gases
GoC	Government of Colombia
IAvH	Alexander von Humboldt Institute of Biodiversity Research
ICAN	Colombian Institute of Anthropologie (<i>Instituto Colombiano de Antropología</i>)
IDA	International Development Association
IFR	Interim Financial Reports
IPM	Integrated Pest Management
IPP	Indigenous Peoples Plan
ISDS	Integrated Safeguard Datasheet
LOA	World Bank Loan Department
LWG	Local Working Group
Macizo	Region of 3,268,237 hectares that is located in southwest Colombia at the start of the Eastern Andean range.
MAVDT	Ministry of Environment, Housing and Territorial Development
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
MTR	Mid-Term Review
NDP	National Development Plan
NGO	Non-governmental Organization
NP	National Park
NPA	National Natural Protected Area
NPACTF	The National Protected Areas Conservation Trust Fund Project
NPAS	National Protected Areas System
OM	Operational Manual
PA	Protected Area
PAD	Project Appraisal Document
<i>Patrimonio Natural</i>	Natural Patrimony-Biodiversity and Protected Areas Fund- <i>Patrimonio Natural Fondo para la Biodiversidad y Areas Protegidas</i> (formerly known in the original project's Grant Agreement as FUNBAP)
PES	Payments for Environmental Services
POA	Annual Operative Plans
PDO	Project Development Objective
PY	Project Year
REM	Special Management Regime (<i>Regimen Especial de Manejo</i>)
RPF	Resettlement Process Framework
SINA	National Environmental System (<i>Sistema Nacional de Áreas Protegidas</i>)
SIRAPM	Colombian Macizo Regional Protected Area System (<i>Sistema Regional de Áreas Protegidas del Macizo Colombiano</i>)
SOE	Statement of Expenditures

SSC Sustainable Systems Strategy for Conservation
TA Technical Assistance
TTL Task Team Leader
TOR Terms of Reference
UAESPNN Administrative Unit of the National Natural Park System (*Unidad Administrativa Especial del Sistema de Parques Nacionales Naturales*)
UNDP United Nations Development Program

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COLOMBIA

ADDITIONAL FINANCING NATIONAL PROTECTED AREAS PROJECT

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REPUBLIC OF COLOMBIA
PATRIMONIO NATURAL-FONDO PARA LA BIODIVERSIDAD Y AREAS
PROTEGIDAS

ADDITIONAL FINANCING NATIONAL PROTECTED AREAS PROJECT

DATA SHEET

Basic Information - Additional Financing (AF)	
Date: June 22, 2011 Country Director: Gloria M. Grandolini Sector Director: Laura Tuck Sector Manager: Karin Erika Kemper Team Leader: Richard Damania Project ID: P112106 Expected Effectiveness Date: October 21, 2011 Lending Instrument: Global Environmental Facility Trust Fund Additional Financing Type: Grant	Sectors: Forestry (40%); Water Supply (20%); Agricultural extension and research (20%); Flood protection (10%); Vocational training (10%) Themes: Biodiversity (P); Land administration and management (S); Water resource management (S); Rural non-farm income generation (S) Environmental category: Partial Assessment (B) Expected Closing Date: October, 2014
Basic Information - Original Project	
Project ID: P091932 Project Name: National Protected Areas Conservation Trust Fund Lending Instrument: Global Environmental Facility Trust Fund	Environmental category: Partial Assessment (B) Expected Closing Date: October, 2014
AF Project Financing Data	
<input type="checkbox"/> Loan <input type="checkbox"/> Credit <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Guarantee <input type="checkbox"/> Other: Proposed terms:	
AF Financing Plan (US\$m)	
Source	Total Amount (US\$m)
Total Project Cost:	15.10
Cofinancing:	11.10
Lender-GEF:	4
Total Bank Financing:	
IBRD	-
IDA	-
New	-
Recommitted	-

Client Information

Recipient: *Patrimonio Natural*-Fund for Biodiversity and Protected Areas
Responsible Agency: *Patrimonio Natural*-Fund for Biodiversity and Protected Areas
 Contact Person: Ana Beatriz Barona
 Telephone No.: (571)211 5545
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AF Estimated Disbursements (Bank FY/US\$m)

FY	2012	2013	2014			
Annual	1.9	1.4	0.7			
Cumulative	1.9	3.3	4.0			

Project Development Objective and Description

Original Project Development Objective - The Project Development Objective (as in the original Project) is to launch a conservation trust fund that will: (a) support the consolidation of Colombia's National Protected Areas System and (b) contribute to arrest and reverse trends in biodiversity loss.

Revised Project Development Objective - The Project Development Objective would remain unchanged and continues to be relevant and worthy of expansion to cover 5 additional Protected Areas and their surrounding territories in the Colombian *Macizo Regional Protected Areas System (SIRAPM)*. The Additional Financing (AF) is aimed at (i) reducing trends of biodiversity loss and the decline in natural vegetation cover in the selected areas through the application of the Project's successful and tested conservation mosaic methodology and (ii) consolidating the Protected Areas by strengthening the regional conservation network (SIRAPM).

The original Project has three components. Under the original Project, *Component 1 (Capitalization of Endowment and Consolidation of Patrimonio Natural¹)* was focused on the establishment of an endowment fund aimed at channeling resources to the National Protected Area System. This component is being implemented satisfactorily and its main activities will be completed under the original Grant and it requires no additional support. The additional financing would instead provide support to the other two components: *Component 2 (Conservation Mosaics Program)* and *Component 3 (Project Management and Institutional Coordination)*.

Component 2- Conservation Mosaics Program (Part A in the Grant Agreement). The conservation mosaic approach used in this Project will be scaled up to 5 additional areas to include the SIRAPM. This component will finance: (1) the carrying out of activities in support of biodiversity conservation in the Project Area, including the: design and implementation of conservation programs, management strategies and sustainable production systems within

¹Previously known as the Biodiversity and Protected Areas Conservation Trust Fund-*Fundación Fondo de Apoyo a la Biodiversidad y Areas Protegidas (FUNBAP)*.

Conservation Mosaics; and (2) the provision of support to beneficiaries including technical assistance and training, in order to assist them in, the design and identification of subproject proposals.

Component 3-Project Management and Institutional Coordination (Part B in the Grant Agreement). This component will finance the provision of technical assistance, training and equipment to strengthen *Patrimonio Natural*'s capacity to implement and monitor on an ongoing basis the execution of the Project, through: (i) the design and implementation of a dissemination strategy; (ii) the strengthening of the SIRAPM Entities, *Patrimonio Natural*'s capacity and the inter-institutional coordination between *Patrimonio Natural* and the SIRAPM Entities; and (iii) the design and implementation of a monitoring and evaluation system for the Project.

Safeguard and Exception to Policies

Safeguard policies triggered: Environmental Assessment (OP/BP 4.01) Natural Habitats (OP/BP 4.04) Forests (OP/BP 4.36) Pest Management (OP 4.09) Physical Cultural Resources (OP/BP 4.11) Indigenous Peoples (OP/BP 4.10) Involuntary Resettlement (OP/BP 4.12) Safety of Dams (OP/BP 4.37) Projects on International Waterways (OP/BP 7.50) Projects in Disputed Areas (OP/BP 7.60)	[X]Yes [] No [X]Yes [] No [X]Yes [] No [X]Yes [] No [X]Yes [] No [X]Yes [] No [X]Yes [] No []Yes [X] No []Yes [X] No []Yes [X] No
Does the project require any exceptions from Bank policies? Have these been approved by Bank management?	[]Yes [X] No []Yes [] No

Conditions and Legal Covenants

Financing Agreement Reference	Description of Condition/Covenant	Date Due
Conditions of Effectiveness		
Article V. Section 5.01.(a)	The execution and delivery of the Grant Agreement on behalf of the Beneficiary and the Recipient have been duly authorized or ratified by all necessary governmental and/or corporate actions	Date ninety (90) days after the date of the Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Agreement
Article V. Section 5.01.(b)	The Implementation Agreement has been executed by the Recipient and the SIRAPM Entities as set forth in Section I.C.1 of Schedule 2 to the Grant Agreement.	Date ninety (90) days after the date of the Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Agreement
Article V. Section 5.01.(c)	The Operational Manual has been updated and adopted by the Recipient as set forth in Section I.B.2 of Schedule 2 to the Grant	Date ninety (90) days after the date of the Agreement, but in no case later than the eighteen (18) months after the Bank's approval

	Agreement	of the Agreement
Article V. Section 5.01.(d)	A financial sub-director with experience and qualifications acceptable to the World Bank has been hired by the Recipient.	Date ninety (90) days after the date of the Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Agreement
	Implementation Arrangement Covenants	
Schedule 2 Section I.A.2.	The Recipient shall maintain until the completion of the Project a steering committee with responsibilities and functions satisfactory to the World Bank for the overall Project oversight and coordination	Throughout the implementation of the Project
Schedule 2 Section I.A.3.	The Recipient shall maintain until the completion of the Project a technical committee with responsibilities and functions satisfactory to the World Bank to ensure efficient technical and operational Project implementation	Throughout the implementation of the Project
Schedule 2 Section I.A.4.(a)	The Recipient shall: (a) enter into a Subproject Agreement with each Subproject Executing Entity for the purpose of financing the pertinent Subproject in accordance with the terms and conditions set forth in the Operational Manual	Throughout the implementation of the Project
Schedule 2 Section I.B.1.	The Recipient shall, and shall cause the SIRAPM Entities and the Subproject Executing Entities to, carry out the Project in accordance with: (i) the Environmental Management Framework; (ii) the Indigenous Peoples Plan for the Nevado del Huila NNP-CORTOLIMA; (iii) the Resettlement Process Framework; (iv) the Operational Manual; (v) the provisions set forth in Section I.A.5 of the Schedule 2 to the Grant Agreement; and (vi) the Annual Operating Plans, as applicable, so as to meet the Performance	Throughout the implementation of the Project

	Indicators.	
Schedule 2 Section I.C.1	For purposes of implementing the Project, the Recipient shall enter into an Implementation Agreement with the SIRAPM entities, on terms and conditions satisfactory to the World Bank	Throughout the implementation of the Project

I. Introduction

1. This Project Paper seeks the approval of the Executive Directors to provide an additional grant of US\$4 million to Colombia's National Protected Areas Project (GEF Project No. P091932 TF 056351). The project is performing well and is on track to achieve (and in some cases surpass) all of its performance indicators.
2. The proposed Additional Financing (AF) Global Environment Facility (GEF) grant would scale-up activities of the original Project to a new region – the recently created Macizo Regional Protected Area System (SIRAPM) located in Colombia's southwestern region. This is an area of global and national environmental significance.
3. The Project Development Objective would remain unchanged and continues to be relevant and worthy of expansion to cover 5 additional National Protected Areas (NPA) and their surrounding territories.
4. The Global Environmental Objective (GEO) is to arrest and reverse trends of biodiversity loss in Colombia's globally important ecosystems. Applied to the AF this implies that the project would support the conservation of globally significant biodiversity in and the financial sustainability of the Macizo Regional Protected Area System (SIRAPM) by integrating it into the conservation mosaic approach promoted under the National Protected Area Conservation Trust Fund Project (NPACTF).
5. In keeping with the GEF-4 Strategic Objectives, the project will primarily address the Biodiversity Focal Area Strategic Objective 1. The project targets the Biodiversity Strategic Program 1 (Sustainable financing of Protected Areas systems at the national level) by increasing the funds available to the national parks to support an area in need with the potential to attract outside donors in the long-term. It will address Biodiversity Strategic Program 3 (Strengthening terrestrial PA networks) by developing new Protected Areas (PA) management strategies and conservation practices in 5 Conservation Mosaics, to encompass National Parks, buffer zones, and surrounding landscapes coverage of the critical Macizo region. The project supports the Climate Change Strategic Program 7 (to reduce Green House Gases emissions from land use, land use change, and forestry). This project will avoid deforestation, establish positive incentives for sustainable management of forests, strengthen the networks of stakeholders, and increase capacity in national and local institutions. In addition, the ecological resilience of the Macizo region will be enhanced.
6. The AF is intended to finance activities to scale-up two of the original Project's components: Component 2 (Conservation Mosaics Program) and Component 3 (Project Management and Institutional Coordination). Component 1 which involved the creation of a Fund is being implemented satisfactorily and will be completed under the original Project as scheduled and therefore requires no additional support.
7. The AF will support activities to conserve an area of critical ecological significance. Expected outcomes include: (i) reducing and mitigating threats and pressures on the protected

areas and natural resources caused by land degradation, loss of natural vegetation, and unsustainable production practices and (ii) consolidating the National Protected Areas System (NPAS). The AF maintains the original Project category B.

8. The total cost of the AF is US\$15.10 million, of which the GEF grant will finance US\$4 million. Co-financing of US\$11.10 million will be provided by Patrimonio Natural, the Administrative Unit of the National Park System (UAESPNN), and the local Regional Autonomous Environmental Authorities (CARs).²

9. This project fits into the strong evolution of the World Bank’s strategic engagement in the environment sector in Colombia (see chart below for a summary). The initial phase built the foundations for the engagement with knowledge products and assistance for planning. This was followed by a second phase that emphasized policy strengthening with selective applications in specific areas (cattle ranching, flood prevention, and knowledge products). The current phase seeks to further deepen the engagement and this project is an example of this deepening and mainstreaming phase.

Figure 1. Stages of Environmental Engagement in Colombia

Stages of Environmental Engagement in Colombia			
	Initial Engagement The foundations (2005-2008)	Strengthening Environmental Policies (2008-2011)	Mainstreaming Environmental Policies (2011-)
Government Actions	Environmental Policies according to National Development Plan (2006-2010)	Environmental Policies according to National Development Plan (2010-2014) CONPES to establish guidelines for the consolidation of the National System of Protected Areas (2010)	Environmental Policies according to National Development Plan (2010-2014)
Advisory/ Convening Services	Amazon South-South Cooperation Workshops CEA Update study Course on hydrological modeling for decision makers (WFP financed)	International Glacier network REDD Workshop in Cartagena CAPRA (P082429) ACODAL Workshop "Grandes Sismos" Workshop	Advisory on valuation of ecosystems and biodiversity
Operations: Len/DPL/TF	Support Environmental Management and Climate Resistance Sustainable Development DPLs I, II & III CEA Update (P090046) Low Carbon Growth (P128695) Jepirachi CF (P074426/TF031156), San Nicolas Carbon Sink CF (P098615/TF056377) Colombia Integrated National Adaptation Program (P083075/TF056350) National Protected Areas GEF (P091932) Enhance Colombia's Resilience to Disasters and Risk Manager APL1 Disaster Vulnerability (P082429) APL2 Disaster Vulnerability (P085727)	Support Environmental Management and Climate Resistance Mainstreaming Cattle Ranching GEF (P104687/TF096465) FCPF Readiness (TF097224) Netherlands Conservation Incentives Grant (P091932/TF094084) Enhance Colombia's Resilience to Disasters and Risk Manager Risk Modeling Bogota (GFDRR, TF091242, Recipient) Flood Protection in Barranquilla (Supervision funds) (SFLAC, TF096015) Preparation Funds for urban flood prevention (GFDRR, TF096323) CAPRA (GFDRR, TF096324) CAT DDO (P113084)	Support Environmental Management and Climate Resistance Sustainable Dev. AF (FY11) (P115699) GEF Protected Areas AF (FY 11) (TF056351) Water Resources and Air Quality Management (SFLAC, TF097348) Institutional Assessment and Mineral Rights Cadastre (Proposal Stage-SFLAC) Enhance Colombia's Resilience to Disasters and Risk Manager CAT DDO II (FY12)-(P120899) Barranquilla Flood (FY12) (P120159) Support for Natl. System for Disaster Risk Mgmt.

² Based on exchange rates at the time the letters were received.

II. Background and Rationale for Additional Financing in the amount of US\$4 million

10. **An Overview of the Original Project.** Colombia's geography has rendered it particularly rich in biodiversity. Situated at the confluence of the Pacific and Atlantic oceans, the Andes and the Amazon – the country is home to a patchwork of towering peaks, wetlands, grasslands, rainforests, dry forests, cloud forests, and *paramos*. It contains 14 percent of the world's biodiversity, has among the highest density of species in the world and important levels of endemism that derive from its distinct ecosystems. Variations in altitude, climate and geology all contribute to this remarkable diversity. Science also suggests that the country is now likely to face among the highest threats and risks of biodiversity loss in the world due to anthropogenic pressures. This is of further concern, since estimates suggest that only about 10 percent of the species in Colombia are known and catalogued (IAvH, 1998; 1998a).³

11. Colombia's most biodiverse areas are also its most populated, with about 70 percent of the population living in the Andean region. This has resulted in the transformation of about two thirds of the region's natural habitats. Threats include the familiar suite of pressures ranging from mining, agricultural activities and illicit cropping to intrusive infrastructure. In general, protected areas and strategic ecosystems in Colombia coincide with among the poorest regions in the nation, with incomes significantly below the national average. A key challenge addressed in this project is to catalyze mechanisms that can build synergies between, and harmonize, conservation outcomes with local development goals using the Conservation Mosaic approach.

12. Conservation Mosaics (CM) are defined as, “networks of protected areas and complementary landscapes that include combinations of national parks (core conservation areas), production landscapes and collectively-owned ethnic territories (surrounding areas)⁴”. The approach recognizes that protected areas are critical for conserving the world's biodiversity, but that the future of conservation is closely tied to land use pressures outside the protected areas. The long-term existence of endangered species often depends on a capacity to survive outside of the protected areas.

13. Achieving sustainable outcomes therefore requires appropriate stewardship of the entire mosaic in ways that reduce pressures on the core and provide corridors that could ensure connectivity and greater genetic diversity. Accordingly, the Project supports a range of interventions that seek to align and shift economic interests in ways that promote sustainable management of natural resources and improved conservation of the national parks. Examples of activities include: biodiversity conservation activities, management plans for private reserves, conservation agreements, soil conservation, fisheries management, and sustainable agro-ecological production.

³ IAvH, 1998. Instituto de Investigación de Recursos Biológicos Alexander Von Humboldt, Colombia biodiversidad siglo XXI: propuesta técnica para la formulación de un plan de acción nacional en biodiversidad / Eds. M.C. Fandiño & P. Ferreira. Santafé de Bogotá: Instituto Humboldt, Ministerio del Medio Ambiente, DNP, 254 p., Colombia

IAvH, (1998a) Instituto de Investigación de Recursos Biológicos Alexander Von Humboldt, Informe Nacional sobre el Estado de la Biodiversidad 1997- Colombia. Eds. M.E. Chaves & N. Arango, Santafé de Bogotá: Instituto Humboldt, PNUMA, Ministerio del Medio Ambiente, 3 vol.

⁴ <http://www.thegef.org/gef/node/2507>

14. The Project's CM include a core consisting of a National Park (NP), which plays a strategic role in the provision of key environmental services as well as hosting globally significant biodiversity. The surrounding territories are rural landscapes that could contribute to biodiversity conservation by providing a buffer and patches of habitat that contribute to biological connectivity and the ecological integrity of the national parks.

15. The NPACTF Grant Agreement of US\$15 was signed by *Fundación Fondo de Apoyo a la Biodiversidad y Areas Protegidas-FUNBAP* (the Recipient) and became effective on June 15, 2006, with a current closing date of October 18, 2011.

