

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC14552

Date ISDS Prepared/Updated: 03-Sep-2015

Date ISDS Approved/Disclosed: 04-Sep-2015

I. BASIC INFORMATION

A. Basic Project Data

Country:	Uruguay	Project ID:	P151978
Project Name:	Uruguay FCPF REDD Readiness Preparation (P151978)		
Task Team Leader(s):	Peter Jipp		
Estimated Board Date:	15-Jun-2020		
Managing Unit:	GEN04		
Sector(s):	Forestry (100%)		
Theme(s):	Climate change (100%)		
Financing (In USD Million)			
Total Project Cost:	6.47	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source		Amount	
Borrower		2.67	
Carbon Fund		3.80	
Total		6.47	
Environmental Category:			
Is this a Repeater project?	No		

B. Project Objectives

The overall objective of this project is to strengthen key stakeholder capacity to prepare and implement a REDD+ strategy in Uruguay.

Specific objectives include:

- i. assessing the country's situation with respect to deforestation, forest degradation, conservation and sustainable management of forests and relevant governance issues;
- ii. identifying REDD+ strategy options;

- iii. assessing key social and environmental risks and potential impacts associated with REDD+, and developing a management framework to manage these risks and mitigate potential impacts;
- iv. working out a reference level of historic forest cover change and greenhouse gas emissions and uptake from deforestation and/or forest degradation and REDD+ activities, and potentially forward-looking projections of emissions; and
- v. designing a monitoring system to measure, report and verify the effect of the REDD+ strategy on greenhouse gas emissions and other multiple benefits, and to monitor the drivers of deforestation and forest degradation, as well as other variables relevant to the implementation of REDD+.

C. Project Description

The Readiness Preparation Proposal (R-PP) prepared by the Government of Uruguay identifies the necessary activities to strengthen Uruguay's technical and institutional capacities to participate in a future REDD+ mechanism. The overall financial envelop needed for achieving REDD+ Readiness in Uruguay has been estimated at US\$ 6.47 million (as per the final version of the R-PP dated April 1st, 2015), of which US\$2.67 million are contribution from the Government. REDD+ is a new concept in Uruguay that aims to be inserted in land use decision making onwards. It is important to highlight that the FCPF support is limited to analytical studies, capacity building, and consultation processes at the national and sub-national levels and would not include any physical investment or the implementation of any REDD+ program on the ground.

The FCPF implementation grant (US\$ 3.8 million) contemplates the following five components:

Component 1: Organization and Consultation (US\$ 1,110,438). This component will assist the Ministry of Livestock, Agriculture and Fisheries (MGAP) to: (i) establish and operate a consultative platform for REDD+ implementation; (ii) design and operate a phased national communications and dissemination strategy for REDD+; and (iii) design and implement a consultation and participation strategy that includes a Grievance Redress Mechanism (GRM).

Component 2: Preparation of the National REDD+ Strategy (US\$ 1,941,153). This component will assist MGAP to: (i) identify and analyze the main direct and indirect cause of deforestation and landscape degradation; (ii) identify effective REDD+ strategy options; (iii) design the implementation framework for REDD+; and (iv) assess possible social and environmental impacts associated to the REDD+ strategic options (SESA and ESMF).

Component 3: Development of a National Forest Reference Emission Level or a Forest Reference Level (US\$ 276,955). This component will assist MGAP to identify a national Reference Emissions Level, and/or Reference Level (REL/RL) for the forest sector.

Component 4: Design a System for National Forest Monitoring and on Safeguards (NFMS) (US\$ 447,455). This component will assist MGAP and other government agencies in the design and implementation of: (i) a national forest monitoring systems; and (ii) a national information system for multiple benefits, other impacts, safeguards and governance.

Component 5. Design of a Program Monitoring and Evaluation Framework (US\$ 24,000). This component will support MGAP in the establishment and operation of a technical/administrative implementation unit that will be in charge of coordinating and executing the technical and fiduciary activities of the readiness phase, including a monitoring and evaluation framework.

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

The FCPF Readiness Preparation Grant does not involve physical investments and pilot projects on the ground. However, the donation can finance certain studies (diagnostic and analytical) as well as workshops and consultation meetings with relevant beneficiaries (stakeholders). The Readiness Preparation is designed as a strategic planning where key policies and regulations are setup and articulated in order to achieve "downstream impact" before REDD+ implementation per se.

It will be important in this regard to note that, despite the small size of the country, there is i) a distribution of natural landscapes, uses and capacity of the natural resources in a "mosaic" type (typical situation in temperate middle latitudes), and ii) the whole country is easily accessible. The right combination of both variables must be subject to special attention in the process of strategy development.

