

PROJECT INFORMATION DOCUMENT (PID) APPRAISAL STAGE

Report No.: PIDA6969

Project Name	Forest Conservation and Sustainability in the Heart of the Colombian Amazon (P144271)
Region	LATIN AMERICA AND CARIBBEAN
Country	Colombia
Sector(s)	Forestry (74%), Central government administration (13%), Sub-national government administration (13%)
Theme(s)	Biodiversity (54%), Environmental policies and institutions (23%), Participation and civic engagement (14%), Land administration and management (9%)
Lending Instrument	Investment Project Financing
Project ID	P144271
GEF Focal Area	Biodiversity
Borrower(s)	Patrimonio Natural
Implementing Agency	IDEAM, Ministry of Environment and Sustainable Development, Parques Nacionales Naturales, Instituto SINCHI de Investigación Amazónica
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	07-Oct-2014
Date PID Approved/Disclosed	07-Oct-2014
Estimated Date of Appraisal Completion	06-Oct-2014
Estimated Date of Board Approval	20-Nov-2014
Decision	

I. Project Context

Country Context

Colombia is one of the five mega-diverse nations in the world. It ranks third in terms of biodiversity and is home to almost 15% of all known terrestrial species, including the largest number of species of birds and amphibians in the world. Protected Areas (PAs) and indigenous reserves (resguardos) represent 34% of the national territory. The Colombian Amazon represents 6.5% of the biome's rainforest and 42% of the country's land mass. Over 1.2 million people live in this region; 12.4% are indigenous peoples (IPs) and 2% are Afro descendants.

The consolidation of Colombia's PAs is considered a priority in a number of environmental policies in Colombia. For several decades, Colombia has been developing an extensive system of PAs (18 national parks and natural reserves encompassing 7.9 million hectares) and indigenous reserves in

the Amazon (189 reserves covering 25.6 million hectares). The passage of Forest Law Number 2 in 1959, declared the vast majority of the Colombian Amazon forest an “Amazon Forest Reserve Area”, which covers 37.8 million hectares of territory in ten departments . This, in turn, granted a basic degree of protection for this invaluable, biodiversity-rich area. At the United Nations Climate Change Summit in Copenhagen in 2009 and in Cancun, in 2010, Colombia indicated its commitment to reduce deforestation in the Amazon to net zero by 2020, provided that international financing and support are available. In addition, the updated National Development Plan 2010-2014 seeks to integrate environmental sustainability as a key aspect of the country’s development strategy.

In October 2013, the Government of Colombia (GoC), through the Ministry of Environment and Sustainable Development (MADS), presented its “Low Deforestation Development Vision for the Colombian Amazon” (i.e., “the Amazonia Vision”), in which it articulated its commitment to build “a desired partnership model between Colombia and international parties, addressing Colombia’s overall vision for the establishment and scaling up of low-carbon development models in all of its forested areas”. The starting point for this venture is the PA in Southern Colombia occupying over 2.7 million hectares and known as Parque Nacional Natural Serranía de Chiribiquete (PNNSCH) and its direct intervention area (PDIA). Altogether, the Project area encompasses a little over nine million hectares. In its vision, the GoC recognizes that the Amazon, “cannot simply be a large protected area, but ought also to provide additional alternatives for development and integration into the global economy for its population, as well as wealth and prosperity for the country at large” . Through the implementation of this Project, with support from the GEF and other international donors, Colombia is positioning itself to fulfill that vision. The Amazonia Vision calls for the establishment of a “results-based payment mechanism” to which international, national and private partners can contribute by rewarding the protection of the climate change mitigation (CCM) services provided by the Colombian Amazon forests”

Sectoral and institutional Context

Between 1990 and 2010, Colombia lost 6.2 million hectares of forest, equivalent to a deforestation rate of 310,349 hectares/year or about 0.5% annually . The average annual deforestation rate decreased from 238,273 hectares in the period from 2005 to 2010 , to 147,946 hectares in the period from 2011 to 2012. Although this is a much lower rate than that observed in adjacent countries, it still generates tons of CO2 emissions. Preliminary projections by the Colombian Institute of Hydrology, Meteorology and Environmental Studies (IDEAM) indicate that, if current trends continue, by 2030 an additional 13,000 km² of rainforest will be lost in the Colombian Amazon. This may lead to losing the ecological connectivity between the Andean and Amazonian forests in the country completely.

Deforestation in Colombia has several causes. The main driver is extensive cattle ranching, followed by randomized peasant colonization, including those fleeing from conflict areas. Hotspots of deforestation, like those found in Guaviare and Caquetá departments near the PNNSCH, are places where the Government has historically lacked adequate presence . This situation has limited the opportunity to promote sustainable land-use management practices. Other drivers of deforestation include clearing of forests for growing illicit crops, mining, timber extraction for sale or personal use, and wildfires. In addition, the potential expansion of oil and mineral exploitation and construction of road projects in the Amazon will require the development of infrastructure, which is known to lead to rapid population growth and increasingly negative pressures on the

forest. The situation is complicated by lack of land-use planning and low land tenure security of the Amazon Forest Reserve. In the coming years, Colombia must ensure proper land use and zoning and restore degraded areas by adopting an Integrated Landscape Management approach that integrates sustainable development plans with conservation goals.