16. The PDO (as included in the original Project) is to launch a conservation trust fund that will: (a) support the consolidation of Colombia's National Protected Areas System and (b) contribute to arresting and reversing trends in biodiversity loss. The GEO is to arrest and reverse trends of biodiversity loss in Colombia's globally important ecosystems. In this context, the project would support the conservation of globally significant biodiversity in the SIRAPM by integrating it into the CM approach.

17. **Implementation Status.** The performance of the Project, including compliance with applicable safeguards policies and legal covenants, has been exemplary and deemed satisfactory on all Project indicators. The Project implementing agency, *Patrimonio Natural-Fondo para la Biodiversidad y Areas Protegidas*⁵, has demonstrated a strong commitment to achieving the PDO. As a result, implementation performance and the latest fiduciary reviews have been consistently rated satisfactory.

18. To celebrate the International Year of Biodiversity, the GEF highlighted this Project as an example of good practice in conservation noting that the project "is employing a novel approach to strengthen the management of protected areas from the outside-in."⁶ Success on the ground has prompted the Government of Colombia to draft a policy document (which was approved by the Council of Ministers and the President) on utilizing the mosaics approach more widely across the protected area system.

19. **Project Outcome Indicators.** The original Project is on track to meet its development objectives and outcome indicators. Some of the achievements include:

- a) An endowment fund that has been capitalized to the extent of US\$10.5M (70% of the PDO indicator) of which US\$4.3M was contributed by the GEF. Investment returns have met their goals despite the volatility of financial markets and anemic returns worldwide.⁷

⁵ Formerly known in the original Project's Grant Agreement as *Fundación Fondo de Apoyo a la Biodiversidad y Areas Protegidas-FUNBAP* The Recipient's Assembly of Founders modified the Recipient's legal personality on December 19, 2006 as "*Patrimonio Natural- Fondo para la Biodiversidad y Areas Protegidas*". This new legal personality was duly registered in Bogota, Colombia on December 21, 2006.

⁶ <http://www.thegef.org/gef/node/2507>

⁷ US\$4.3M as counterpart funds from the debt-for-nature swap agreement signed with the U.S. government through the Tropical Forest Conservation Act.

- b) The Project currently operates in 9 CM, with core areas totaling US\$2.2 million ha. The management strategy is tailored to pressures and environmental priorities in each area. The protected areas are at the core of the mosaic and are managed with an overarching focus on achieving conservation objectives. In the buffer areas outside the parks the focus is on promoting land-use and management actions that support environmental management and sustainable production in ways that are aligned with conservation goals and contribute to lowering the impacts of human interventions on the parks.
- c) An important aspect of the Project is that it has fostered and strengthened social capabilities and created social capital in ways that bolster conservation. The Project has motivated communities to provide environmental services. As a result there have been significant improvements in land management in the surrounding territories through sustainable production practices, watershed protection, soil conservation, and habitat restoration measures. The Project has helped local organizations reintroduce native species, establish biodiversity corridors, and develop water supply and distribution schemes as central components of water conservation strategies. Perhaps most significantly the Project has promoted the establishment of 134 private natural reserves in the surrounding territories and supported the process of declaring five conservation and special management areas in ethnic territories linked to the NPs, thus strengthening biodiversity conservation efforts overall in the CMs.
- e) The Recipient's administrative, legal, and technical units are fully operational, and have allowed the Trust Fund to leverage and execute over US\$22.8M from more than 30 national and international agencies. In addition, the project's monitoring, evaluation, and dissemination strategies are under implementation.

Rationale for Additional Financing.

Ecological significance

20. Exceptionally high in species diversity, endemism, and habitats for endangered species, the Colombian *Macizo* is a region of global biodiversity significance. The *Macizo* spans an area of 3,268,237 ha and is located in southwest Colombia at the start of the Eastern Andean range. It marks the only continuous high altitude link between the mountains ranges and the Amazon Basin, through the eastern foothills of the Andean range. The Colombian *Macizo* is vital in species dispersion and gene flow (IAvH 1998, *op cit*) and is important for housing the Huila Pleistocene refuge that played a critical role in the origin and distribution of South American biota (Hernandez *et al* 1992⁸). In addition variations in climate and topography combined with the convergence of three bio-geographic regions (the Pacific, the Andes and the Amazon) have contributed to a high biological endowment. Endemism is exceptionally marked in the northern Andes and has led experts to delineate seven separate eco-regions in Colombia (Dinerstein *et al*, 1995⁹). Five of these converge in the Colombian *Macizo*¹⁰, with a variety of life zones¹¹ across

⁸ Hernández-Camacho, J. A. Hurtado, R. Ortiz Y T. Walschburger, 1992. Centros de endemismo en Colombia. Pp. 175-190 en: Halffer, G. (ed.), La diversidad biológica de Iberoamérica. Acta Zoológica Mexicana, México.

⁹ Dinerstein, E., D.M. Olson, D.J. Graham, A.L. Webster, S.A. Primm, M.B. Bookbinder & G. Ledec, 1995. "A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean". WWF, The World Bank, Washington.

the wide altitudinal range of the *Macizo* (2,000 - 4,380 meters above sea level).

21. Habitats in the *Macizo* between 3,000 and 1,500 meters above sea level (m.a.s.l.) are characterized by extensive stands of montane forest. Andean montane forests are particularly rich in species diversity and have high levels of endemism resulting from the different conditions, between and within, each Cordillera that have led to evolutionary divergence amongst many taxa.¹² This ecoregion covers an area of 1,371,609 ha and represents 15% of the national total. The Andean montane forest is considered to be the most threatened ecosystem in Colombia, characterized by high beta biodiversity.

22. At higher altitudes, over 3,200 m.a.s.l, the *Macizo* is characterized by large intact blocks of *paramo* vegetation with high levels of endemism, which provide key services in terms of water supply and regulation and as carbon sinks. Over half of the world's Northern Andean *paramo* are found in Colombia and 22.2% of this is in the *Macizo* with thirteen separate *paramo* areas, covering a total of 364,950 ha.

23. The convergence of these eco-regions in the core of the *Macizo* has given rise to a unique assemblage of species unparalleled even in a country well known for its megadiversity. Over 10% of Colombian flora species and 60% of all Andean fauna species are found in the Colombian *Macizo*. It is particularly rich in bird life with 586 registered species and 15% of all hummingbirds (*Trochillidae*) found in the Americas.¹³

24. Mammalian life is also high in diversity with a total of 73 registered species that include the endemic small Andean deer, the Andean dwarf squirrel, and Andean rabbit. Twenty eight percent of all endangered mammals in Colombia (25 species including the spectacled bear and Andean tapir) are to be found here. Despite incomplete inventories, other taxa are also known to be well represented and in many cases include endemic species. For example, the *Macizo* contains 43% of the country's amphibian species, including 28% of the endemic amphibian species of the Central Cordillera, the endemic tree lizard *Anolis huilae*, the endemic fish *Astroblephus grixalvi*, and the endemic spider *Heterophrynus nicefori*.

25. The Colombian *Macizo* has received equal recognition at the global and regional levels. In 1980 a large part of the region was declared a UNESCO Biosphere Reserve (1980)¹⁴ and, more recently, the two main eco-regions characterizing the *Macizo*, the *Northern Andean Paramo* and *North Western Andean Montane Forest Ecoregions*, were classified as globally outstanding with the highest priority at the regional scale (Dinerstein, E. *et al*, 1995).

¹⁰ The North-western Andean, the Cauca Valley, the Magdalena Valley, the Eastern Cordillera and the Cordillera Oriental Montane Forest Ecoregions

¹¹ A finer classification identifies eight different systems in the *Macizo*: Above the snow line (4,342 hectares); *Paramo* (256,658 Hectares); High Andean Forest (1,351,126 Hectares). Low Andean Forest 20,483 Hectares; Andean agro-ecosystems (1,525,123 hectares); Inter-Andean agro-ecosystems 17,190 hectares; Semi- arid, xerofitic scrub 92,432 hectares and human settlements 856 hectares.

¹² The Andean range and the Amazon Basin, for example, have similar numbers of bird species (788 and 791 respectively) but the Andes has twice as many endemic bird species (Stolz *et al.*, 1996).

¹³ Also there are numerous tanagers such as the blue and black, golden crowned, masked mountain, hooded mountain, and buff breasted tanagers; endangered species such as the condor and Andean Cock of the Rock; and the endemic bi-colored antpitta, black tinamou, golden plumed parakeet, and red breasted parrot.

¹⁴ This reserve, known as the Andean Belt, includes the National Parks Purace, Nevado del Huila and the Cueva de los Guacharos.

Development issues

26. The socio-cultural dynamics in the *Macizo* region, and especially the historical processes of land tenure, have resulted in a growing rate of environmental degradation, particularly in the areas surrounding the region's national parks, putting their ecological integrity and long-term viability at risk. Additionally, there has been limited coordination between the CARs (the regional authorities) that have the mandate to define and manage protected areas and areas of productive use outside protected areas and the National Parks authority (UAESPNN), and this has impeded coherent planning at the landscape level. A task of this project is to promote an integrated conservation approach to the mosaics¹⁵.

27. The project has considerable local support. As part of the Social Assessment a broad consultation process was conducted with institutions and local stakeholders (comprised of community leaders, indigenous organizations, and territorial entities representatives). The aim was to identify potential challenges, risks, and opportunities. The exercise revealed that AF has a high level of institutional and stakeholders support, necessary for successful implementation (See Annex 7 for further details).

28. In sum the proposed AF seeks to build on this success and is justified because:

- a) Activities under the parent Project are being successfully implemented and are a priority of the Government;
- b) The activities for which the proposed AF grant is sought are aligned with the PDO of the parent project;
- c) The Project's PDO would remain unchanged and continues to be relevant and achievable;
- d) The conservation mosaics approach facilitates coordination between the National Park authority, the CARs, and the local population which is essential for promoting the sustainability of the *Macizo*;
- e) The proposed activities in the AF are consistent with the World Bank Group Country Partnership Strategy (CPS) 2012-2016 for the Republic of Colombia (Report #60620-CO) discussed by the Executive Directors on July 21, 2011, which supports the country's development goals in promoting environmental sustainability, including biodiversity conservation, knowledge, and sustainable use as one the strategies established in the National Development Plan;
- f) AF activities are aligned both with SIRAPM's mission and its Prospective Plan's objectives. Leadership and deep engagement of the SIRAPM institutions in AF formulation and implementation guarantees the institutional support of the environmental authorities of the region.

III. Proposed Changes to the Project under the Additional Finance

¹⁵ Parks and their buffer zones fall under the mandate of the UAESPNN, but areas around them fall under the CARs. As buffer zones are not clearly delimited, jurisdictional overlap occurs and can cause inconsistencies and conflicting conservation actions.

29. **The geographical scope of the project will be expanded.** The AF will operate in the environmentally significant *Macizo* area. Interventions will occur in 5 new National Parks and their surrounding territories that were not in the original project area. Each CM includes a National Park that was selected because of its importance for global biodiversity conservation and the provision of environmental services, as well as the potential of the surrounding landscape to improve conservation outcomes. The AF project area includes the following CM located within the SIRAPM: (i) Las Herosas NNP- Regional Autonomous Environmental Authority of Valle del Cauca-CVC (with a total area of 164,487 ha.); (ii) Nevado del Huila NNP- Regional Autonomous Environmental Authority of Tolima-CORTOLIMA (with a total area of 163,910 ha); (iii) Puracé NNP- Regional Autonomous Environmental Authority of Cauca-CRC (with a total area of 106,286 ha.); (iv) Complejo Volcánico Doña Juana Cascabel V. Complex NNP- Regional Autonomous Environmental Authority of Nariño-CORPONARIÑO (with a total area of 69,957 ha); and (v) Cueva de Los Guacharos NNP- Regional Autonomous Environmental Authority of the Upper Magdalena-CAM (with a total area of 23,952 ha). Annex 3 provides further details on the ecological significance of these sites.

30. **Project Activities under AF.** The AF supports scaling up activities that include two of the components in the original project. Component 1 (*Capitalization of Endowment and Consolidation of Patrimonio Natural*) of the original project will not receive financing from the AF. This component is being implemented satisfactorily and will achieve (and could surpass) its goal under the original Grant. Moreover, given the volatility of capital markets and the variability of returns there could be historically higher risks of increasing exposure to financial markets during this period of uncertainty.¹⁶ The focus instead is on the utilization of resources to directly address problems of great and immediate environmental urgency. The proposed investments in the *Macizo* would allow for the long-term conservation of this region of outstanding cultural and global natural biodiversity and will support the consolidation of Colombia's National Protected Areas System.

31. *Component 2 (Conservation Mosaics Program)* would apply the conservation mosaics approach to the *Macizo*. The project will support biodiversity conservation activities in the Project Area, including: (i) the design and implementation of conservation programs, management strategies and sustainable production systems within CM and (ii) provide support to beneficiaries (including potential subproject executing entities) including technical assistance and training, in order to assist them in, *inter alia*, the design and identification of subproject proposals. An integrated and targeted planning and implementation process will be undertaken in each conservation mosaic, with one subproject in each mosaic which includes both the core protected area and the surrounding territory. AF specific activities under this component will include, among other things: (i) the establishment of 5 Local Working Groups (LWGs); (ii) baseline assessments, including environmental analysis as well as identification of environmental threats and opportunities; (iii) formulation of a subproject for each conservation mosaic that contains conservation and sustainable use strategies, working schemes, and execution responsibilities for subproject implementation all designed to enhance conservation outcomes and (iv) subproject implementation.

¹⁶ There is recognition by the Government for providing sustainable long term finance and so a fund has been set up with contributions from mineral royalties as an additional source of revenue to this sector.

32. *Component 3 (Project Management and Institutional Coordination)*. Through this component the AF will provide technical assistance, training and equipment to strengthen *Patrimonio Natural*'s capacity to implement and monitor on an ongoing basis the execution of the Project, through *inter alia*: (i) the design and implementation of a dissemination strategy; (ii) the strengthening of the SIRAPM Entities, *Patrimonio Natural*'s capacity and the inter-institutional coordination between *Patrimonio Natural* and the SIRAPM Entities; and (iii) the design and implementation of a monitoring and evaluation system for the Project. AF specific activities under this component would include, among others: (i) project management; (ii) organizing stakeholder consultations; (iii) design and implementation of technical guidelines for sustainable systems and environmental management and (iv) monitoring and evaluation (M&E) of subproject implementation impacts.

33. **Project Duration, Execution and Oversight.** Project duration for the AF would be 3 years. The AF will close on October ,18 2014. Key institutions involved in the project would be *Patrimonio Natural-Fondo para la Biodiversidad y Areas Protegidas* (previously known as *Fundación Fondo de Apoyo a la Biodiversidad y Areas Protegidas-FUNBAP*), SIRAPM institutions and local and regional stakeholders, including territorial entities, Non-governmental Organizations (NGOs), grassroots organizations and social and community groups.

34. **AF Institutional Arrangements.** *Patrimonio Natural* would be the GEF AF grant recipient and would continue to be the project Lead Executing Agency. *Patrimonio Natural* has exhibited considerable efficiency and skill in project execution. *Patrimonio Natural* would be responsible for coordination and administration of the AF. AF execution and supervision would be supported by a Steering Committee and a Technical Committee framed within SIRAPM's existing decision making structure. *Patrimonio Natural* and SIRAPM institutions will be part of both Committees (see Annex 4- Institutional Arrangements).

35. **Financial Management and Procurement arrangements:** Existing fiduciary arrangements under the ongoing project in Procurement and Financial Management are satisfactory. No changes are expected in the Financial Management (FM) arrangements for the proposed AF. The FM risk for the AF operation is Moderate. The "Guidelines: Procurement of Goods and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated May 2004 revised on October 2006 and May 2010 will be applicable to the AF project. In the case of consulting services the "Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers" dated May 2004 revised on October 2006 and May 2010 will be applicable to the AF project. The overall project risk is rated low as is the procurement risks.

Table 1. Project Outcome Indicators

Indicator	Original Target	Changes with Additional Financing	Revised Target
<i>Patrimonio Natural</i> created and operational with at least US\$ 15 million in endowment by Project end.	US\$15 million	0	US\$15 million
At least 2 million hectares of core conservation areas (national parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems by Project end.	2 million hectares of national parks and 20% of the surrounding territories under improved management systems.	By the end of the AF, there will be at least (an additional) 442,000 hectares. (SIRAPM core areas (national parks) and 20% of the surrounding territories within their respective conservation mosaics under improved management systems).	At least 2.442 million hectares of core conservation areas (national parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems ¹⁷ by Project end. Core Indicator
Conservation mosaic work plans arising as a result of an integrated planning process linking national park objectives and surrounding landscapes' development plans in project area by Project end.	Five work plans in conservation mosaic work plans arising as a result of an integrated planning process linking national park objectives and surrounding landscapes' development plans in project area by Project end.	Five additional work plans in conservation mosaics with an integrated conservation and sustainable management planning process, as a result of effective participation of LWG in the SIRAPM region.	At least a total of 10 work plans in conservation mosaics with an integrated conservation - sustainable management planning process, as a result of effective participation of LWG in the SIRAPM by project end. Core Indicator
90% of baseline natural vegetation coverage in each core conservation areas by Project end.	90% of baseline natural vegetation coverage in each core conservation areas by Project end.	Same	No Change
Improve ecological connectivity in at least 3 conservation mosaics.	3 conservation mosaics with improved ecological connectivity.	Improve the ecological connectivity of at least two of the new SIRAPM conservation mosaics.	Improve ecological connectivity in at least 5 conservation mosaics. Core Indicator.
		Improved biodiversity conservation in project sites as measured by sightings of selected indicator species. In particular that 5 new conservation mosaics are monitoring biological indicators of species and/or ecosystems. ¹⁸	New indicator introduced as per the suggestion of GEF. The new target is to have increased species richness as an indicator of ecosystems functioning in at least 3 mosaics

¹⁷ Defined as a sum of effective conservation practices that contribute to improved PA management. Desired objectives include threat reduction, adoption of biodiversity-friendly practices, stronger governance and social legitimacy.

¹⁸ As noted later in this document, short term variations in species count need not reflect anything occurring in the Project. However including biodiversity indicators is both a GEF requirement and helps establish a baseline for future scientific research.

Table 2. AF Project Costs by Component and Financing (million US\$)

Component	Original cost	Original Co-Financing	AF GEF Grant amount	AF Co-Financing	Revised Cost
Component 1: <i>Patrimonio Natural's</i> Consolidation and Capitalization of the Endowment Fund	8.12	7.76	-	-	15.88
Component 2: Conservation Mosaics Program	5.14	18.49	3.0	8.85	35.48
Component 3: Project Management and Institutional Coordination	1.75	1.15	1.0	2.25	6.15
TOTAL	15.01	27.4	4.0	11.10	57.51

36. **Project Costs and Financing Plan.** The original Project cost is US\$42.41M. The cost relating to activities proposed for scaling up is US\$15.10M, whereby the GEF grant will provide US\$4M. Retroactive financing up to an aggregate amount not to exceed US\$800,000 equivalent may be made for a period of up to 12 months prior to the date of the Grant Agreement for Eligible Expenditures.