E. Borrowers Institutional Capacity for Safeguard Policies

The project implementing agencies (MGAP and MVOTMA) are the institutions responsible in the country of the activities to take place in native, planted and naturalized forests, in addition to fire management, wildlife, environmental issues (assessment and monitoring of impacts) and natural ecosystems. They are also responsible for the management of protected areas and agri-biosystems, the implementation, monitoring and evaluation of their national policies, and the administration and management of any incentive programs, training and education. Education programs are coordinated with other public or private institutions at the national level including: Ministries, INIA Instituto Nacional Forestal and Agricultural Research and Public Enterprises). At the subnational level there are also departmental governments and municipalities where coordination takes place.

The headquarters of the implementing agencies are in Montevideo as well as a small number of decentralized offices in the regions, especially from the MGAP.

Given MGAP seniority in relation to MVOTMA, has a larger network of technicians distributed in the territory, although more oriented to production processes in the primary sector. The levels of quality and professional commitment of both institutions are good to very good, although specific expertise, articulation and training of safeguard policies that look to both production and environmental aspects are weak.

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F. Environmental and Social Safeguards Specialists on the Team

Lilian Pedersen (GSURR)

Ricardo Larrobla (GENDR)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment	Yes	It will be applied in situations that do not correspond

OP/BP 4.01		specifically to the activated OP / BP 4.04, 4.36 and 4.11, and in cases where there is reasonable doubt: i) other environmental risks and ii) against any activities that affect environmental factors combined
Natural Habitats OP/BP 4.04	Yes	REDD+ programs including offset programs may have potential impacts on natural habitats, in particular non-forest habitats such as natural grasslands. These potential impacts will be considered as part of the SESA.
Forests OP/BP 4.36	Yes	In natural forests and woodlands ecosystems small areas of natural habitats play important global functions or are part of local biological chains, which must be identified and managed.
Pest Management OP 4.09	Yes	An analysis during the SESA process and preparation of the ESMF will provide further guidance, however restoration and reforestation activities planned may require its triggering.
Physical Cultural Resources OP/BP 4.11	Yes	Given the historical context of occupation and of land use in the country all landscapes are anthropogenic and cultural remains are scattered and small-scale, therefore preservation options should be evaluated before any intervention.
Indigenous Peoples OP/BP 4.10	TBD	<p>Despite a nearly complete nationwide cadaster (97%), there is an ongoing national debate regarding identification and rights of indigenous people in Uruguay. Based on visits performed during the due diligence phase, initial analysis of census data (identifying claims of IP ancestry), the legal framework, recent anthropological analysis, and primary research conducted with diverse Charrúa communities and disperse Guaraní populations, there is evidence to substantiate that OP 4.10 criteria are partially met in Charrúa communities</p> <p>Further information and consultation are required to confirm whether the criteria for “collective attachment” is met, given that indigenous land claims thus far have focused on acknowledgement of sacred lands, rather than on land ownership per se.</p> <p>Given the current lack of clarity, OP4.10 cannot be triggered at the concept stage, however during implementation careful consideration will be given to triggering OP4.10 if all criteria are met and considering the potential for future claims on ancestral lands. Further consultation and fact-finding</p>

		will take place during the Strategic Environmental and Social Assessment (SESA) of the readiness process and if OP4.10 is triggered then an Indigenous Peoples Planning Framework (IPPF) will be prepared.
Involuntary Resettlement OP/ BP 4.12	Yes	<p>The policy on Involuntary Resettlement (OP 4.12) is triggered as a preventive measure considering the possibility of a) future access restrictions on the use of natural resources or b) involuntary land acquisition that may be proposed as strategic options to reduce deforestation and forest degradation during REDD+ strategy development.</p> <p>During the Readiness phase financed by this grant, an assessment of the nature of potential impacts will be carried out as part of the SESA process to identify the geographical focus of REDD+ strategic options. If strategic options involve potential restrictions on natural resources use or involuntary land acquisition then the anticipated impacts will be identified and mitigation measures including assistance to improve livelihoods for those impacted will be included in the ESMF. If required the ESMF will contain specific sections addressing these issues, and a Process Framework (PF) relating to access restriction and/or a Resettlement Policy Framework (RPF) will be prepared if involuntary land acquisition is anticipated.</p>
Safety of Dams OP/BP 4.37	No	This policy is not triggered because no dam safety issues are anticipated.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered because no international waterway issues are anticipated.
Projects in Disputed Areas OP/ BP 7.60	No	This policy is not triggered because no disputed areas are included.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 15-Nov-2018

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

The SESA will be based on a participatory approach, articulated with the operational, environmental and social policies of the World Bank and aimed at identifying and addressing environmental and social benefits and risks of the REDD + strategy. The SESA will be designed and initiated during the next 12 months.

IV. APPROVALS

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

<i>Approved By:</i>		
Safeguards Advisor:	Name: Francis V. Fragano (SA)	Date: 03-Sep-2015
Practice Manager/ Manager:	Name: Raul Ivan Alfaro Pelico (PMGR)	Date: 04-Sep-2015