The GoC and the World Bank have a long-standing and deep engagement on biodiversity and forests. The World Bank's Programmatic Knowledge Services (PKS) for Colombia Environment, Natural Resources Management and Extractive Industries (P143933) supports the GoC's agenda on Environment, Natural Resources Management, and Extractive Industries, laying out the ongoing and future activities by the Bank. The PKS aims to consolidate and rationalize the range of current and planned knowledge services within a programmatic approach consistent with country and Bank strategy in environmental and natural resources management, climate change and pollution management. In addition, the GEF has financed two biodiversity projects in recent years that are of relevance to this operation: (a) the National Protected Areas Conservation Fund Project (P091932), approved by the Board of Directors in March 2006 with Additional Financing (AF – P112106) approved in 2011, and (b) Colombia - Mainstreaming Sustainable Cattle Ranching (P104687), whose development objective is to promote the adoption of environment-friendly silvopastoral production systems for cattle ranching.

The Project is consistent with the World Bank Group Country Partnership Strategy (CPS) 2012-2016 for Colombia (Report 60620-CO) discussed and endorsed by the Executive Directors on July 21, 2011, which supports the country's development goals as expressed in the National Development Plan 2010-2014. Bank support is focused on three strategic themes: (a) Expanding Opportunities for Social Prosperity; (b) Sustainable Growth with Enhanced Climate Change Resilience; and (c) Inclusive Growth with Enhanced Productivity. By seeking to improve management effectiveness in the Project area through the implementation of activities that aim to improve practices to reduce pressures on deforestation and biodiversity, while helping create economic opportunities for vulnerable local communities, including small farmers and indigenous peoples, the Project is responsive to all three themes. The project is also consistent with the Country Partnership Strategy Progress Report for Colombia (Report 83966-CO) for the period FY12-FY16 dated 16 July 2014.

II. Proposed Development Objectives

The project's global environmental objective (GEO) is the same as the project's development objective (PDO), namely, to improve governance and promote sustainable land use activities in order to reduce deforestation and conserve biodiversity in the Project area.

III. Project Description

Component Name

Component 1: Protected Areas Management and Financial Sustainability

Comments (optional)

- A. Strengthen the management effectiveness of the PNNSC and its buffer zone through, inter alia, the design and implementation of a management plan for the PNNSC.
- B. Increase the financial sustainability of the management of about 2.7 million hectares of protected areas in the Project Area.

Component Name

Component 2: Forest Governance, Management and Monitoring

Comments (optional)

- A. Enhance the institutional capacity and financial sustainability of relevant stakeholders for sustainable landscape governance, management, and monitoring of the Project Area.
- B. Enhance the institutional capacity of relevant stakeholders to monitor GHG emission reductions, in accordance with the NSFCM, in the Project Area.
- C. Enhance the capacity of indigenous peoples' authorities for sustainable land-use practices and forest governance within indigenous territories in the Project Area.
- D. Support the disclosure of data on reduction of deforestation in the Project Area.

Component Name

Component 3: Sectoral Programs for Sustainable Landscape Management

Comments (optional)

- A. Support improvement of cross-sectoral policy coordination and consistency to achieve long term-reductions in deforestation in the Project Area.
- B. Support the development and adoption of guidelines and programs in, inter alia, the agriculture, extractive industries and infrastructure sectors, aimed at reducing pressures on forests and biodiversity, and GHG emissions and restoring ecosystems in the Project Area.
- C. Support the promotion of sustainable land-use and natural resource management practices that contribute to the restoration of vegetation, reduce pressure on forests and advance the livelihoods of local communities in the municipalities of San Jose del Guaviare, Calamar and Cartagena del Chaira.

Component Name

Component 4: Project Coordination, Management, Monitoring and Evaluation

Comments (optional)

Strengthen the PCU to ensure coordination, management, monitoring, evaluation, and communication for the implementation of the Project.

IV. Financing (in USD Million)

Total Project Cost:	43.35	Total Bank Financing:	0.00
Financing Gap:	0.00		
For Loans/Credits/Others			Amount
Borrower			32.95
Global Environment Facility (GEF)			10.40
Total			43.35

V. Implementation

The recipient of the Grant will be Patrimonio Natural Fund (PNF), which has set up a Project Coordination Unit (PCU) for the Project. PNF is a non-profit mixed foundation comprised of the GoC, through the Colombian National Nature Parks Unit, together with the Alexander Von Humboldt Institute for Biological Resources Research; the Colombian Network Association of Natural Reserves from Civil Society; the Natura Foundation; the Center for Investigation of Agricultural Sustainable Productive Systems (CIPAV); the Autonomous Regional Corporate (ASOCAR) and the Pontifical Xaverian University. The Grant Agreement will be executed between the World Bank and PNF. PNF will administer project funds, supervise compliance with safeguard policies and carry out procurement and financial management (FM), as well as have oversight of all

project activities through the PCU.