37. **AF Co-financing.** Additional co-financing of US\$11.10 million will be provided from the UAESPNN (US\$3.8 million), *Patrimonio Natural* (US\$1.8 million), CORTOLIMA (US\$2.7 million) and other CARs (US\$2.8 million “in kind” and in cash)¹⁹.

38. **Parallel financing.** During the formulation of the present proposal, *Patrimonio Natural* signed an agreement that will provide support to the core conservation objectives of this project and also provide support through synergies and learning. A Conservation Landscapes Project is also being financed by the United States Agency for International Development (USAID). This project is to be developed in six areas and includes a site in the Colombian *Macizo*.

IV. Appraisal Summary

39. The GEF AF will be disbursed between 2011 and 2014 in the amount of US\$4 million.

40. **Fiduciary.** In general the Project has performed satisfactorily and the AF will continue with the same arrangement for financial management as the parent project. . The “Guidelines: Procurement of Goods and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated May 2004 revised on October 2006 and May 2010 will be applicable to the AF project. In the case of consulting services the “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” dated May 2004 revised on October 2006 and May 2010 will be applicable to the AF project. Also the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants” dated October 15, 2006 and revised in

¹⁹ Based on the nominal exchange rate quoted on 4/6/11, \$US1 = 1827.75 Pesos

January 2011 is applicable to the AF. An Operational Manual has been prepared with specific FM sections and has been reviewed by the Bank; a revised version includes an annex on the capacity of subexecuting agencies has been submitted to the Bank. It was agreed to contract the Financial Sub-director ahead of effectiveness and as agreed the Audit reports for *Patrimonio Natural* and for the ongoing Project as of 12/31/2010 have been submitted.

41. **Safeguards policies.** The Project has been evaluated through desk and field reviews and supervision missions, interviews with Project staff and consultants, and consultations both at a local and a national level. (Annex 5 provides a summary of this work).

42. The Project has not caused any negative environmental impact, nor imposed natural resource use restrictions, nor is it expected to. All the activities have been based on voluntary agreements, social awareness, and commitment to sustainable management of natural resources. The Project implementing agency, *Patrimonio Natural*, has demonstrated its commitment to achieving sustainable results. As a result, Implementation Performance Ratings, PDO achievement and compliance with applicable safeguards policies have been consistently rated satisfactory.

43. Project activities under the AF remain consistent with the original Project's Category "B" environmental safeguards classification, requiring a broad Environmental Analysis (EA) but not a full scale Environmental Impact Assessment. The following Safeguard policies have been triggered: Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11), Forests (OP/BP 4.36), Indigenous Peoples (OP/BP 4.10), Natural Habitats (OP/BP 4.04), Pest Management (OP/BP 4.09) and Involuntary Resettlement (OP/BP 4.12). It is important to note that issues of physical cultural resources have not arisen during Project implementation and are not likely to emerge in the additional 5 project areas, but the policy has been triggered as a precautionary measure in case there are unanticipated discoveries. The emphasis is on voluntary agreements and actions. Also, since the landscape approach to conservation under the AF could raise concerns about natural habitats, the Natural Habitats safeguard policy (OP/BP 4.04) has been triggered again to be highly conservative but will not raise the classification of the project relating to its environmental risk category.

44. The only new safeguard that has been triggered in this AF is Natural Habitats. It is important to note that it is not intended that the AF project will lead directly or indirectly to the conversion of natural areas through activities in protected areas, or indirect impacts. A set of measures are implemented to minimize any risks that are not envisaged and foreseeable, including the supervision of UAESPNN and CARs representatives in the LWGs (working groups) and the analysis of potential impacts on natural habitats. If required, a mitigation plan will be set up to include specific activities, costs and arrangements for their implementation, and supervision and monitoring of *Patrimonio Natural*. LWG will include the mitigation plan in the Project's Annual Operative Plans (POA), and would include financial resources for its implementation. An attempt is made to use a highly precautionary approach to guide the application of safeguards and implementation arrangements.

45. An **Environmental Assessment** has been prepared, which includes an Environmental Management Framework to properly identify and, if necessary, mitigate minor environmental impacts from the AF. The proposed AF is aimed at supporting environmental conservation and

improving capabilities in selected conservation mosaics to arrest and reverse trends of degradation and biodiversity loss. The AF support of biodiversity-friendly production systems is expected to reduce existing threats to effective conservation in the national parks and increase their social and economic sustainability. Adverse environmental consequences from the AF implementation are highly unlikely. Nevertheless, aspects of the AF could have minor environmental impacts associated with sustainable production systems. In such cases, several of the Project's mechanisms will continue to be used in the AF to avoid negative environmental effects. The Framework also defines an environmental filter that will serve as a mechanism to ensure that activities confer a positive environmental benefit and the filter also requires that interventions are socially beneficial or benign (because of the voluntary nature of interventions this is likely assured).

46. **Social Safeguard Instruments.** The AF, its Social Assessment (SA) and the process for Indigenous participation in the AF, have been consulted with the Indigenous peoples present in the Project area and a letter has been received confirming community support and interest to participate in the AF. An Indigenous Peoples Plan (IPP) for the Nevado del Huila NP, has been drafted to synthesize and describe: (i) the Project, (ii) the Indigenous peoples potentially affected that are within the Project area, (iii) the social assessment, (iv) results of the free prior and informed consultation with the Indigenous Peoples within the project area, (v) agreed upon actions to ensure the delivery of culturally appropriate benefits and mitigation of adverse impacts, (vi) estimates for financing, (vii) the Project's grievance mechanism and any necessary tailoring to ensure its accessibility for Indigenous peoples, and (viii) mechanisms for monitoring the IPP. The original project has not promoted any voluntary or involuntary resettlement of people, nor is it intended that the AF promote any voluntary or involuntary resettlement. The AF will continue to use the Project's methodology based on voluntary work groups that voluntarily propose environmental management projects. This therefore rules out the possibility that these plans will result in involuntary physical dislocation of people or assets for the AF.

47. The EA, SA, IPP, Resettlement Process Framework (RPF) and Integrated Safeguard Data Sheet (ISDS) were disclosed on March 11, 2011 on the external website of the World Bank and on March 14, 2011 in country.

48. **Policy Exceptions and Readiness.** The project does not require any exception from Bank or GEF policies. The AF complies with all applicable Bank policies.

Annex 1: Results Framework and Monitoring
COLOMBIA: Additional Financing National Protected Areas Project

Results Framework

Revisions to the Results Framework		Comments/ Rationale for Change
PDO		
<i>Current (PAD)</i>	<i>Proposed</i>	
<p>Project Development Objective: The objective of the Project (as included in the Original Project) is to launch a conservation trust fund that will: (a) support the consolidation of the Beneficiary’s national Protected Areas system; and (b) contribute to arrest and reverse trends in biodiversity loss.</p> <p>Global Environmental Objective: To support the conservation of globally significant biodiversity in and the financial sustainability of the <i>Macizo</i> Regional Protected Area System (SIRAPM) by integrating it into the conservation mosaic approach promoted under the National Protected Area Conservation Trust Fund for the consolidation of the Colombian National Protected Area System.</p>	Continued	<p>The PDO would remain unchanged and continues to be relevant and worthy of expansion in scope to cover 5 additional NPAs and their surrounding territories in the Colombian <i>Macizo</i>.</p> <p>The AF aims at (i) consolidating the NPA by strengthening the SIRAPM as a regional conservation network and (ii) reducing trends of biodiversity loss and natural cover degradation in the selected areas through the application of the Project’s conservation mosaic methodology</p> <p>The GEO would remain unchanged.</p>
PDO indicators		
<i>Current (PAD)</i>	<i>Proposed change with AF*</i>	
FUNBAP created and operational with at least US\$ 15 million in endowment by PY5.	n/a	Activities under the original project’s Component 1 (Capitalization of Endowment and Consolidation of <i>Patrimonio Natural</i>) will not receive funds from the AF. This component is being implemented satisfactorily and will be completed under the original Grant. More importantly the funds are needed to address

Revisions to the Results Framework		Comments/ Rationale for Change
		more immediate pressures and issues of global significance.
At least 2 million hectares of core conservation areas (national parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems ²⁰ by PY5.	Revised. At least 2.44 million hectares of core conservation areas (national parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems ²¹ by Project end.	Change in the end of project target value- By the end of the AF, there will be at least 442,000 hectares of SIRAPM core areas (national parks), and 20% of the surrounding territories within their respective conservation mosaics under improved management systems.
Conservation mosaic work plans arising as a result of an integrated planning process linking national park objectives and surrounding landscapes' development plans in project area by PY5.	Continued. Conservation mosaic work plans arising as a result of an integrated planning process linking national park objectives and surrounding landscapes' development plans in project area by Project end.	AF will support 5 conservation mosaics develop integrated conservation - sustainable management planning process, as a result of effective participation of LWG in the SIRAPM by project end.
90% of baseline natural vegetation coverage in each core conservation area by PY5.	Continued. 90% of baseline natural vegetation coverage maintained in each core conservation area by Project end.	This indicator was adjusted during the Project's supervision mission in March 2010 and approved in the last ISR. It better reflects project and AF outcome (arrest and/or reverse trends of habitat loss in project area).
Improve ecological connectivity in at least 3 conservation mosaics.	Revised. Improve ecological connectivity in at least 5 conservation mosaics.	Change in the end of project target value -The AF will improve ecological connectivity of at least two of the SIRAPM conservation mosaics, by restoring habitats and/or reducing pressures that are leading to fragmentation of habitats.
	New. Improved biodiversity conservation in project sites measured by increased sightings of key indicator species ²² . In particular that 5 new conservation mosaics are monitoring biological indicators of species and/or ecosystems and that there is an increase in species richness as an indicator of ecosystems	This new indicator has been included following advice from the GEF.

²⁰ Defined as a sum of effective conservation practices that contribute to improved PA management. Desired objectives include threat reduction, adoption of biodiversity-friendly practices, stronger governance and social legitimacy.

²² It is very important to note an overarching qualification. Because of demographic stochasticity indicator species can fluctuate from year to year for reasons unrelated to the project, or other anthropogenic factors. Science suggests that 3 years (the life of this AF) is too short a time span to infer trends in population status. Results from this outcome indicator must therefore be interpreted with extreme caution since attribution of either success or failure to policy outcomes remains a challenge for scientific inference.

Revisions to the Results Framework		Comments/ Rationale for Change
	functioning in at least 3 mosaics.	
Intermediate Results indicators		
<i>Current (PAD)-with revised indicators according to June 2010 ISR</i>	<i>Proposed change</i>	
At least 7 core areas (national parks) of conservation mosaics with key management issues ²³ addressed by effective conservation practices ²⁴ with improved scores of effectiveness indicators for at least 4 national parks, by PY5.	Revised. At least 11 core areas (national parks) of conservation mosaics with key management issues addressed by effective conservation practices, with improved scores of effectiveness indicators for at least 6 national parks by Project end.	This Project intermediate outcome indicator was merged with another project intermediate outcome indicator (improved scores of effectiveness indicators for at least 4 national parks, by end of the project (PY5)) during the Project's supervision mission in March 2010 and approved in the last ISR.
At least 3 conservation mosaics adopting land use changes as part of conservation mosaics management strategies by PY5.	Revised. At least 6 conservation mosaics adopting landscape management strategies and sustainable productive systems by project end.	The AF aims at 3 additional conservation mosaics adopting landscape management strategies and sustainable productive systems.
At least 9 agreements signed with stakeholders and implemented through conservation and/or sustainable use practices by PY5.	Revised. At least 29 agreements signed with stakeholders and implemented through conservation and/or sustainable use practices by Project end.	The AF aims at 20 additional agreements signed with stakeholders and implemented through conservation and/or sustainable use practices by AF end.
At least 30% of baseline families adopting sustainable production systems and improved management systems, still maintaining them by PY5.	Revised. At least 50% of baseline families adopting sustainable production systems and improved management systems, still maintaining them by Project end.	The AF aims at achieving at least 50% of SIRAPM baseline families adopting sustainable production systems and improved management systems, and that these are to be sustained until project end.
At least 4 regional NPAS committees linked to conservation mosaics established and functional by PY3.	Dropped	This Project indicator was dropped during the Project's supervision mission in March 2010 because it was captured in earlier indicators. Its deletion was approved in the last ISR.

²³ Defined as structural issues affecting a particular PA and upon which the PAs' level of conservation as a whole depends upon. Management Plans of National Parks contain a number of strategic lines of action; however, not all of them are as relevant to conservation objectives. The Project selects the key issues most affecting each National Park's effective level of conservation.

²⁴ Defined as practices that generate positive changes in a selected area's level of conservation, while responding to the area's ecological and socio-economic particularities. Such practices may include zoning agreements, sustainable production systems and restoration practices.

Revisions to the Results Framework		Comments/ Rationale for Change
Project monitoring program under satisfactory implementation and generating quality information to aid decision-making processes by PY3.	Project monitoring program under satisfactory implementation and generating quality information to aid decision-making processes by Project end.	No change.
Project results and lessons learned disseminated to 4 national parks and buffer zone communities in rural landscapes.	Revised. Project results and lessons learned disseminated to at least 9 national parks and buffer zone communities in rural landscapes.	Project results and lessons learned disseminated to the 5 SIRAPM conservation mosaics and the NPAS.
	New. Strengthened technical and policy-making capacity of SIRAPM by Project end.	By strengthening SIRAPM's capacity, the AF will contribute to the consolidation of the NPAS and assure sustainability of project benefits beyond the life of the project.

REVISED PROJECT RESULTS FRAMEWORK

Project Development Objective (PDO): The objective of the Project (as included in the Original Project) is to launch a conservation trust fund that will: (a) support the consolidation of the Beneficiary’s national Protected Areas system; and (b) contribute to arrest and reverse trends in biodiversity loss.

Global Environmental Objective:

To arrest and reverse trends of biodiversity loss in Colombia’s globally important ecosystems.

The PDO would remain unchanged and continues to be relevant and worthy of expansion in scope to cover 5 additional National Protected Areas (NPA) and their surrounding territories in the Colombian *Macizo*. The AF aims at (i) consolidating the NPAS by strengthening the *Macizo* Regional Protected Area System (SIRAPM) as a regional conservation network and (ii) reducing trends of biodiversity loss and natural cover degradation in the selected areas through the application of the Project’s conservation mosaic methodology

PDO Level Results Indicators	Core	UOM ²⁵	Baseline Original Project Start (2006)	Progress To Date (2011) ²⁶	Cumulative Target Values			Frequency	Data Source/ Method	Responsible for Data Collection	Comments
					2012	2013	2014				
1. FUNBAP created and operational with at least US\$ 15 million in endowment by PY5.	□										Activities under the original project’s Component 1 (Capitalization of Endowment and Consolidation of <i>Patrimonio Natural</i>) will not receive financing from the AF. This component is being implemented satisfactorily and will be completed under the original Grant.

²⁵ UOM = Unit of Measurement.

²⁶ For new indicators introduced as part of the additional financing, the progress to date column is used to reflect the baseline value.

<p>2. At least 2.44 million hectares of core conservation areas (national parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems²⁷ by Project end.</p>	X	<p>Number of hectares of core conservation areas and % of surrounding territories</p>	0	<p>2.2 million ha of core conservation areas (9 NPs) with management plans in place and 57% of surrounding territories with sustainable natural resource practices in place.</p>	0%	50%	100%	<p>Semiannual, Annual, Mid-term, Final</p>	<p>Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions</p>	<p><i>Patrimonio Natural</i>, SIRAPM institutions</p>	
<p>3. Conservation mosaics work plans arising as a result of an integrated planning process linking national park objectives and surrounding landscapes' development plans in project area</p>	X	<p>Number of conservation mosaics work plans</p>	0	<p>5 conservation mosaics work plans</p>	1	3	5	<p>Semiannual, Annual, Mid-term, Final</p>	<p>Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions</p>	<p><i>Patrimonio Natural</i>, SIRAPM institutions</p>	

²⁷ Ibidem.

<i>by Project end.</i>											
<i>4. 90% of baseline natural vegetation coverage in each core conservation areas by Project end</i>	<input type="checkbox"/>	% of baseline natural vegetation coverage by project end	1,945.489 hectares of natural vegetation coverage in the Project's core conservation areas	90%	90%	90%		Annual, Mid-term, Final	Baseline assessments Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions	<i>Patrimonio Natural</i> , SIRAPM institutions	New baseline value to be determined in accordance with new SIRAPM core conservation areas assessment of natural vegetation coverage
<i>5. Improve ecological connectivity in at least 5 conservation mosaics.</i>	X	# of conservation mosaics implementing activities that promote ecological connectivity (biological corridor, restoration activities and sustainable production practices)	0	3 conservation mosaics implementing activities that promote ecological connectivity	0	1	3	Semiannual, Annual, Mid-term, Final	Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions	<i>Patrimonio Natural</i> , SIRAPM institutions	
<i>6. Improved biodiversity conservation in project sites measured by increased sightings of key indicator species; and</i>		# of conservation mosaics monitoring biological indicators of species/ or ecosystems Increased species	0		0	2	5	Semiannual, Annual, Mid-term, Final	Monitoring at park level that will be conducted using the same techniques (e.g. where relevant using the same	<i>Patrimonio Natural</i> , SIRAPM institutions	

		richness as an indicator of ecosystems functioning			0	1	3		transect length, and location, and the same intensity and frequency of enumeration)		
Beneficiaries											
Project beneficiaries		Number of families	364 baseline families	382 families	20	60	100				
Of which female (beneficiaries)		Number N/A									

Intermediate Results and Indicators											
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2006)	Progress To Date (2011)	Target Values			Frequency	Data Source/ Method	Responsible for Data Collection	Comments
					2012	2013	2014				
Intermediate Result 1: Component 2- Conservation practices and protected area management strategies developed/tested and local capacity improved to support biodiversity conservation and sustainable use in nineteen conservation mosaics.											
1. <i>At least 11 core areas (national parks) of conservation mosaics with key management issues addressed by effective conservation practices, with improved scores of effectiveness indicators for at least 6 national parks by Project end.</i>	<input type="checkbox"/>	# of National Parks # of national parks with improved scores	0	9 National Parks implementing subprojects in line with each management plan and 8 National Parks with improved scores of effectiveness	1 0	2 0	4 2	Semiannual, Annual, Mid-term, Final	Baseline assessments M&E reports GEF SPI Tracking Tool scorecard applied to core areas Targeted surveys and AM of LWG meetings and SIRAPM committees	<i>Patrimonio Natural</i> , SIRAPM institutions	AF intermediate result would be at least 4 SIRAPM conservation mosaics with effective conservation and sustainable use measures under implementation and generating environmental and social benefits, by Project end
2. <i>At least 6 conservation mosaics adopting landscape management strategies and sustainable productive</i>	<input type="checkbox"/>	# of conservation mosaics	0	5 conservation mosaics adopting landscape management strategies and sustainable productive practices	1	2	3	Semiannual, Annual, Mid-term, Final	Baseline assessments Annual Surveys to LWG and SIRAPM committees. M&E	<i>Patrimonio Natural</i> , SIRAPM institutions and LWG	AF intermediate result would be at least 3 conservation mosaics adopting landscape management strategies and sustainable productive

Intermediate Results and Indicators											
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2006)	Progress To Date (2011)	Target Values			Frequency	Data Source/ Method	Responsible for Data Collection	Comments
					2012	2013	2014				
<i>systems by Project end.</i>									reports from <i>Patrimonio Natural</i> and SIRAPM institutions		systems by project end.
<i>3. At least 20 agreements signed with stakeholders and implemented through conservation and/or sustainable use practices by Project end.</i>	<input type="checkbox"/>	# of agreements signed and implemented	0	93 agreements signed between NPs and social stakeholders under implementation and 35 agreements signed in surrounding territories under implementation	5	15	20	Semiannual, Annual, Mid-term, Final	Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions	<i>Patrimonio Natural</i> , SIRAPM institutions and LWG	AF intermediate result would be at least 4 agreements signed with stakeholders and implemented through conservation and/or sustainable use practices by Project end
<i>4. At least 50% of baseline families adopting sustainable production systems and improved management systems, still maintaining them by Project end.</i>	<input type="checkbox"/>	% of baseline families	364 baseline families (278 families within NPs and 86 families in surrounding territories)	382 families	0%	30%	50%	Semiannual, Annual, Mid-term, Final	Baseline assessments Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions	<i>Patrimonio Natural</i> , SIRAPM institutions and LWG	AF intermediate result would be 50% of baseline SIRAPM families adopting sustainable production systems and improved management systems, still maintaining them by Project end

Intermediate Results and Indicators											
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2006)	Progress To Date (2011)	Target Values			Frequency	Data Source/ Method	Responsible for Data Collection	Comments
					2012	2013	2014				
Intermediate Result 2: Component 3- Improved governability among the SIRAPM environmental authorities (NNPs and CARs), and improved capacity among community stakeholders to conduct integrated management in the selected conservation mosaics.											
5. Project monitoring program under satisfactory implementation and generating quality information to aid decision-making processes by Project end.	<input type="checkbox"/>	# of conservation mosaics with project monitoring and annual indicator reports	0	38 NPs with project monitoring and 2 annual indicator reports for subprojects in surrounding territories	1	3	5	Semiannual, Annual, Mid-term, Final	Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions	<i>Patrimonio Natural</i> , SIRAPM institutions	AF intermediate result would be a project monitoring program under satisfactory implementation and generating quality information to aid decision-making processes in the 5 selected conservation mosaics
6. Strengthened technical and policy-making capacity of SIRAPM by Project end	<input type="checkbox"/>	% of guidelines and plans designed and under implementation by local stakeholders	0	New Indicator	0	50	100%	Semiannual, Annual, Mid-term, Final	Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM	<i>Patrimonio Natural</i> , SIRAPM institutions	New Intermediate Result Indicator

Intermediate Results and Indicators											
Intermediate Results Indicators	Core	Unit of Measurement	Baseline Original Project Start (2006)	Progress To Date (2011)	Target Values			Frequency	Data Source/ Method	Responsible for Data Collection	Comments
					2012	2013	2014				
									institutions		
<i>7. Project results and lessons learned disseminated to 9 national parks and buffer zone communities in rural landscapes</i>	<input type="checkbox"/>	# of conservation mosaics with project results and lessons learned	0	Communication strategy under implementation by the NPAS with information dissemination tools and materials in use	1	3	5	Semiannual, Annual, Mid-term, Final	Annual Surveys to LWG and SIRAPM committees. M&E reports from <i>Patrimonio Natural</i> and SIRAPM institutions	<i>Patrimonio Natural</i> , SIRAPM institutions and LWG	AF intermediate result would be Project results and lessons learned disseminated to 5 national parks and buffer zone communities in rural landscapes

**Annex 2: Operational Risk Assessment Framework (ORAF)
COLOMBIA: Additional Financing National Protected Areas Project**

Project Development Objective(s): The objective of the Project is to launch a conservation trust fund that will: (a) support the consolidation of the Beneficiary’s national Protected Areas system; and (b) contribute to arrest and reverse trends in biodiversity loss.

PDO Level Results Indicators:

1. *FUNBAP created and operational with at least US\$15 million in endowment by Project end.*
2. *At least 2.442 million hectares of core conservation areas (national parks) and 20% of the surrounding territories within the respective conservation mosaics under improved management systems by Project end.*
3. *Conservation mosaics work plans arising as a result of an integrated planning process linking national park objectives and surrounding landscapes’ development plans in project area by Project end.*
4. *90% of baseline natural vegetation coverage in each core conservation area by Project end.*
5. *Improve ecological connectivity in at least 5 conservation mosaics.*

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
Project Stakeholder Risks	Low	Community participation is key to the success of the Conservation Mosaics approach. Withdrawal of support for the project could be a concern. To assess the likelihood of this risk a social feasibility evaluation was conducted during the preparation of the AF, assessing the history of the relationship between the NP and local stakeholders in potential project area.	Workshops were also held to ascertain local concerns and solicit views on willingness to participate in the AF. This risk has been minimized through the social assessments, which allowed areas to be selected based on indications of support and community readiness to participate. Local leaders in the AF areas have ratified the approach and expressed their willingness to participate in the AF by signing letters of intent. The highly participatory focus of the project and the formation of LWGs assure higher levels of local ownership rather than top-down management approaches. Past experience with this project suggests that this has been sufficient to overcome resistance and inertia.
Implementing Agency	Low	A host of institutions will be involved in this project -	The project will augment resources going to the

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
Risks		<p><i>Patrimonio Natural</i>, is the key Executing Agency it is well staffed with highly qualified and experienced personnel, and SIRAPM which includes 6 CARs (CRC, CAM, CORTOLIMA, CORPONARIÑO, CVC, and CORPOAMAZONÍA). Capacity varies across the CARs. Implementation so far has worked exceptionally well in the original project with all key objectives and indicators on track. There are no obvious skill deficiencies in any of the agencies. However, an overarching problem is the relative under-funding of the environment sector and in particular National Parks and this is of growing concern given that future growth is expected to come from high footprint industries.</p> <p><i>Patrimonio Natural</i> has demonstrated its skills and expertise in project management. SIRAPM, which includes 6 CARs (RC, CAM, CORTOLIMA, CORPONARIÑO, CVC, and CORPOAMAZONÍA) has committed to providing adequate resources for project implementation. In view of the growing pressures on natural assets there is an overarching concern about the adequacy of resources that are available for conservation – more generally</p> <p>The Bank has worked previously with <i>Patrimonio Natural</i> and has no reason to suspect any fiduciary concerns. <i>Patrimonio Natural</i> is familiar with the Bank’s fiduciary requirements.</p>	<p>environment sector. No further mitigation measures are called for given the generally high skills, motivation and qualifications of staff in the sector.</p> <p>The Bank will ensure that all parties are aware of and follow standard Bank procurement and financial management policies and procedures.</p>
Project Risks			

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
<ul style="list-style-type: none"> Design 	<p>Low</p>	<p>The proposed project builds on and replicates a successful model that has been used in numerous pilot sites across the country. One measure of confidence in the approach is that GoC is discussing a policy document on the relevance of scaling up this approach to other biologically significant locations</p> <p>This AF builds upon the lessons of the successful parent project. Using the social assessments areas have been selected with care to increase probabilities of success.</p>	<p><i>Patrimonio Natural</i> has identified areas that are suitable for these interventions using a series of filters based upon: (i) global and national ecological significance; (ii) social preparedness and support (iii) scope for generating adequate synergies between community and conservation needs.</p> <p>Moreover knowledge sharing between communities at different project sites is being promoted as part of the implementation process</p>
<ul style="list-style-type: none"> Social and Environmental 	<p>Low</p>	<p>There has been a detailed social assessment and environmental assessment. These conclude that anticipated impacts will be positive across both dimensions – social and environmental. Indeed building such synergies lies at the very heart of this project.</p> <p>This project is expected to enhance conservation as well as sustainable use of natural capital. As such the detailed social assessment and environmental assessments have concluded that the project is expected to generate positive social and environmental impacts. In part this is because it seeks to build synergies between social capital, natural capital and sustainable economic benefits.</p>	<p>Conservation management strategies in project's areas will be established taking as a reference the Management Plans of the 5 National Parks in the <i>Macizo</i> Region. The management of subprojects through local working groups allows the strengthening and empowering of local communities.</p>
<ul style="list-style-type: none"> Program and Donor 	<p>Low</p>	<p>The total cost of the AF is US\$15.10M, of which the GEF grant will finance US\$4M. Co-financing of US\$11.10M will be provided by <i>Patrimonio Natural</i>, the Administrative Unit of National Natural Park System (UAESPNN), the local Regional Autonomous Environmental Authorities (CARs), and territorial entities working in the Colombian <i>Macizo</i>.</p>	<p>The track record of the collaboration among the participating institutions and the identity between the projects objectives and the institutional mandates provides reasonable assurance of their fulfilling their commitments. The new actor, on which the project will focus on this phase, is the Regional Authority, which in turn has the larger benefits from the project outcomes.</p>

Risk Category	Risk Rating	Risk Description	Proposed Mitigation Measures
<ul style="list-style-type: none"> Delivery Quality 	Low	Track record of Patrimonio Natural suggests that disbursements and outcomes are realistic and will retain their innovative character There are no concerns of project quality being compromised. For example to celebrate the International Year of Biodiversity, the GEF selected the P091932 project as an example of good practice in conservation.	The AF with the same implementing agency ensures quality of delivery

Overall Risk Rating at Preparation	Overall Risk Rating During Implementation	Comments
Low	Low	No major risks are anticipated given the positive history of the parent project.

Annex 3: Detailed Description of AF Project Activities

COLOMBIA: Additional Financing National Protected Areas Project

A. Introduction

1. The *Macizo*, located at the convergence of the Pacific, Amazon and Andes biogeographic regions, is a critical area for species interaction and dispersion within South America, and for freshwater production in Colombia (three of the most important rivers originate in the Colombian *Macizo* –the Cauca, Magdalena and Caquetá rivers). The convergence of globally outstanding eco-regions in the core of the *Macizo* forms a habitat that can sustain a unique assemblage of species and diversity unparalleled even for a country well known for its mega-diversity.

2. Environmental degradation in the Andes is high, particularly in montane forest ecosystems. Some estimates indicate that only 15% of montane and pre-montane forests remain in Colombia (Hamilton 1997, Orejuela 1985). The Colombian *Macizo*, however, has been far less degraded than other parts of the Andes, with levels of deforestation and habitat degradation being lower than national averages. Some municipalities in the *Macizo* maintain 85% of original montane forest cover, and others house some of the largest *paramos* in the country (over half of the world's Northern Andean *Paramo* are found in Colombia and 22.2% of them are in the *Macizo*). This is due both to the remoteness of the region and the decisive action of the Government of Colombia which established some of the country's first protected areas there, including three National Parks recognized by the UNESCO Man and Biosphere Programme as the core areas of the Andean Belt Biosphere Reserve²⁸. More recently, the two main ecoregions characterizing the *Macizo*, the Northern Andean *Paramo* and North Western Andean Montane Forest Ecoregions, were classified as globally outstanding and the highest priority at the regional scale²⁹.

3. Despite this, biodiversity in the region is under increasing pressure. Land-use outside the National Park's core zones – agricultural practices, livestock rearing, natural resource exploitation, and illicit crop cultivation – are leading to further habitat fragmentation, transformation, and loss. The government's response to these pressures has largely taken the form of the establishment of National Parks (NPs). However, with the increasing pressures bearing down on the protected areas, the government, through the UEASPNN, is broadening the region's conservation strategy by seeking to include a wider range of actors and management approaches in conservation areas, and to address the root causes of biodiversity loss outside the parks.

4. In Colombia, the CARs have the authority to define and manage protected areas and areas of productive use outside the NP. The CAR-managed areas surround the NP and act as buffer zones. However management by the CARs is usually carried out in almost complete isolation to that of the NP (the UAESPNN).

²⁸ This reserve, known as the Andean Belt, includes the National Parks Purace, Nevado del Huila and the Cueva de los Guacharos.

²⁹ Dinerstein, E. *et al*, 1995 "A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean". WWF, World Bank.

5. Between 2002 and 2007, the National Parks Unit implemented the GEF/ United Nations Development Program (UNDP) project *Conservación de los Páramos y Bosques Montanos del Macizo Colombiano* (BIOMACIZO) that laid the operational foundation for the *Macizo* Regional Protected Areas System (SIRAPM) as a conservation network with a regional management strategy.

6. In 2007, the UAESPNN and 6 CARs (CORTOLIMA, CAM, CORPONARIÑO, CVC, CRC and CORPOAMAZONIA) signed the Inter-Administrative Framework Agreement No. 024, which officially established the SIRAPM under the framework of the National Protected Areas System to integrate their budget and management structures and generate synergies to comply with regional and national environmental conservation objectives, specifically biodiversity conservation and the protection of water resources, all within the framework of sustainable human development.

7. In 2007, SIRAPM also adopted a Prospective Plan for the integrated management of its NPs and surrounding areas. This Plan is structured in 5 strategic programs under which SIRAPM's actions are framed, for a 10 year period and includes: i) biodiversity conservation and natural connectivity; ii) environment-friendly production systems; iii) knowledge transfer; iv) local stakeholders' capacity building; and v) strengthening community participation mechanisms.

8. The mosaics approach has its genesis in a UNDP project and was followed by the GEF *National Protected Areas Conservation Trust Fund* (NPACTF) project. As a management approach, conservation mosaics emphasize the symbiosis of meeting the objectives of national parks, other natural resource management strategies, and local economic development.

9. The NPACTF coordinates and integrates the management of protected areas with their surrounding landscapes by supporting sustainable conservation activities in 14 conservation mosaics (9 using GEF resources and 5 corridors using TFCA resources), which include not only strict protected areas, but also private reserves and production landscapes in the protected area buffer zones.

10. It needs to be emphasized that the mosaics approach adopted in this project differs from many of the Integrated Conservation and Development (ICDPs) schemes. ICDPs typically focus upon alternative (or additional) employment generation. They are based on the assumption that the provision of (new and more) environmentally benign jobs will provide incentives for people to shift from current activities that are environmentally threatening to more sustainable forms of economic enterprise³⁰. The mosaics approach used here differs considerably from ICDPs. It emphasizes changes to more sustainable production methods, based upon local inputs and it supports direct investments in conservation (e.g. soil conservation activities, restoration of habitats, or the creation of reserves on private lands).

³⁰ Clearly this need not occur if there is underemployment.

11. Building upon the gains and final recommendations of the previous GEF *Biomacizo* project, especially the institutional foundation, this additional financing is proposed to strengthen SIRAPM's institutional coordination and conservation.

12. The AF will scale up the Project's conservation mosaic approach to an additional 5 Protected Areas and their surrounding territories in the SIRAPM region. The AF would also support the necessary institutional strengthening, info-systems consolidation, project management, and monitoring and evaluation. As such, project activities will extend to the *Macizo* region innovative components of the NPACTF conservation mosaic approach. Promoting the sustainability of the *Macizo* would allow for the long-term conservation of this region of outstanding cultural and natural biodiversity.

13. The NPACTF Project Development Objective (PDO), as per the Grant Agreement, is to launch a conservation trust fund that will support the consolidation of Colombia's National Protected Areas System (NPAS) and contribute to arresting and reversing trends in biodiversity loss. The PDO under the AF will remain the same as the PDO of the Project's Grant Agreement.

14. The AF outcome indicators include:

- 5 conservation mosaics with an integrated conservation-sustainable management planning process, as a result of effective participation of LWGs in the SIRAPM (NPs, CARs, municipal and community stakeholders);
- At least 442,000 ha of core areas (national parks), and 20% of the surrounding territories within their respective conservation mosaics under improved management systems by the end of the AF;
- 90% of baseline natural vegetation coverage maintained in each core conservation area by the projects end;
- Improve ecological connectivity in at least two of the (new) conservation mosaics;
- Improve biodiversity conservation in project sites as measured by (scientifically validated) sightings of selected indicator species; and
- Strengthened technical and policy making capacity of SIRAPM.

B. Conservation Mosaics Areas under the Additional Financing

15. The geographic scope of the Project's Conservation Mosaics Program will be expanded to include additional Protected Areas and their surrounding territories, preliminarily identified for project intervention in the SIRAPM area.

16. Five conservation mosaics were selected by the SIRAPM technical committee, based on ecological, social, and institutional criteria. Each conservation mosaic includes a core national park (Las Hermosas, Nevado del Huila, Puracé, Cueva de los Guacharos, and Doña Juana Complex) and a surrounding area. These conservation mosaics were selected because of their importance for global biodiversity conservation and for their strategic role in the provision of environmental services (see Table 3.1 for further details).

17. Three of the national parks (Cueva de los Guacharos, Purace, and Nevado del Huila) are part of the Biosphere Reserve core zones. The fourth park, Las Hermosas, to the north of the present Reserve's boundary, is also a vital core zone for conservation of the *Macizo's* natural assets and biodiversity. Together, these parks cover 3,750km². In addition, a further 3,750km² fall within indigenous reserves all of which have designated a portion of their territories as sacred lands where natural habitat cover is strictly protected. A further array of private and municipal reserves is found within the Biosphere Reserve. All of these have the potential to act as areas to protect large extensions of well-conserved montane forest and *paramo* habitat, as well as to provide the vital connectivity between them, essential to gene flow across the altitudinal gradients in the region. The recently declared Doña Juana complex located south of Purace with tracts of Eastern Cordillera Real and Northwestern montane forests and *paramo* play a key role in the Andean-Amazonian connectivity.

18. In sum, the AF conservation mosaics contain an area that is exceptionally high in species diversity, endemism, and habitats for endangered Andean species. It includes the Andean montane forest, which is considered to be the most threatened ecosystem in Colombia, characterized by high beta diversity and regional endemism. At higher altitudes, the AF conservation mosaics are characterized by large intact blocks of *paramo* vegetation with high levels of endemism, which provide key services in terms of water supply and regulation and as carbon sinks. Over 45% of the *Macizo's paramo* area is in the AF selected conservation mosaics.