PNF will also execute a Sub-grant Agreement with SINCHI Institute so that SINCHI can, in turn, implement Component 3(c) of the Project. Transfer of financial resources from PNF to SINCHI will take place through this sub-grant, through direct transfer of financial resources from the World Bank to SINCHI.

Prior to the Project's effectiveness date, the co-executing agencies will sign an Inter-institutional Agreement for the execution of specific Project activities, according to their technical area of expertise. This includes PNF, SINCHI, MADS, PNN and IDEAM. There will be no transfer of financial resources to any of these institutions.

PNF will also sign Cooperation Agreements with indigenous people authorities (AATIs) and regional sustainable development corporations (CDS) to carry out specific activities related to Component 2. Some of these activities include the implementation of actions agreed upon with the resguardos during the consultation process that took place in the context of PNNSCH's expansion. These activities and the implementation plan are detailed in the Indigenous People's Plans (IPPs) prepared with the indigenous authorities and disclosed per the requirements of OP 4.10.

PNF will also enter into Cooperation Agreements with key public agencies, including MADR, ANH and INVIAS, to roll out the targeted sectoral programs under Component 3. No transfer of financial resources to these institutions will take place either.

An Advisory Committee (AC), led by the Vice Minister of MADS, or his/her delegate, will be established to provide strategic guidance and facilitate project mainstreaming into key productive sectors and coordinate strategies of international cooperation. The Committee will meet at least twice a year and will be comprised of representatives from the national, regional and local governments, as well as from civil society and a representative from donor organizations. Committee members will be convened by the MADS Vice Minister. The AC is to evolve into a Consultative Committee and related bodies, as called for in the Amazonia Vision, once the Government establishes governance arrangements the Amazonia Vision. The AC will be able to set up task forces to deal with issues of a complex or strategic nature, as needed.

An Executive Committee (EC), comprised of representatives from PNF, SINCHI, MADS, PNN and IDEAM, will provide technical guidance to and supervision of Project activities.

The PCU will have a team of technical staff and a team of administrative staff whose work will be led by a Project Coordinator.

Finally, the PCU will host a grievance mechanism that will address requests and complaints that may arise in connection with the activities the Project will finance and, in particular, those that relate to safeguards compliance. The Operations Manual (OM) describes in detail the procedures that govern the functioning of the grievance mechanism.

VI. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment OP/BP 4.01	x	

Natural Habitats OP/BP 4.04	x	
Forests OP/BP 4.36	x	
Pest Management OP 4.09	x	
Physical Cultural Resources OP/BP 4.11	x	
Indigenous Peoples OP/BP 4.10	x	
Involuntary Resettlement OP/BP 4.12	x	
Safety of Dams OP/BP 4.37		x
Projects on International Waterways OP/BP 7.50		x
Projects in Disputed Areas OP/BP 7.60		x

Comments (optional)

VII. Contact point

World Bank

Contact: Adriana Goncalves Moreira
 Title: Senior Environmental Specialist
 Tel: 5761+1062 /
 Email: amoreira@worldbank.org

Borrower/Client/Recipient

Name: Patrimonio Natural
 Contact: Alberto Galán Sarmiento
 Title: Director Ejecutivo
 Tel: 57-1-7565602
 Email: abarona@patrimonionatural.org.co

Implementing Agencies

Name: IDEAM
 Contact: Paola Bernal
 Title: Asesora de Cooperación Internacional
 Tel: 5713527160
 Email: pbernal@ideam.gov.co

Name: Ministry of Environment and Sustainable Development
 Contact: Laura Bermudez
 Title: Punto Focal Operativo GEF-OAI
 Tel: 57-1-332-3400
 Email: lbermudez@minambiente.gov.co

Name: Parques Nacionales Naturales
 Contact: Diana Castellanos
 Title: Directora Territorial Amazonia - Unidad de Parques Nacionales
 Tel: 57-1-3532400
 Email: diana.castellanos@parquesnacionales.gov.co

Name: Instituto SINCHI de Investigación Amazónica
 Contact: Luz Marina Mantilla
 Title: Directora General
 Tel: 57-1-4442060

Email: luzmarmantilla@sinchi.org.co

VIII. For more information contact:

The InfoShop

The World Bank

1818 H Street, NW

Washington, D.C. 20433

Telephone: (202) 458-4500

Fax: (202) 522-1500

Web: <http://www.worldbank.org/infoshop>