Table 3.1 Areas selected as conservation mosaics for the AF phase

Conservation Mosaic	Ecosystems	Biodiversity	Mosaic Core Area		Municipalities overlapping with the Mosaic*		Total Conservation Mosaic Area
			Description	Surface Area (Ha)	Description	Surface Area (Ha)	
Las Herosas NNP – CVC	<i>Paramo</i> (65,642 ha representing 20% of the <i>Macizo</i>) High Andean, Andean, and Sub-Andean Forest	Biodiversity inventories in the area are not complete. The following mammals have been detected: Northern Pudu (<i>Pudu mephistophile</i>); Mountain tapir (<i>Tapirus pinchaque</i>) and the Andean bear (<i>Tremarctos ornatos</i>).	Las Herosas NP	125,000	Cerrito, Palmira	39,487	164,487
Nevado del Huila NNP – CORTOLIMA	<i>Paramos</i> (51,801 ha representing 14.19% of the <i>Macizo</i> 's <i>paramo</i> area) Andean forest, wetlands	Birds: Andean Condor (<i>Vultur gryphus</i>); Black-and-chestnut Eagle (<i>Oroaetus isidori</i>); Golden-plumed Parakeet (<i>Leptopsittaca branickii</i>); and the Red-ruffed Fruitcrow (<i>Pyroderus scutatus</i>). Mammals: Andean bear (<i>tremarctos ornatos</i>); Little Spotted Cat (<i>Leopardus tigrina</i>) and the Northern Pudu (<i>Pudu menphistophil</i>).	Nevado del Huila NP	158,000	Río Blanco Planadas, and the Gaitania, Barbacoas and Las Mercedes ³¹ Indigenous Territories	5,910	163,910
Puracé NNP – CRC	<i>Paramo</i> (30,982 ha representing 8.48% of the <i>Macizo</i> 's <i>paramo</i> area), Amazonian piedmont High Andean forest	Mammals include threatened species such as the Brown Woolly Monkey (<i>Lagothrix lagotricha</i>); Gray-bellied Night Monkey (<i>Aotus lemurinus</i>); Little Spotted Cat (<i>Leopardus tigrinus</i>); Andean bear	Puracé NP	83,000	Santa Rosa	23,286	106,286

³¹ The reserves do not constitute municipalities as such, but are the equivalent that formally demarks the boundaries of the indigenous communities settled in the zone.

		(<i>Tremarctos ornatos</i>); Northern Pudu (<i>pudu menphistophiles</i>); and the Mountain tapir (<i>Tapirus pinchaque</i>).					
Cueva de los Guácharos NNP – CAM	Sub-Andean and Andean forest, <i>paramo</i>	Birds: Over 267 bird species among which are the Tawny-breasted Tinamou (<i>Nothocercus Julius</i>); Sickle-winged Guan (<i>Chamaepetes goudotii</i>); Andean Guan (<i>Penélope montagnii</i>); Speckled Chachalaca (<i>Ortalis colombiana</i>); and the Torrent duck (<i>Merganetta armata colombiana</i>). Mammals: Endemic species include the Brown-banded Antpitta (<i>Grallaria milleri</i>); Miller Marsupial Frog (<i>Gastrotheca milleri</i>); and the Milk snake (<i>Lampropeltis triangulum</i>).	Cueva de los Guacharos NP	9,000	Acevedo, Palestina	14,952	23,952
Complejo Volcánico Doña Juana Cascabel V. Complex NNP – CORPONARIÑO	<i>Paramo</i> (8,803 ha representing 2.41% of the <i>Macizo's paramo</i> area) High Andean and Andean forest	Birds: The area is particularly rich in bird life with over 460 identified species among which are the Silvery grebe (<i>Podiceps occipitalis</i>); Cinnamon teal (<i>Anas cyanoptera</i>); Reuddy duck (<i>Oxyura jamaicensis</i>); Fiery-throated Fruiteater (<i>Pipreola chlorolepidota</i>); and the Andean condor (<i>Vultur gryphus</i>). Mammals: There are several endangered species among which are the Mountain tapir (<i>Tapirus pinchaque</i>); Andean bear (<i>Tremarctos ornatos</i>); Northern Pudu (<i>Pudu mephistophile</i>); Brown Woolly Monkey (<i>Lagothrix lagothericha</i>); and the <i>Leopardus tigrinu</i> .	D. Juana Cascabel V. Complex NP	67,567	La Cruz, Tablón de Gómez, San Bernardo	2,390	69,957
TOTAL	<i>Paramos</i> , High Andean, Andean, and Sub-Andean forest, wetlands		5 NPs	442,567	10 municipalities	86,025	528,592

* i.e. the area of the municipality within the conservation mosaic but outside of the core area

C. Project Components

19. As detailed below, the AF supports scaling up the same activities under the original project, with minor adjustments to reflect lessons learned.

20. Activities under the original Project Component 1 (Capitalization of Endowment and Consolidation of *Patrimonio Natural*³²) will not receive funding under the AF. Component 1 is aimed at capitalizing the endowment fund, designing and implementing a financial capitalization strategy, and effectively channeling resources to the National Protected Area System (NPAS). As of March 2010, US\$10.5M has been committed to the endowment (US\$4.3M disbursed by GEF and US\$4.3M certified as counterpart from the debt-for-nature swap agreement signed with the U.S. government through the Tropical Forest Conservation Act-TFCA) with investment returns achieving goals, despite the volatility of financial markets worldwide. The Trust Fund has leveraged and executed over US\$22.8M from more than 30 national and international agencies. This component is being implemented satisfactorily and its main activities will be completed under the original Grant.

21. The AF would therefore provide support to the other two components: Component 2 (*Conservation Mosaics Program*) and Component 3 (*Project Management and Institutional Coordination*) that would focus on conservation of an area of exceptional environmental value.

Component 2-Conservation Mosaics Program

22. In the original project this component seeks to improve effective management in the CMs (9 using GEF resources and 5 using the TFCA's debt-for-nature swap proceeds). The Project supports sustainable production strategies in adjacent agricultural landscapes, integrates stakeholders (such as CARs, NPs, and local communities), and attempts to arrest and reverse ecosystem fragmentation.

23. The AF will apply the CMs approach in 5 additional National Protected Areas and their surrounding territories to improve SIRAPM management practices with stakeholder participation. As in the Project under implementation, the AF will promote the consolidation of LWG within each project CM. LWG will involve local inhabitants of Parks and surrounding territories as well as local institutions (NPs and CARs), in determining environmental priorities.

24. Through this Component, the AF will finance the (1) carry out of activities in support of biodiversity conservation activities in the Project Area, including, *inter alia*, design and implementation of conservation programs, management strategies and sustainable production systems within CMs; and (2) the provision of support to beneficiaries (including potential subproject executing entities) including technical

³² Previously known as FUNBAP

assistance and training, in order to assist them in, *inter alia*, the design and identification of subproject proposals.

25. AF specific activities under this component will support: (i) establishment of 5 LWG; (ii) baseline assessments, including environmental analysis as well as identification of environmental threats and opportunities; (iii) formulation of one subproject for each CM that contains conservation and sustainable use strategies, working schemes and execution responsibilities for subproject implementation; and (iv) subproject implementation.

26. **A planning phase** will take place during the first six months of AF implementation, including the following activities:

- **LWGs establishment** in each of the 5 CMs. Each LWG will include a National Park administrator, a CAR delegate, representatives of territorial entities and local community stakeholders (local NGOs, grassroots organizations, social and community groups, representatives of other protected area sub-systems, etc).
- **Baseline assessments and territorial analysis at a landscape-scale** will be carried out by LWG, with support and orientation of *Patrimonio Natural* and the SIRAPM technical committee to determine the relationship between the National Park and its surrounding areas and to identify the main threats, environmental problems and opportunities arising in the mosaic. During this phase, LWG will identify key development land use planning proposals for the mosaic area to be included in the local and regional institutional agendas (such as the municipal entities and other public institutions) and key management strategies in the protected areas management plans (SIRAPM's Prospective Plan), in order to integrate them into the mosaics subproject.
- **Territorial intervention proposals** will support more sustainable and biodiversity-friendly production strategies in the surrounding areas which will contribute to (i) reduce the adverse anthropogenic pressures on effective conservation in the PA; (ii) promote the recovery of damaged ecosystems; and (iii) increase biological connectivity between the various vulnerable areas, while not losing sight of local economic and social needs.
- **Subproject formulation.** Based on the information provided by baseline assessments and the territorial intervention proposals, LWG will define one subproject for each CM. Each subproject will include institutional strengthening activities that support the administration and governability of core areas and the institutional development of the environmental authorities (the Parks and CARs), as well as the strengthening of the social capital.
- **Subproject working schemes** will be defined in each mosaic in accordance with activities formulated by the LWG and the local socio-institutional conditions of the area. The scheme will establish the planning, execution, and monitoring/follow-up

procedures as well as the implementation responsibilities of the different LWG stakeholders. The first POA should be elaborated towards the end of AF year.

- **Subproject approval:** The formulated subproject proposals will be reviewed by the AF technical committee for adjustments and approval.
- **Subproject execution:** Activity execution will be undertaken beginning AF year 2. One or more qualified institutions or local organizations forming part of LWG may sign Subproject agreements with *Patrimonio Natural* for the execution of subproject activities.

27. Key outputs of this component include: (a) 5 local working groups established; (b) at least 20 agreements signed with local communities for the adoption of conservation and sustainable use practices; (c) at least 2 agreements signed for subproject execution; and (d) 5 subprojects financed supporting conservation and sustainable management in CMs.

Component 3-Project Management and Institutional Coordination

28. This component would contribute to strengthening the institutional capacity and territorial management components of the SIRAPM prospective plan and support local stakeholder's capacity building to carry out integrated management in CMs. Through this component the AF will (provide technical assistance, training and equipment to strengthen *Patrimonio Natural*'s capacity to implement and monitor on an ongoing basis the execution of the Project, through : (i) the design and implementation of a dissemination strategy; (ii) the strengthening of the SIRAPM Entities, *Patrimonio Natural*'s capacity and the inter-institutional coordination between *Patrimonio Natural* and the SIRAPM Entities; and (iii) the design and implementation of a monitoring and evaluation system for the Project.

29. This component would contribute to strengthening the institutional capacity and territorial management components of the SIRAPM prospective plan and support local stakeholder's capacity building to carry out integrated management in CMs. AF specific activities under this component would include: (i) project management; (ii) local workshops; (iii) design and implementation of technical guidelines for sustainable systems and environmental management; and (iv) design and implementation of an M&E system for the selected CMs.

30. Key outputs of this subcomponent are the following: (a) strengthened capacity of *Patrimonio Natural* for financial management and sustainability of SINA; (b) strengthened technical, policy making, and management capacity of SIRAPM institutions; (c) monitoring and evaluation system of subproject results and impacts under implementation; (d) communications strategy which includes the dissemination of lessons learned; (e) policy and technical guidelines based on the implementation results of the 5 CMs, which can be replicated in the region, and in the NPAS; and (f) financial mechanisms and tools to support the sustainability of the selected CMs and of SIRAPM designed and under implementation.

Annex 4: Revised Implementation Arrangements and Support

COLOMBIA: Additional Financing National Protected Areas Project

Overview of Institutions and Agreements

1. Key institutions involved in the AF would be *Patrimonio Natural-Fondo para la Biodiversidad y Areas Protegidas* (previously known in the original project's Grant Agreement as *Fundación Fondo de Apoyo a la Biodiversidad y Areas Protegidas-FUNBAP*), SIRAPM and local and regional stakeholders, including territorial entities, NGOs, grassroots organizations and social and community groups. The SIRAPM structure is composed of the UAESPNN and 6 CARs (CRC, CAM, CORTOLIMA, CORPONARIÑO, CVC, and CORPOAMAZONÍA).

2. *Patrimonio Natural* will continue to be the Project's Executing Agency under the AF grant. As such, *Patrimonio Natural* will continue to have full responsibility for procurement and financial management under the Project. AF supervision and technical and monitoring will be carried out by *Patrimonio Natural* in close coordination with SIRAPM's institutions through the Steering Committee and a Technical Committee both framed within the existing SIRAPM's decision making structure.

3. A new **Grant Agreement** would be signed for this AF between the World Bank, as the GEF Implementing Agency, the Republic of Colombia, as the Beneficiary, acting through its *Unidad Administrativa Especial del Sistema de Parques Nacionales Naturales* with the participation of the *Agencia Presidencial para la Acción Social y la Cooperación Internacional* and *Patrimonio Natural* as the Lead Executing Agency and Recipient of the AF GEF Grant Funds.

4. An **implementation agreement** would be signed between *Patrimonio Natural* and SIRAPM. This agreement will set forth all the details of the functions, responsibilities, and teamwork/coordination mechanisms between *Patrimonio Natural* and SIRAPM, recognizing that the planning, implementation, follow-up, and decision-making for the AF will take place in the existing SIRAPM structure, and that *Patrimonio Natural* will participate in it.

Execution options

5. The project implementation and execution options are analogous to those of the original project.

6. **Subproject Agreements for the Execution of Sub-Projects.** Local working groups (LWGs) will be constituted in each of the 5 CMs during the first implementation phase of the AF. These LWGs would define the implementation arrangements that best suits their mosaic. As in the Project under implementation, *Patrimonio Natural* may sign Subproject agreements with Subproject Executing Entities if the LWGs deem it favorable given the socio-institutional context of their mosaic. Such organizations must have a legal

personality and comply with the necessary prerequisites to receive funds and implement activities. Such organizations would include NGOs and grassroots organizations and might include also the Regional Autonomous Corporations, territorial entities, and ethnic authorities.

7. In case the social and institutional conditions of a particular mosaic do not favor the establishment of Subproject agreements, the LWG will be directly responsible for the general planning and implementation of subproject activities, while *Patrimonio Natural* will execute the subproject's financial resources (procurement of goods and services of subproject activities). Supervision of the subproject implementation will be provided by representatives of the SIRAPM (the National Parks Unit and the Regional Autonomous Corporations).

Implementation Arrangements

8. **Patrimonio Natural**, as the AF grant recipient and executing agency would have the following functions and responsibilities:

- a) Implement the Grant Agreement's policies and guidelines;
- b) Sign and coordinate the implementation agreement with SIRAPM;
- c) Execute the financial resources provided by the project;
- d) Coordinate and supervise the implementation of all project activities, in coordination with SIRAPM;
- e) Coordinate the AF financial administration and procurement arrangements;
- f) Submit withdrawal applications and Annual Operative Plans (POA) to the World Bank for clearance and disbursement;
- g) Sign Subproject agreements for the implementation of sub-projects, and supervise the execution of such agreements;
- h) Undertake the AF Monitoring and Evaluation activities;
- i) Submit to the World Bank biannual year reports that include information on key project performance indicators, as well as detailed financial administration statements, procurement statements, and detailed financial statements. These reports should be drafted jointly with the technical committee, who should then submit it to the AF Steering Committee for its approval before submitting it to the World Bank; and
- j) Supply all necessary information to assess project progress to the World Bank and AF Steering Committee.

9. All of these functions should be coordinated with SIRAPM to guarantee compliance and synergies with SIRAPM's Prospective Plan. Towards this end, and as part of the implementation arrangement, dates and places will be defined for executing the joint planning (definition of general guidelines, and drafting of the POA), implementation follow-up (progress assessment and decision-making regarding any necessary adjustments), and monitoring.

10. **SIRAPM**, as the entity that coordinates the actions to be developed in the Colombian *Macizo*, fulfills the following functions and responsibilities:

- a) Participate in the coordination and implementation of the AF activities;
- b) Develop the planning process in each of the CMs, in particular: support the consolidation of the LWGs, the territorial analysis and the definition of sub-projects, detailing the activities to be implemented and the implementation arrangements;
- c) Plan and coordinate with *Patrimonio Natural* activities of AF Component 3;
- d) Draft the AF implementation work plans jointly with *Patrimonio Natural*;
- e) Participate in the LWGs through the representatives of the UAESPNN and the delegate of the CAR holding jurisdiction over these areas;
- f) Support *Patrimonio Natural* AF's coordination team in drafting the terms of reference for any contracting professional and technical services, as well as any procurement for goods and services required;
- g) Supervise all professionals, technical personnel, and consultants hired, as agreed with the Project Coordination office;
- h) Support *Patrimonio Natural* in the monitoring and follow-up activities of the CMs and in the institutional management and coordination component;
- i) Validate the results achieved in each subproject;
- j) Design and implement communication and dissemination activities at the regional level;
- k) Act as technical secretary in each CM;
- l) Define mechanisms and take the actions necessary to guarantee the integration of project implementation and results and the development of SIRAPM's Prospective Plan; and
- m) Guarantee the integration of project implementation in the institutional planning and management of each of the entities that constitute SIRAPM.

11. The **AF Steering Committee** would be formed by *Patrimonio Natural*'s Executive Director, the 7 Directors of SIRAPMs member institutions (UAESPNN's and the 6 CARs); SIRAPM's technical secretary and *Patrimonio Natural*'s project coordinator. The AF Steering Committee would meet twice a year, and would hold extraordinary sessions if required. Its main functions are:

- a) Monitor and ensure compliance with the AF legal and contractual obligations, and with the World Bank's project implementation guidelines;
- b) Be thoroughly knowledgeable of all aspects of the AF phase implementation, and analyze the technical and financial aspects of AF implementation;
- c) Approval of the Operational Manual (including proposed amendments);
- d) Approval of the mechanisms and criteria for the signature of Subproject's Agreements;
- e) Review and approve the AF consolidated POA;
- f) Supervise and approve the drafting of reports to be turned in to the World Bank, including details of AF phase implementation, lessons learned, and areas that can be improved;
- g) Support the analysis of the appropriateness and quality of the information submitted to the World Bank; and
- h) Promote coordination between the AF phase and SIRAPM planning and

management, and with the NPAS processes in general.

12. The **AF Technical Committee** would be formed by the National Parks delegates, the technical delegates from the CARs, the SIRAPM technical secretary, and *Patrimonio Natural's* Project Coordinator. The committee's objective is to ensure efficient technical and operational AF implementation. Its functions and responsibilities, and its relation to the Steering Committee, are as follows:

- a) Participate actively in the orientation, development, and monitoring of the AF phase;
- b) Review and propose adjustments to the project operating manual, for approval by the Steering Committee;
- c) Be thoroughly knowledgeable of all aspects of the AF phase implementation, and analyze the technical and financial aspects of AF implementation;
- d) Prepare a project consolidated POA to be submitted to the AF Steering Committee for approval;
- e) Analyze and suggest minor adjustments to the subproject's POAs, in such a way as not to alter the general AF objectives, nor the implementation of its components, and submit these modifications to the AF Steering Committee for approval;
- f) Develop mechanisms and criteria for the signing of Subproject agreements. These should be submitted to the AF Steering Committee for review and approval;
- g) Support the preparation of the reports submitted to the World Bank and includes details of AF implementation process, lessons learned, and areas that can be improved. Submit these reports to the Steering Committee for their approval; and
- h) Provide guidance to the monitoring and follow-up of AF progress and impact, ensuring coherence with the projects monitoring program and its coordination with the National Parks' and Regional Autonomous Corporations' monitoring programs (if they are present in the AF area).

Financial Management, Disbursements and Procurement

13. FM arrangements for the ongoing grant TF056351 will remain in place. FM responsibilities will be under *Patrimonio Natural* and will include the coordination of financial and administrative procedures related to project budgeting, treasury, general accounting, and reporting.

14. The flow of funds arrangements for project funds will imply the following requirements: (i) open a separate Bank account without financial risk to the Project funds; (ii) provide accurate and timely financial information of the Project in the templates and files agreed with the Bank, automatically integrated to the project accounting control data; (iii) disbursements will only take place against accounts paid to final project beneficiaries, duly approved by *Patrimonio Natural*; (iv) *Patrimonio Natural* should let the review of the project accounts and control procedures established for the management of funds to the Bank and project auditors when requested; and (v) *Patrimonio Natural* will prepare and submit to the Bank semi-annual, non-audited Interim Financial Reports (IFRs) consolidated with the IFRs for the ongoing grant project. In the same way, consolidated Project Annual Financial Statements will be subject to external audits on an annual basis, performed by an

auditor accepted by the Bank. The disclosure of the financial statements will follow the procedures stated in the Bank’s access to information policy.

15. The Bank will carry out one on site FM supervision missions per year. At the end of each mission an FM implementation status rating will be recommended and the FM-related risk will be updated as needed. The FM specialist will carry out desk reviews of IFRs and audited Financial Statements.

16. The disbursement arrangements consist of using most of the procedures for the ongoing grant Project; disbursement methods will be advance and reimbursement. In general, eligible expenditures will be recognized upon payment for goods, consultant services and subprojects under each categories of the Project. Should instances of ineligibility be brought up by audit reports or by Bank supervision, the correlated amounts will be refunded by *Patrimonio Natural* to the Designated Account or directly to the Bank. All withdrawal applications will be fully supported by appropriate documentation (i.e. invoices, receipts, and any other evidence of payment) and for which a threshold has been established, except for those expenditures for contracts not subject to prior review and for which the Bank has approved the use of Statement of Expenditures (SOEs), as will be referred to in the Disbursement Letter. *Patrimonio Natural* will be responsible for preparing and submitting withdrawal applications to the Bank. All supporting documentation of withdrawal applications (including those for which SOEs are used) is kept at *Patrimonio Natural* and should be available for review by the Bank supervision missions and external auditors. *Patrimonio Natural* shall retain all records (contracts, orders, invoices, bills, receipts and other documents), evidencing expenditures under their respective parts of the Project until at least the later of: (i) one year after the Bank has received the audited Financial Statements covering the period during which the last withdrawal from the Grant Account was made; and (ii) two years after the Grant closing date. *Patrimonio Natural* shall enable the Bank’s representatives to examine such records.

Category	Amount of the GEF Trust Fund Grant Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Consultants’ Services (including those for Subprojects) and Operating Costs under Part A ³³ of the Project	3,000,000	100%
(2) Goods, Consultants’ Services and Operating Costs under Part B ³⁴ of the Project	1,000,000	100%
TOTAL AMOUNT	4,000,000	

17. The Bank will disburse the proceeds of the grant into a Designated Account (DA) in US dollars in a Commercial Bank approved by the World Bank. An authorized ceiling, i.e.

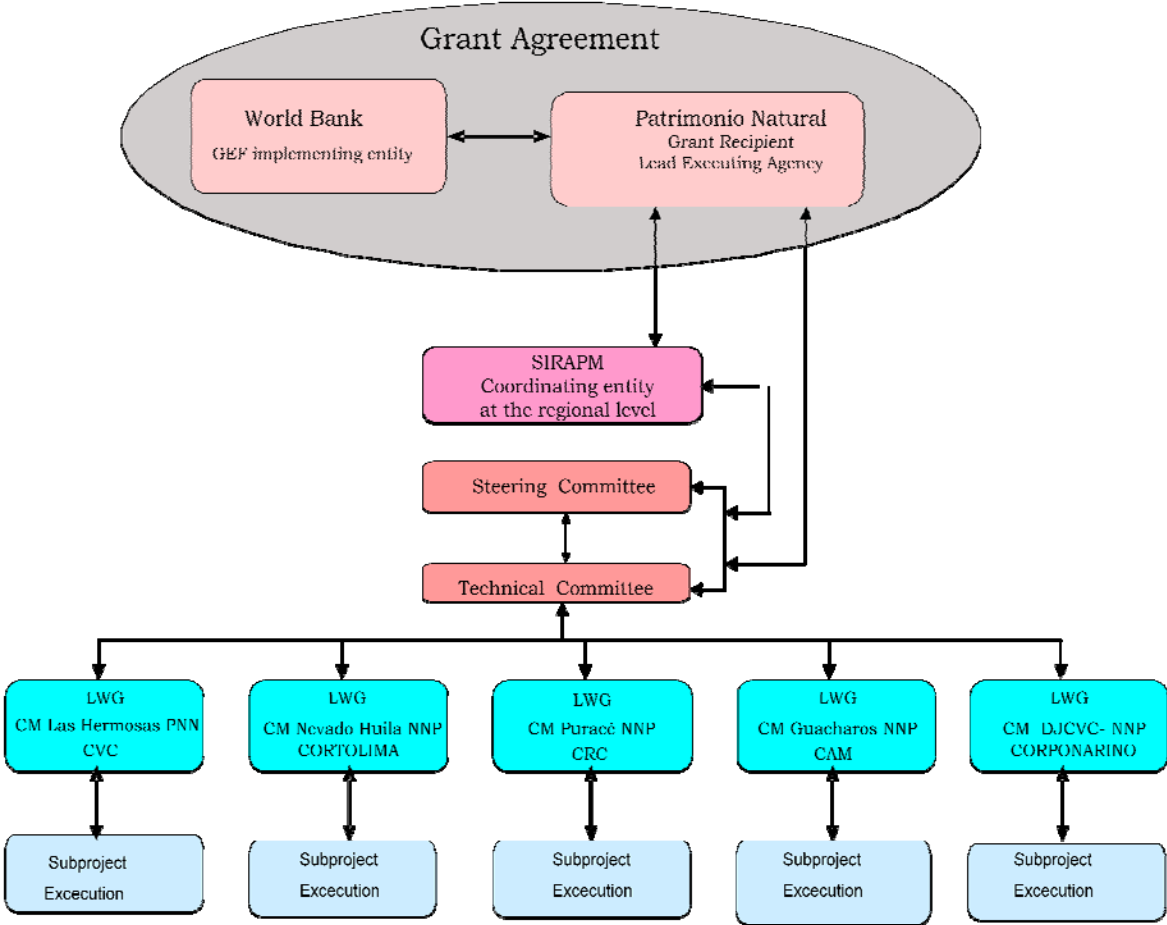
³³ Part A (as stated in the Grant Agreement) refers to Component 2 of this Additional Financing.

³⁴ Part B (as stated in the Grant Agreement) refers to Component 3 of this Additional Financing.

the maximum amount that may be on deposit pending the provision to the Bank of documentation evidencing the use of advanced funds made into the Designated Account, will be set as a level of US\$800,000.

18. The figure below summarizes the distribution of execution and administration responsibilities between the different institutions for each project component.

Figure 1. AF Implementation Arrangements



Procurement

19. The procurement arrangements under the project will follow those of the parent project. The “Guidelines: Procurement of Goods and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 in the case of goods and Non-Consulting services, and “Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers” published by the World Bank in May 2004 and revised in October 2006 and May 2010 (“Consultant Guidelines”) in the case of consultants’ services will apply.

20. Unlike the parent project, no civil works are expected to be financed in this project. Most of the goods and non-consultant services are expected to be of small amounts that will be procured by National Competitive Bidding and Shopping, utilizing the harmonized documents for Colombia or other documents approved by the Bank. No International Competitive Biddings are expected in the project.

21. Most contracts for firms are expected to be procured using Quality and Cost Based Selection Method (QCBS) using Harmonized Request for Proposals (RFP) for Colombia. Consultant assignments of specific types as agreed in the Procurement Plan may be procured with the use of the following selection methods: (i) Selection under Fixed Budget (SFB); (ii) Least Cost Selection (LCS); (iii) Selection Based on Consultants' Qualifications (CQS) for contracts estimated to cost below US\$200,000.00 equivalent and in exceptional cases; or (iv) Single Source Selection (SSS) whenever there is a justification according to Bank Guidelines. International shortlists for consultant firms will be formed for tasks estimated to cost above US\$350,000.00 (not expected). Given the nature of the project it is envisioned the participation of eligible institutions, including: universities, research centers, NGOs and other community and grassroots organizations.

22. Individual consultants will be hired to provide technical advisory and project support services and selected in accordance to Section V of the Guidelines.

23. Prior review thresholds are established in the procurement plan; most of the contracts in the project are considered to be simple and for small amounts so most of them will be considered for ex-post review. Patrimonio Natural is well staffed and has previous experience in World Bank procurement so no major risks are expected. The procurement consultant in Patrimonio and other related staff will continue receiving recurrent training during the training workshops organized by the Bank in order to keep them updated in their knowledge of Banks procedures and best practices including anti-fraud and anti-corruption policies. Frequency of post review should be not less than once a year as part of regular Bank fiduciary supervision. Operational Manual will be updated to reflect changes in the revised version of the Guidelines and the updated version of harmonized documents.

24. The SEPA system (*Sistema de Ejecución de Planes de Adquisiciones*), a web based IT system that allows the procurement staff to create, track and update procurement plans, and will continue to be the mechanism to submit the project's Procurement Plan and its modifications to the Bank for no objection.

Annex 5: Safeguard Policy Issues
COLOMBIA: Additional Financing National Protected Areas Project

Implementation of Safeguard Instruments and Relevant Policies Under the Original Project.

1. The implementation performance of the project, including compliance with applicable safeguard policies and legal covenants, has been satisfactory. The Project implementing agency, *Patrimonio Natural*, has demonstrated its commitment to achieving sustainable results. As a result, both Implementation Progress and PDO achievement have been consistently rated satisfactory. The Project has no unresolved fiduciary issues. The Project has addressed safeguard policy issues as follows:

2. **Environmental Assessment (OP/BP 4.01):** During the first two years of implementation (2006-2008), the Project promoted the consolidation of LWG, which involve local inhabitants of Parks and surrounding territories, national park authorities and local institutions in environmental ordering processes. Each LWG has carried out baseline assessments, including environmental analysis as well as identification of environmental threats and opportunities. Based on the above, conservation and sustainable management goals and strategies (subprojects) were defined for the NP surrounding areas. These subprojects outline plans for biodiversity conservation and sustainable natural resources management including management plans for private reserves, conservation agreements, fisheries management, agro-ecological production, and collective agreements for the establishment of natural resources management plans for three indigenous associations and two communitarian counsels of Afro-Colombian communities.

3. As a result of this process, 93 agreements have been voluntarily signed by local stakeholders and NNPs to implement the agreed subprojects. LWG have met at least once a year to supervise activities execution and results achievement, to undertake the planning process (annual operating plans and annual budget) and supervise environmental impact. *Patrimonio Natural*, as well as the National Parks Unit and other environmental institutions and organizations (Regional Autonomous Corporations-CARs, environmental NGOs) have participated in these meetings in order to support local institutions and supervise potential impacts. *Patrimonio Natural* has also carried out field supervision visits to all the subprojects, including the verification of safeguards compliance. Additionally, during project implementation, technical support and assessments have been provided by institutions such as Alexander von Humboldt Institute of Biodiversity Research, the Center for Research on Sustainable Agricultural Production System-CIPAV and *Corporación Paisajes Rurales*, in order to strengthen the subproject's positive environmental impact.

4. The project's results so far indicate the various subprojects' contribution in reducing and mitigating threats and pressures on protected areas and natural resources caused by land degradation, natural coverage loss, and unsustainable production practices.

5. Five CMs are adopting land use changes in NNP surrounding territories through sustainable production practices and restoration measures. Sustainable natural resource management systems and watershed recovery activities are being implemented.

6. In two of the CMs focusing on environmental goods and services, Consaca-Yacuanquer and the Peak, associated with the Galeras and Old Providence NPs respectively, the project has helped local organizations reintroduce native species, establish biodiversity corridors, and develop water supply and distribution schemes as central components of water conservation strategies. In the Consacá-Yacuanquer CM, the Galeras NP has also promoted the establishment of 134 private natural reserves in its surrounding territory. These reserves represent 504 hectares, of which 40% are designated for conservation.

7. In the ethnic territorial mosaic of the Gulf of Tribuga, which includes the Utria NP and the Riscuales Communitarian Counsel, Utria NP biologists are monitoring the catch rate of the main fish species and identifying the species under increased danger of extinction due to overfishing. The data collected has served as the starting point for developing agreements on sustainable use of fisheries with local fishermen and with communitarian counsels in the territory. In the end, both the NP and the fishermen will benefit when fisheries are sustainably used with the Park maintaining its conservation goals and the fishermen maintaining a sustainable return per unit of fishing effort.

8. The project has also supported the implementation of key management issues addressed in Management Plans of the Project's selected NPs. As a result of this, 9 CM's core areas are implementing conservation practices that have improved these NNPs scores of management effectiveness.

9. **Forests (OP/BP 4.36):** The project has not caused nor facilitated any loss or degradation of forests but rather promoted conservation and management activities that both reduce the threats and pressures to natural forests areas and contribute to the conservation of existing ones. Specifically, the project has: i) promoted the protection of natural forest patches in extensive agricultural plots and grass fields; ii) supported reforestation with native forest species in degraded forest areas and riversides; and iii) supported the reversal of ecosystem fragmentation with live fences, watershed restoration and biological corridors.

10. The actions mentioned above have been supervised by the LWG, in which both the NP and the CARs are partners. Additionally, the local definition and execution of landscape management tools has had the technical support of the country's prior successful experience in this topic developed by the GEF financed Andes Project (IAvH and *Corporación Paisajes Rurales*).

11. Furthermore, the establishment of native species *viveros* and the generation of local capacity to manage them (including the identification, gathering and propagation of native seeds), are valuable contributions to natural forest conservation (in strategic ecosystems such as dry forest, andean and high-andean forest).

12. In the ethnic-CMs, the project has supported the definition and establishment of self-defined conservation areas within the afro-colombian ethnic territories (*Consejo Comunitario Los Riscales* and *Consejo Comunitario Yurumanguí*). These initiatives strengthen the capacity of the ethnic authorities to territorial management and conservation, and are a significant contribution to natural forest conservation in Colombia. In both cases, environmental authorities (Codechocó and Farallones NNP) are supporting the ethnic organizations in the process of identification of the conservation areas and the definition of management strategies. Note that all actions and plans are voluntary.

13. **Pest management (OP/BP 4.09):** The project is promoting the establishment of agroecological and silvopastoral systems in the CMs surrounding areas, therefore supporting the use of biological or environmental control methods and reducing reliance on synthetic chemical pesticides within the area. The project has provided significant training and technical assistance in agroecological management. Farmers, grass-root organizations and local institutional staff have been trained and are carrying out agroecological productive processes. The project does not support or promote the use of pesticides.

14. **Physical Cultural Resources (OP/BP 4.11).** During subproject's formulation, LWGs have been committed to avoid any negative effect on cultural sites. Moreover, in the ethnic CMs, the participation and leadership of the ethnic-territorial organizations guarantee that subprojects would support culture and traditional knowledge strengthening.

15. In the Caquetá CM (Amazon Basin), the Traditional Indigenous Authorities Associations (AATIS for its abbreviation in Spanish) have considered cartography (cultural mapping), as part of the strengthening of their territorial governance and natural resource management capacity. Subproject activities include field trips for strategic ecological and cultural sites' identification, cartographic work for delimitation purposes, among others. As a result of this process the AATIS would have cartographic material, including cultural and biophysical aspects prioritized by them.

16. On the other hand, in the CM of the *Farallones* Pacific Basin, the Yurumanguí Communitarian Counsel is developing a Research Protocol intended to strengthen and protect the afro-colombian traditional knowledge.

17. **Involuntary Resettlement (OP/ BP 4.12).** The project has not promoted any voluntary or involuntary resettlement of people. The project's sub-executing organizations, supported by LGW promoted the establishment of voluntary conservation agreements. These agreements were reached in participatory processes whereby the project's users proposed the actions and where needed mitigation measures, following a process framework. So far, 40 voluntary conservation agreements have been signed by local farmers and private owners who committed voluntarily to undertake certain management and conservation activities (water-springs and watershed protection, isolation of forest patches, natural coverage enrichment with native species, among others), under the project's financial and technical support.

18. **Indigenous Peoples (OP/ BP 4.10).** Three of the Project's selected national parks overlap or adjoin indigenous territories, known as *resguardos*. Documents including the

Project's Operational Manual have been prepared, describing the measures taken to ensure there is no impact on indigenous groups, and outlining potential conflict resolution mechanisms in the unlikely event that conflicts arise. The project has not caused any adverse effects on Indigenous Peoples residing in or near project area. The project has strengthened the ethnic territorial governance and management capacity within CMs through a wide participation process in the LWG. The strengthening of capacity of these actors is related to the improvement of knowledge and appropriation of their territory; promotion of the management of their own proposals for its administration; and generation of competencies in dialogues. Being voluntary in nature it is anticipated that the project will not have an adverse impact but should instead bring benefits.

19. The project's work within the ethnic CMs (comprising indigenous and afro-Colombian territories) has fully complied with the indigenous peoples OP 4.10 supporting the following: (i) participation in the LWG and dissemination of prior, free and culturally appropriated information among indigenous communities; (ii) governance strengthening and territorial management capacity through their ethnic territorial planning and management proposals (such as *Planes de Vida and Planes de Etnodesarrollo*), while recognizing their traditional and political authorities, and facilitating the institutional coordination.

20. In the ethnic CMs, ethnic organizations have played a leading role in the LWG, ensuring that project activities are based on traditional organizations and culturally appropriate decision-making processes. The project has also promoted and supported: (i) participatory mechanisms, such as workshops and General Assemblies, guaranteeing that communities are well informed and participate in the decision making process; and (ii) participatory planning supported through capacity-building of ethnic leaders and their community members. The sub-projects executed by the ethnic organizations under subproject agreements (with the Afro-Colombian Communitarian Counsels and the AATIS), have strengthened their organizational self management (*gobierno propio*), their financial resource management capacity, as well as their technical skills and administrative report writing.

21. Moreover, the project has facilitated and promoted agreements between NP authorities and ethnic organizations. The Cahuinarí National Park, overlapped with the PANI territory, signed in June 2010 the Special Management Regime (REM for its Spanish abbreviation) for the joint management of the national park. The National Parks adjoining afro-Colombian territories have also signed agreements with the Communitarian Councils for natural resource management.

Modifications made to Safeguards Instruments

22. **Environmental Safeguard Instrument.** A new, Environmental Framework³⁵ has been drafted for the additional financed phase of the Project to better reflect the SIRAPM environmental conditions and measures to address AF's environmental safeguards. Also, the AF has triggered the Natural Habitats policy (OP/BP 4.04), since the landscape

³⁵ This term relates to all the related safeguard documents that have been prepared

approach to conservation under this phase could alter natural habitats. This includes a filter to facilitate project definition. The framework introduces an environmental filter that would ensure that activities confer a positive environmental benefit and (partly because of the voluntary nature of interventions) the filter would ensure that interventions are socially beneficial or benign. Benefits will be measured through project indicators, which are sensitive enough to capture changes.

23. **Social Safeguard Instruments.** While there were no modifications made to the social safeguard instruments prepared for the original project, an IPP was prepared for the AF phase. The original project's RPF proposal was also updated to better reflect the SIRAPM context and will be used for the AF. All these were disclosed.

Measures during the AF phase to address any remaining environmental and social safeguard instruments gaps

24. Although the AF will support the same activities as under the original project, the environmental and social safeguard instruments that were prepared for the original project were updated and new instruments have been prepared in order to appropriately manage environmental and social impacts in the new areas of project intervention.

25. **Environmental Assessment.** The AF will continue to support environmental conservation in selected CMs to arrest and/or reverse trends of degradation and biodiversity loss. The project's positive contributions to environmental conservation will be scaled up in the AF areas of intervention, since it will: (i) not promote the development of any large scale installations nor infrastructure, or any other structures that might generate environmental impacts on or around Protected Areas, or areas of the project; (ii) focus on conservation related-activities; (iii) support biodiversity-friendly production strategies in the surrounding areas which will contribute to reduce the adverse anthropogenic pressures on effective conservation in the PA; and (iv) promote the recovery of damaged ecosystems and biological connectivity between the various vulnerable areas, while not losing sight of local economic and social needs.

26. The AF will promote strategies such as sustainable eco-tourism, or farming that will contribute to the strengthening of conservation initiatives, and will generate a positive impact in the protection of species and ecosystems. Nonetheless, it is possible that certain project activities may cause minor environmental impacts associated with sustainable productive systems. The mitigation measures outlined and summarized in ISDS also address the process and provide a conjectural typology of possible environmental impacts that might arise as a result of the AF implementation.

27. Maintenance and the restoration of existing infrastructure. The AF will not invest in construction activity nor in large-scale infrastructure.

28. Investments in conservation and sustainable use. Investments will be undertaken according to management strategies predefined within the selected NP management plans. These plans have been formally adopted by the National Parks Unit and were developed with participation from local communities and institutions, garnering significant social support to reduce natural resources pressures, restore degraded ecosystems and favor

biological connectivity between core areas. The strategies are mainly focused on minimizing adverse pressures on the protected areas, improving the management of “core” conservation areas (NP), and promoting a better relationship with the communities and other local actors located in the NP surrounding territories. The driving philosophy is that local support is a prerequisite for better conservation.

29. In the surrounding areas, the AF will promote sustainable use of natural resources, environmental recovery in degraded areas and areas of special importance for providing environmental services and, overall, the mitigation of direct threats to the NP and improvement of conditions and quality of life for the local inhabitants. To implement these activities, the AF will facilitate through the LWG the articulation of key NP management strategies with guidelines and special plans of the local CARs, municipalities and other actors. Importantly these are all voluntary agreements.

30. As in the Project, the AF will support activities in the NP surrounding territories in accordance with the UAESPNN and the CARs “Sustainable Systems Strategy for Conservation” (SSC). The SSC is based on the Social Policy of Participation in Conservation, which states that “existing [pressures on protected ecosystems] are a result of social conflict and the dominant development model, and can only be reduced if social conservation actors are involved in various conservation initiatives”. The SSC begins with the assumption that conservation cannot be undertaken in isolation from socio-economic contexts that determine the viability of the protected areas and their surrounding areas of influence. It is thus fundamentally different from the “fences and fines” approach to conservation, which sees local communities as a problem. Instead they are part of the solution in this project.

31. The SSC has generated important social and environmental benefits for local inhabitants who have joined in the process, which is why it will be a strategic focal point in the AF consolidation of CMs. In those places where it has been applied, it has shown its ability to support watershed restoration, the promotion of processes of natural regeneration, the introduction of sustainability criteria into extractive and productive activities including the implementation of sustainable silvo-pastoral and agro-forestry systems, reversal of ecosystem fragmentation, soil conservation through increased forest cover and organizational strengthening processes, among other things.

32. In the application of sustainable production practices in buffer zones, the AF will support the use of biological or environmental control methods and reduce reliance on synthetic chemical pesticides within CMs, as part of its biodiversity conservation strategy. Through environmentally friendly agricultural systems, the AF will link core conservation areas to rural landscapes to support biodiversity conservation. When working with indigenous and afro-Colombian groups, the project will respect and support cultural practices. The project will support controlling pests, primarily through environmental methods and will support organic production and not chemical pesticides.

33. In order to ensure that the AF’s activities do not generate negative environmental impact, the following indicators will be tracked during AF’s implementation through among other things (e.g. GEF tracking tools and other indicators):

- a. At least 4 signed and/or implemented sustainable practices agreements with stakeholders in CMs;
- b. Strengthening of participatory and cooperative processes, with at least 30% of all surveyed families adopting sustainable natural resource practices;
- c. Hectares within productive farms under environmental ordering and conservation processes; and
- d. Implementation of social mechanisms to address conflicts over the use of natural resources.

34. **Social Assessment.** A Social Assessment carried out by experts, evaluated the AF's potential positive and adverse effects on indigenous peoples, examined project alternatives and ensured the indigenous peoples free, prior, and informed consultation. The Indigenous Peoples Plan (IPP) ensures that all project activities respect the legally recognized rights to territories that indigenous peoples customarily used and occupied (*resguardos*). The (IPP) accounts more explicitly for the historical, social, and legal context of the *Macizo* region. It defines the activities based on the summary of the social assessment incorporating lessons learned from the Project's first phase and the results of consultations on resources management planning in the SIRAPM area. Moreover, it defines the project mechanisms for monitoring, evaluating, and reporting on the implementation of the IPP. *Patrimonio Natural* will be directly responsible for ensuring compliance.

35. The investments in National Parks will be made in accordance with the NP management plans, which embrace safeguards policies as an integral part of management within an area, in fulfillment of its conservation mission and of the policy of social participation in conservation.

Additional Financing Safeguard policies

Procedures and mitigation measures for all Safeguard policies for this AF are presented below:

Environmental Assessment (OP/BP 4.01)

36. The AF is classified as Category B, requiring an Environmental Analysis but not a full-scale Environmental Impact Assessment. The proposed AF is aimed at supporting environmental conservation and improving capabilities in selected CMs to arrest and reverse trends of degradation and biodiversity loss. The AF support of biodiversity-friendly production systems is expected to reduce existing threats to effective conservation in NP and increase their social and economic sustainability.

37. Adverse environmental consequences from the AF implementation are highly unlikely. Nevertheless, aspects of the AF could have minor environmental impacts associated with sustainable production systems. In such cases, several of the Project's foreseen mechanisms will continue to be used in the AF to avoid negative environmental effects. These include the following:

- LWG in each CM will be responsible for the planning and execution of each of the CMs management proposals;
- LWG will also be responsible for potential environmental impact identification and for proposing specific mitigation measures, at the planning stage of each subproject, to minimize risks;
- These processes will be reviewed by SIRAPM's technical committee, guaranteeing coherence with the prospective plan and the environmental regional guidelines, under the supervision of *Patrimonio Natural*, also responsible for the approval of each CM POA;
- Where necessary, LWG will implement specific mitigation measures; and
- The process of planning the surrounding productive landscapes will rely on a high level of consultation with each of the landowners and their family groups, so that the environmental planning may effectively allow the reversal of unsustainable farming practices and thus contribute to reduce the environmental threats to the selected NP areas.

Natural Habitats (OP/BP 4.04) and Forests (OP/BP 4.36)

38. The AF is fully consistent with Bank policies for natural habitats and forests. It would not promote any loss of remnant forest or other natural habitats but rather help arrest current levels of biodiversity and natural cover vegetation loss by improving the restoration and conservation of ecosystems and endangered species while supporting sustainable livelihoods within AF areas.

39. The AF will promote the implementation of strategic management issues defined in the selected NP Management Plans formally adopted by the UAESPNN. These strategies are mainly focused on minimizing adverse pressures on the protected areas, improving the management of core areas, and promoting a better relationship with the communities and other local actors. AF investment in the surrounding territories will support: (i) social and organizational strengthening by facilitating the consolidation of LWG through which proposals for ordaining and managing natural resources will be discussed and concerted and (ii) the reconversion of sustainable production systems, and ecological restoration processes which will reduce the main pressures and threats faced by the NP areas.

40. However, there is a minimal likelihood that the projects will lead to change in habitats. To minimize these risks, the following mitigation measures are evoked:

- LWG in each CM, which will include UAESPNN and CARs representatives, will be responsible for potential environmental impact identification during the subproject formulation. The subprojects will include indicators to monitor progress towards the proposed goals and the risk of potential impacts, so as to respond to such risks in a timely manner. These processes will be supervised by *Patrimonio Natural* and delegates from the SIRAPM's Technical Committee.
- More specifically, the analysis of potential impacts on natural habitats and forests will: a) Identify and classify the possible environmental impacts of the strategies and activities foreseen in the CMs and b) if any risk or potential impact is identified,

activities will be redesigned so that they will be environmentally friendly and include specific mitigation actions among activities to be financed.

- If measures or mitigation strategies are required, a mitigation plan will be set up to include: specific activities, costs and arrangements for their implementation, supervision and monitoring. *Patrimonio Natural* will review and approve the mitigation plan.
- LWG will include the mitigation plan in the Project's POA, including required financial resources for its implementation.
- The POA and, when required, the mitigation plan will be reviewed and approved by *Patrimonio Natural* and the SIRAPM's technical committee. Prior to the annual approval of the POAs, the carrying out of activities and proposed mitigation measures will be verified.
- If necessary, the implementation of specific mitigation measures will be undertaken by LWG under the supervision of *Patrimonio Natural*.

Pest Management (OP/BP 4.09)

41. The AF is fully consistent with the Bank's Integrated Pest Management (IPM) Policy and does not contemplate use of, or support, the use of pesticides as part of its implementation. In the National Parks the use of pesticides is not permitted, nor the use of chemical substances. As part of its biodiversity conservation strategy, the AF will support the adoption of environmentally friendly agricultural systems in the surrounding territories rural landscapes. Specifically the AF will support controlling pests within CMs primarily through the adoption of biological or environmental control methods, which will reduce reliance on synthetic chemical pesticides. When working with indigenous groups, the AF will support the use of cultural practices.

42. In principle, all activities contemplating the use of chemical pesticides will be excluded. The project will support controlling pests, primarily through environmental methods and will support organic production. However, in the event that the AF leads (indirectly) to any activity that enhances or utilizes pesticides, the following procedures have been contemplated:

- The identification of potential risks in the use of pesticides will be the responsibility of the LWG during the analysis of possible environmental impacts. This identification process will be supervised by *Patrimonio Natural*.
- A Pest Management Plan will be drawn up by qualified experts certifying that: (a) no pesticides on the UN prohibited list will be used, (b) the project would promote integrated pest management and (c) special care will be taken to avoid contamination of protected areas by prohibiting aerial spraying, proper disposal of receptacles, and careful management to avoid contamination of watersheds.
- *Patrimonio Natural* will be responsible for the application of the Bank's IPM, which will include training in pest management for agricultural producers in AF areas.

Physical Cultural Resources (OP/BP. 4.11)

43. The preservation of archaeological, historical or other cultural patrimony is considered a crucial element in NP management plans. However, potential impact could result from activities involving new sustainable production systems, whereby some traditional farming practices may be lost, and in the case of ecotourism, contact between traditional communities and new visitors may result in the loss of traditional practices or archaeological heritage. In order to mitigate this risk, all activities financed under the national parks will be developed under national park Management Plans, where the preservation of important cultural sites or archaeological property is considered crucial and their protection will be extended to surrounding mosaics. To further mitigate impacts arising from AF activities in the surrounding areas, the following procedures will be applied:

- Chance finds or cultural sites in the AF CMs, which might be affected by the project, will be referred to the appropriate government agency that deals with relics and cultural heritage (ICAN).
- Measures to protect cultural property proposed by ICAN should be incorporated into the AF subproject activities through the POA.
- *Patrimonio Natural*, with the support of SIRAPM's technical committee, will review and approve the POA after previously verifying compliance with ICAN and other entities. Prior to the annual approval of POAs, compliance with mitigation measures will be verified.

Indigenous Peoples (OP/BP 4.10)

44. National legislation allows for the overlapping of national parks and indigenous reserves in which there is established a need to agree on Special Management Regimes (REM). In the AF, only one NP (the Nevado de Huila NP) presents an overlapping of indigenous people of the Nasa ethnia (the Gaitania Reserve) and is directly related to the areas of Barbacoas and the Mercedes which, although they do not overlap with the NP, do have a direct relationship with the territory and with the area connecting up with the Las Hermosas NP, which forms part of the mosaic. Contact has been made and agreements reached with the organisations representing these indigenous communities, for their participation in the REM process.

45. The AF will not cause any foreseeable adverse effects on indigenous peoples living in the project's zones nor in surrounding areas. The AF initial phase (planning of the subproject) will be undertaken in accordance with UAESPNN'S social participation policy on conservation for the construction of co-management agreements for the administration of national parks overlapping reserves. This planning process seeks consensus to define specific actions aimed at the welfare of communities and the conservation of protected areas. The project will support co-management agreements and their implementation in the National Park-overlapping territories, only performing project activities if indigenous communities request and approve of these activities.

46. In addition to the Process Framework, the following procedures have been previewed for the AF:

- a) The consultation process will be led by the PNN of Nevado del Huila with the support of *Patrimonio Natural*.
- b) Sustainable use of natural resources activities will seek to restore traditional practices and to generate sustainable incomes for the communities – based on voluntary agreements determined by the locals.
- c) Representatives of the reserve will voluntarily take part in the LWG.
- d) *Patrimonio Natural* will guarantee full and effective participation by indigenous peoples in this process in consultation with their respective authorities, who will give their prior consent to the communities involved and taking into account their particular form of government.
- e) The mosaic's LWG will draw up a cooperation agreement and define the mosaic's subproject. Wherever indigenous peoples are related to the project's implementation in a particular area, the cooperation agreement regarding the subproject will define specific activities related to territories and indigenous communities, in the context of their autonomy.
- f) The following measures will be promoted: (i) the design and implementation of intercultural tools for a process of integrated formation which will render coordination effective; (ii) strengthening and consolidation of traditional organizations and experiences of control and environmental ordaining within the reserve and traditional territories; (iii) consolidate the articulation of the reserve with the protected areas and processes of conservation within the mosaics by means of agreements and the implementation of strategies for intercultural environmental management; (iv) design and implement jointly with the indigenous communities by means of participatory methodologies, schemes for monitoring which will enable those involved to obtain information on the state of natural resources.
- g) Wherever there is a restriction on the use of natural resources by the indigenous communities, as in any other situation, the project should contemplate mitigation measures and define who will be responsible for their execution.
- h) The LWG should record this progress and certify the participation of communities in the execution of the project's activities, as well as the participation of the authorities in decision making.
- i) The monitoring of the Indigenous People Plan execution will be done mainly through regular reports presented by of the local working groups of each CMs and *Patrimonio Natural* which will be responsible for collecting and checking the information contained in the reports given by the Local Working Groups.
- j) *Patrimonio Natural*, supported by SIRAPM's technical committee, will supervise the subproject's execution and will verify that the activities and work plans contemplated in the procedural framework are in fact being carried out, thus complying with safeguard policies.

Involuntary Resettlement (OP/BP 4.12)

47. No involuntary resettlement of any people will take place under the project. The participatory nature of management planning and implementation, as well as the provision of alternative livelihood mechanisms (including sustainable production systems), will generate positive socio-economic effects at the local community level.

48. The participation mechanisms envisaged in the AF will ensure that communities can: (a) decide on their involvement in the project; (b) participate in defining activities; (c) wherever adverse impacts are detected, participate in the design of the necessary measures to mitigate the impacts or the restrictions on access to natural resources; and (d) participate in the implementation and monitoring of the project's activities.

49. In the case of National Parks, management plans are the result of a participatory process with communities in the context of the UAESPNN policy for social participation in conservation. In this sense, these plans incorporate management strategies that offer sustainable production methods, promote agreements and processes of participative construction, and generate a process of organizational strengthening. Unilateral restrictions will never be imposed. On the contrary, the project seeks to build management proposals, involve the population in decision making and in the development of alternative and sustainable forms of living.

50. In the case of the CMs, the application of this concept seeks precisely, among other things, to increase social control of the territory, increasing also legitimacy and governability to the extent that the use of natural resources becomes more sustainable. As in the project under implementation, the AF will support participatory processes to define a subproject for each CM. This subproject will define conservation strategies and sustainable use of natural resources to reverse unsustainable farming practices, thus contributing to the restoration of (and greater connectivity with) ecosystems, while at the same time generating economic and social alternatives for the population. Cooperation agreements among local stakeholders are signed in a voluntary manner to implement subproject's activities.

51. A Resettlement Process Framework was prepared for the AF to better reflect the SIRAPM context. This describes the process by which those members of the communities will participate in the design of the subproject's activities, as well as in the design of the necessary measures to mitigate the impacts or the restrictions on access to natural resources, and in the implementation and monitoring of the project's activities. It also describes the AF mechanisms for addressing grievances by affected individuals, describing the responsibilities of government and communities in case impacts arise. It includes the following procedures:

- Once the mosaics' limits have been established, LWG will be set up to include representatives of the communities and organizations which inhabit the area, or use the resources within the mosaic's area. Representatives from National Parks and the Autonomous Regional Corporation will also be part of these LWGs.

- LWG will be in charge of defining a subproject for each mosaic and establishing conservation agreements. Thus participation by communities in the planning and implementation of the subproject activities will be guaranteed.
- No activities will be carried without being agreed upon in the context of the LWG.
- During the process of defining the subprojects, those strategies and activities, which imply restrictions in the use of natural resources, will be defined.
- Wherever there are restrictions of access to resources, actions and responsibilities of government and communities will be defined to mitigate or compensate for this restriction. These measures and their implementation and monitoring procedures will be part of the subproject activities.
- LWG will also supervise compliance with the agreed activities and mitigation measures or compensations.
- POA's approval will be subject to compliance with the agreed activities and mitigation measures or compensations.

Feedback from consultations on Project's Environmental and Social Impact

During AF formulation, several meetings, workshops and consultations were held in order to assess the Project's environmental and social impact and define the project's logical framework, main activities and institutional arrangements.

Consultations on the AF's environmental impacts

52. Seven meetings and workshops were held with the SIRAPM institutions from December 2008 through to March 2009. The SIRAPM institutions comprise the 7 environmental authorities of the Colombian *Macizo* (6 CARs) and the National Parks Authorities. SIRAPM institutions participated actively during the AF formulation phase to align AF activities both with SIRAPM's mission and its Management Plan's objectives.

53. During project implementation, the SIRAPM technical committee will be responsible for assessing the annual operating plans and supervising the implementation in order to guarantee: i) the contribution to conservation and sustainable natural resource management; ii) support to SIRAPM conservation goals; and iii) safeguards compliance.

54. Important feedback includes:

- Sustainable productive and management practices to be promoted through project activities must contribute to conservation and sustainable management of natural resources in the SIRAPM.
- The project implementation must contribute to the implementation of the SIRAPM Strategic Plan.
- The establishment of CMs should respond to the SIRAPM conservation priorities and promote biological connectivity.

Consultations on the AF's Social Impacts

55. As part of the social assessment, consultations were held with key stakeholders of each CM comprising community leaders, indigenous organizations, and territorial entities representatives, in addition to the SIRAPM institutions.

56. The process of consultation, participation, and collection of baseline information for the preparation of the IPP was achieved through the analysis of technical documents (such as the National Parks' Management Plans), focal groups, semi-structured interviews with the technical specialists, indigenous leaders, local communities representatives, non-governmental organizations, and local government representatives.

57. Only one of the proposed CMs includes indigenous territories or resguardos (Nevado del Huila National Park). Indigenous communities of Gaitania, Las Mercedes and Barbacoas (Rioblanco) agreed to participate in the project and acknowledged support for the proposed activities under the AF and have given a letter of support.

58. The IPP has been made available to indigenous communities in appropriate form, manner and was disclosed in the Infoshop under the AF phase of the project.

Selected Lessons Learned

59. Important lessons were learned during Project implementation, which validate the CMs conceptual and methodological approach. Some of these are: the importance of establishing an LWG in order to ensure social participation in the planning, decision making and project execution; and the importance of undertaking activities in the surrounding areas (subprojects), complementary to the national parks interventions, and promoting their local execution by social organizations.

60. Local communities are willing to actively participate and lead environmental processes as long as they understand and clearly perceive the benefits. The main motivation to carry out conservation activities is the provision of environmental goods and services (mainly water) from strategic ecosystems in the SIRAPM area.

61. Based on this experience, it is necessary to: i) promote participatory social processes for conservation, leading to social and institutional empowerment; ii) strengthen the social awareness of the sustainable environmental and conservation practices positive incidences on human health and agricultural activities; and iii) provide financial and technical support to carry out an effective reconversion of the productive systems. One aspect that still needs to be strengthened in the Project is the political support of local administrations to improve water supply systems and incorporate these into their management conservation activities and budgets.

62. Other lessons learned stress the need to: (i) strengthen the integration of the planning and implementation processes between the core areas (NP) and their surrounding territories; (ii) the importance of guaranteeing an active participation and involvement of local and regional authorities in the project; and (iii) the need to assess and monitor

environmental impacts of the CMs approach, as a innovative proposal for conservation management at a landscape-based scale.

63. Some of the proposed measures to address the above are:

- a) Strategies for managing CMs will be defined in the LWG by local stakeholders. An integrated planning and implementation process will be undertaken in each CM, therefore, the will be one subproject in each mosaic with activities in both the core area and the surrounding territory.
- b) No activities will be carried without being agreed upon in the context of the LWG.
- c) LWG will include a representative of the National Parks and of the corresponding Autonomous Regional Corporation (CAR), who are the environmental authorities within the parks system and in their surrounding areas, respectively. The technical and directive committees of SIRAPM will ensure the coherence of activities to be developed in the mosaic area (National Park and surrounding area) and the application of measures required to avoid negative environmental and social impacts, as well as compliance with the established safeguards.
- d) AF safeguards compliance will be monitored by Patrimonio Natural and also include the technical and directive committee of the SIRAPM and POAs assessment.
- e) The leadership of the SIRAPM institutions in AF formulation and implementation guarantees the institutional support of the environmental authorities of the region. Moreover, the expected contribution and integration of the AF to the SIRAPM Strategic Plan, is a step forward for long-term sustainability of project results.
- f) Despite the fact that monitoring activities would be undertaken during project implementation, it should be noticed that the major conservation impacts would only happen in the mid and long term, exceeding the project's implementation period. Nonetheless, the environmental institutions that are part of the project would continue to implement some of the proposed monitoring activities. On the other hand, the scale-up of the CMs approach in this new area will provide additional inputs for the assessment of the most significant aspects of the approach, including its environmental and social impacts.

Annex 6: Incremental Cost Analysis
COLOMBIA: Additional Financing National Protected Areas Project

Overview

1. Colombia is ranked the fifth most biodiverse country in the world. It is recognized throughout the world for its rich biodiversity, being first among all countries in its number of birds and amphibians, second in plants, third in reptiles, and fifth in mammals.
2. The Colombian *Macizo*, located at the convergence of the Pacific, Amazon and Andes biogeographic regions, is a critical area for species interaction and dispersion within South America, and for freshwater production in Colombia (3 of the most important rivers originate there –the Cauca, Magdalena and Caquetá rivers). The *Macizo* is also one of the largest remaining *paramo* areas in the world.
3. The socio-cultural dynamics in the *Macizo* region, and especially the historical processes of land tenure, have resulted in a growing rate of environmental degradation, particularly in the areas surrounding the region’s National Protected Areas, putting their ecological integrity and long-term viability at risk, adversely affecting the wellbeing of the local populations (including ethnic cultural traditions), and negatively impacting local and regional economic development.
4. In 2007, the UAESPNN and 6 CARs (CORTOLIMA, CAM, CORPONARIÑO, CVC, CRC and CORPOAMAZONIA) signed the Inter-Administrative Framework Agreement No. 024, which created the *Macizo* Regional Protected Area System (SIRAPM) to, “integrate their budget and management structures and generate synergies to comply with regional and national environmental conservation objectives, specifically biodiversity conservation and the protection of water resources, all within the framework of sustainable human development.” The SIRAPM forms part of Colombia’s NPAS.
5. Also in 2007, SIRAPM adopted the Prospective Plan for integrated management of National Parks and surrounding areas for a 10 year period. This Plan is structured in 5 strategic programs under which SIRAPM’s actions include: i) biodiversity conservation and natural connectivity; ii) environment-friendly production systems; iii) knowledge transfer; iv) local stakeholders’ capacity building; and v) strengthening community participation mechanisms.
6. As part of the Social Assessment, a broad consultation process with SIRAPM’s institutions and local stakeholders took place to define AF’s CMs, priority actions, institutional arrangements and co-financing. As a result of this, the AF has the institutional and stakeholders support necessary for successful implementation.

7. The proposed AF seeks to build on this success and is justified because:
 - a) Activities under the parent Project are being successfully implemented;
 - b) The activities for which the proposed AF grant is sought are aligned with the PDO of the parent project;
 - c) The Project's Grant Agreement PDO would remain unchanged and continues to be relevant and achievable³⁶;
 - d) Lessons from the Project, particularly the CM approach, have been incorporated into the AF activities design, including: (i) the integration of the planning and implementation processes between the core areas (NP) and their surrounding territories enhance conservation and natural resource management efforts in the territory and (ii) a conservation strategy that goes beyond NP and includes local communities, fostering conservation and sustainable management initiatives and social agreements for conservation, has higher likelihood of success in advancing sustainable natural resources management in the CM, including the conservation of the NP.

Global Environment Objective:

8. The Global Environmental Objective (GEO) is to arrest and reverse trends of biodiversity loss in Colombia's globally important ecosystems. Applied to the AF this implies that the project would support the conservation of globally significant biodiversity in and the financial sustainability of the *Macizo* Regional Protected Area System (SIRAPM) by integrating it into the CM approach promoted under the National Protected Area Conservation Trust Fund.

9. In keeping with the GEF-4 Strategic Objectives, the project will primarily address the Biodiversity Focal Area Strategic Objective 1. The project targets the Biodiversity Strategic Program 1 (Sustainable financing of PA systems at the national level) by increasing the funds available to the national parks to support an area in need with the potential to attract outside donors in the long-term. It will address Biodiversity Strategic Program 3 (Strengthening terrestrial PA networks) by developing new PA management strategies and conservation practices in 5 CMs, to encompass National Parks, buffer zones, and surrounding landscapes coverage of the critical *Macizo* region. The project supports the Climate Change Strategic Program 7 *bis* (To reduce GHG emissions from land use, land use change, and forestry). This project will avoid deforestation, establish positive incentives for sustainable management of forests, strengthen the networks of stakeholders, and increase capacity in national and local institutions. In addition, the ecological resilience of the *Macizo* region will be enhanced.

Baseline Scenario

10. Under the Baseline Scenario, the national parks systems will continue to fund the nine national parks in the *Macizo* region under SIRAPM. The mosaics approach would not be integrated into the five most critical parks in this region. There would be no work to

³⁶ There is a slight inconsistency between the PDO stated in the Grant Agreement, the Data Sheet and the PAD of the Original Project.

incorporate the landowners that surround the parks and live within the parks into the national parks management plans. Deforestation and degradation within and surrounding these important parks would continue. Therefore, without the GEF support, the sustainable management of these critical mosaic areas would be not be implemented.

11. Total expenditures under the baseline scenario during the lifetime of the Project are estimated at about US\$2.75M, which is the cost of baseline activities explained below.

12. The following sections provide further detail on the baseline scenario for each component and what global environmental benefits they will provide:

Component 2 – Conservation Mosaics Program

13. The baseline for Component 1 of this project is US\$2.56M. This consists of funding from the national parks system that is annually allocated to the five parks. This money is provided to maintain the parks, pay park staff, and provide environmental education within the parks. In addition, money is provided from the CARs in order to support regional development. It also includes funding from Accion Social (US\$.56M) for financing of sustainable development initiatives. While this funding is important for the maintenance of the parks, it is not sufficient to provide a sustainable management plan with the member of communities that are living in the surrounding areas of the parks and within them. Pressures on the ecosystem would continue unabated. It would be challenging to implement the mosaics strategy without additional financing.

Component 3 – Project Management and Institutional Coordination

14. The baseline for Component 3 of this project is US\$.8 M. This consists of the funding that SIRAPM will be contributing to the Macizo region for institutional coordination. It also includes financing (US\$.75M) from Accion Social that is for coordination of sustainable development initiatives. The consolidation of the regional system of protected areas of the Massif depends on three essential factors: the management effectiveness of existing protected areas, inter institutional coordination, and functioning mechanisms that promote the sustainability of the processes undertaken. Currently the Massif SIRAPM Prospective Plan includes a prioritization of: conservation and natural connectivity, production and development with conservation criteria, knowledge management, strengthening of human talent, and social connectivity as the basis for their implementation.

15. Although it is clear that through the Massif SIRAPM, institutions are aimed at conservation and sustainable development goals for the ecoregion, the resources allocated for such purposes are inadequate. Thus the resources provided by GEF through Additional Financing would facilitate the achievement of goals set in terms of empowering the decisions on the environment, with significant social involvement and an effective interagency and intersectoral dialog.

GEF Alternative Scenario

16. The GEF Alternative Scenario would leverage the current baseline activities and build on them to generate long term global environment benefits. The GEF alternative would provide sufficient funding to establish mosaics programs in and around five critical national parks in the *Macizo* region.

17. Total expenditures under the GEF Alternative Scenario during the lifetime of the Project are estimated at about US\$18.46M. Therefore, the total incremental costs of this Project—the difference between the Baseline Scenario and the GEF Alternative Scenario—are calculated to be US\$15.10M, of which US\$4.00M is being requested from the GEF.

18. The following sections provide further detail on the baseline scenario for each component and what global environmental benefits they will provide.

Component 2 – Conservation Mosaics Program

19. Under the GEF Alternative Scenario, the project will apply the CM approach promoted under the Project in 5 additional priority areas to improve the *Macizo* Regional Protected Area System (SIRAPM). Key scaling-up activities would include: a) establishing Local Working Groups (LWG) in each CM to promote community and institutional participation in environmental ordering processes and conservation practices and b) provide support (including technical assistance and training) to LWG to design and implement key conservation programs, management strategies and sustainable production systems. The areas chosen for support are critical in terms of their global environmental significance and also face increasing threats from a suite of economic pressures. Thus, the 5 mosaic areas will be able to conserve their critical ecosystems of global significance. The total cost of the GEF Alternative under this component is \$14.41M.

Component 3 – Project Management and Institutional Coordination

20. Under the GEF Alternative Scenario, support would continue for the Project's management; contribute to strengthen SIRAPM institutions management practices and technical capacities; and support local stakeholder's capacity building to carry out integrated management in CMs. Key scaling-up activities would include: a) AF management; b) strengthening of SIRAPM inter-institutional coordination; c) design and implementation of a Monitoring & Evaluation (M&E) system for the selected CMs; and d) design and implementation of financial mechanisms and tools to support the sustainability of the selected CMs and of SIRAPM. Therefore, the GEF Alternative will build on the activities to be financed under the Baseline and ensure that the sites are sustainably managed. The total cost of the GEF Alternative under this component is \$4.05M.

21. The matrix below summarizes the baseline and incremental expenditures during the Project period.

Table 6.1 Incremental Cost Matrix

Cost Category	US\$ Million	Domestic Benefit	Global Benefit
Component 2: Conservation Mosaics Program			
Baseline	<i>US\$2.56 million</i>	Continued management of 5 national parks in the <i>Macizo</i> region.	Limited conservation of biodiversity.
With GEF Alternative	<i>US\$14.41 million</i>	Improved governance and allows for continued management and protection of protected areas.	Ability to create sustainable relationships with people within the parks buffer zones that will be sustainable and lead to continued preservation of biodiversity of global significance and greater protection of endemic, endangered species in the area.
Incremental	<i>US\$11.85 million</i>		
Component 3: Project Management and Institutional Coordination			
Baseline	<i>US\$.8 million</i>	Some coordination between agencies that help to promote conservation.	Increased inter-institutional coordination leading to the increased protection of biodiversity.
With GEF Alternative	US\$4.05 million	Improved project management skills the park and regional level.	Increased capacity for effective facilitation of PA management for biodiversity conservation.
Incremental	<i>US\$3.25 million</i>		
Total Baseline: US\$3.36 million			
Total GEF Alternative: US\$18.46 million			
Total Incremental Costs: US\$15.10 million, of which US\$4.00 is being requested from the GEF			

Annex 7: Social Assessment –Summary of the Spanish Report

COLOMBIA: Additional Financing Colombian National Protected Areas Project

Introduction

1. The Colombian *Macizo* is a region characterized by great cultural richness. It is the product of the confluence of diverse social groups, in particular *campesinos* and indigenous people that have traditionally occupied the area. Its high mountain ecosystems are strategic because they act as regulators for the replenishment of aquifers and surface water reservoirs that supply countless rural and urban aqueducts, and provide other ecological services which are highly vulnerable.

2. Historical processes of land tenure similar to those found in the Andean region³⁷, are threatening the ecological environmental integrity of the area, affecting the livelihoods of local populations and their cultural background, and negatively impacting economic development. There is increasing pressure on the five selected National Parks and their surrounding areas as a result of cattle ranching, logging, and agricultural activities, among others.

3. A social assessment was completed in November 2009 with the objective of identifying challenges and risks associated to the AF activities in the *Macizo* region. As part of the social assessment, consultations were held with key stakeholders of each CM comprising community leaders, indigenous organizations, territorial entities representatives, and SIRAPM institutions.

Indigenous People

4. One of the proposed 5 National Parks for the AF overlaps with indigenous territories or *resguardos* (Nevado del Huila National Park) of the Nasa Etnia (the Gaitania Reserve). The indigenous communities of Las Mercedes and Barbacoas do not overlap with the National Park but have a direct relationship with the area surrounding the National Park. The three indigenous communities agreed to participate in the project and acknowledged support for the proposed activities under the AF.

5. An Indigenous Peoples Plan (IPP) was prepared for the AF phase of the project in order to accommodate the SIRAPM region. The Indigenous Peoples Plan (IPP) ensures that all project activities take into account the legally recognized rights of indigenous territories or *resguardos*.

Main characteristics of the social groups related to each of the AF 5 proposed conservation mosaics.

³⁷ The Andean system is typified by its high population to arable land ratio.

Las Herosas NP– The Valle del Cauca Regional Autonomous Corporation (CVC by its Spanish abbreviation).

6. The population in *Las Herosas* NP is comprised of *campesinos*. Cattle ranching constitutes the main economic activity in the region. Crops and agriculture are relegated to minimal levels. Extensive zones of *páramo* in the National Park are used as pastures for grazing.

7. The current settlement pattern is geographically dispersed among 216 farms that completely or partially overlap with the Park. Land ownership varies from one area to another, with some farms being owned by large cattle ranching operations administered locally by landless superintendents and workers, and other, smaller farms being inhabited by their *campesino* owners, who depend on cattle for their subsistence.

The Nevado del Huila NP mosaic– The Tolima Regional Autonomous Corporation (CORTOLIMA by its Spanish abbreviation)

8. The mosaic overlaps with more than 50,000 hectares of *Nasa* Indigenous Reservations in the Tolima and Cauca sectors. *Nasa* and *campesino* communities are present in the areas of influence of the Park's three sectors.

9. In the Huila sector where the mosaic is to be implemented, there are no settled populations within the protected area, while in the Tolima sector there are some colonists settled in some of the protected area's micro-basins, who have migrated from the surrounding territories. This is the case in the Cauca sector as well, where the indigenous community reports that timber harvesting activities are taking place in areas where the reservation overlaps with the Park.

The Puracé NP Mosaic – The Cauca Regional Autonomous Corporation (CRC by its Spanish abbreviation)

10. The population in the mosaic is comprised of Spanish and *mestizo* descendents dedicated primarily to extensive cattle ranching, and to the cultivation of sugarcane, *quinua*, and *chachafruto*. The urban population is concentrated in the municipal seat. Due to the armed conflict Santa Rosa municipality was cut off and marginalized from much of the region until three or four years ago.

11. The population in this municipality has demonstrated its willingness to work together with the Mayor's Office, the Municipal Council, and other institutions for the conservation of the area, in ways that synergize with processes of local development.

The Cueva de los Guacharos NP Mosaic – The Alto Magdalena Regional Autonomous Corporation (CAM by its Spanish abbreviation)

12. No inhabitants or privately owned farms are present within the Park. The eleven *veredas* in the zone that surround the Park produce coffee and commercial fruits such as *granadilla*, *pitaya*, blackberry, and *tomate de árbol*, and are significant contributors to the economy of *Palestina* and *Acevedo* municipalities. *Acevedo* ranks as the biggest coffee producer in Huila department. Some of these products, such as coffee and *granadilla*, are exported to international markets, especially to Ecuador.

13. In 2004 a socio-ecological pact was formed between the eleven *veredas*, or a conservation accord per *vereda*, for the protection and sustainable use of the natural resources.

14. There are remarkable opportunities for the mosaic in this area. This is partly due to the organizational capacity in the *Cueva de los Guácharos* NP's zone of influence, the high degree of ecological awareness and sensitivity of the community, and the presence of formal organizations that work for conservation such as the Local Protected Areas Council (COLAP by its Spanish abbreviation) of *Palestina* and *Acevedo* and the *Guarapas* River Basin Council.

The *Doña Juana Cascabel* Volcanic Complex NP – The Nariño Regional Autonomous Corporation (CORPONARIÑO by its Spanish abbreviation)

15. The *campesino* settlements predominate in the municipalities involved in the mosaic (*Tablón de Gómez, la Cruz, San Pablo, San José de Albán, San Bernardo* and *Belén* in *Nariño*).

16. The economic activity in the region is fundamentally agrarian. Agriculture is typically traditional in character; farmers slash and burn virgin forests to plant subsistence crops such as potato, onion, *ulluco*, *oca*, *quinua*, and *amaranto*, among others. Cattle ranching has become part of the culture in the National Park zone of influence and is the number one industry in the region's economy. It should be noted that this cattle ranching is extensive and lacks technical and modern methods of management.

Conclusions

- The AF will not cause any foreseeable adverse effects on indigenous peoples living in the project's zones nor in surrounding areas.
- The AF social process frameworks have been designed taking into account lessons learned from previous environmental projects in the Macizo area and the experience gained with the Project's implementation of the CMs program.
- The investments in National Parks (NP) will be made in accordance with the NP management plans, which embrace safeguards policies as an integral part of management within an area, in fulfillment of its conservation mission and of the policy of social participation in conservation.
- The project will support co-management agreements and their implementation in the National Park-overlapping territories, only performing project activities if indigenous communities request and approve of these activities.

- The project will strengthen local communities through capacity building of Local Working Groups, promoting biodiversity conservation through the establishment of biodiversity corridors and developing water supply and distribution schemes as central components of water conservation strategies.

Annex 8: Map (Non-World Bank's Map)

COLOMBIA: Additional Financing Colombian National Protected Areas Conservation Trust Fund Project

