Early Warning System

IADB-BO-T1378

Transforming the Forest Value Chain in Indigenous Territories of Bolivia with Risk Diversification and Climate-Smart Financial Inclusion

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Quick Facts

Countries	Bolivia
Financial Institutions	Inter-American Development Bank (IADB)
Status	Proposed
Bank Risk Rating	U
Borrower	Plurinational State of Bolivia
Sectors	Agriculture and Forestry, Climate and Environment
Investment Type(s)	Advisory Services
Investment Amount (USD)	$ 1.00 million
Grant Amount (USD)	$ 1.00 million
Project Cost (USD)	$ 1.30 million

Project Description

This technical cooperation aims to contribute to the reduction of indiscriminate deforestation of the Bolivian Amazon, through actions of green financial inclusion, access to green markets and environmental awareness, which promotes the return to sustainable use of forest products and forest biodiversity by indigenous peoples and rural communities. By investing and accelerating bioeconomy, this fund will promote regeneration of natural capital as sustainable means of living, aligned with ancestral values of conservation, and contemporary substitutes for colonial extractive practices. The TC will complement the operation "TC BO-T1369 Ecomicro - Financial Inclusion, Sustainable Forest Use and Harmony with Biodiversity in Guarayos Bolivia", a fund supporting communities generate and scale their own business, using natural capital regeneration as the cornerstone for a community-based (indigenous) sustainable economy, raising awareness about the opportunities and ways of establishing enterprises that generate enough income to live in alignment with their traditional knowledge for safeguarding the forest.

This Project will allow the public and private sector to articulate with the indigenous populations to influence the reduction of illegal deforestation and open new opportunities for the sustainable use of non-timber resources found inside the forest; in this way it is intended to transform the value chain of the forestry sector by diversifying its risks, implementing financial education, developing financial mechanisms focused on promoting investments considering social and environmental safeguards that will emphasize sustainable forest use, reducing illegal deforestation and therefore reducing greenhouse gas (CO2) emissions while benefiting biodiversity. For this purpose, initially, a diagnosis will be undertaken to rescue information on the natural capital that is affected in the process of carrying out forest exploitation and that to date is not consolidated and used for the identification of high potential bio-businesses and services for the environmental sustainability that the Indigenous Forest Associations (AFI) and Community Forest Organizations (OFC) could offer to contribute to the regeneration of natural capital. Likewise, the capacities of indigenous populations will be strengthened to develop bio-businesses in a more informed way and that will articulate their knowledge in the conservation of biodiversity and adequate forest management, with new private companies (interested in conservation) to generate additional income for both. The project will support Indigenous communities to advocate public policies for the implementation of regulations that favor the sustainable use of the forest and sustainable productive development in the region. It will also help to mitigate agricultural pressure and illegal logging of the forest, by making the sector more efficient, transparent, and diversifying opportunities.

Investment Description

- Inter-American Development Bank (IADB)

Contact Information

Project contacts not available at the time of disclosure.

ACCOUNTABILITY MECHANISM OF IADB

The Independent Consultation and Investigation Mechanism (MICI) is the independent complaint mechanism and fact-finding body for people who have been or are likely to be adversely affected by an Inter-American Development Bank (IDB) or Inter-American Investment Corporation (IIC)-funded project. If you submit a complaint to MICI, they may assist you in addressing the problems you raised through a dispute-resolution process with those implementing the project and/or through an investigation to assess whether the IDB or IIC is following its own policies for preventing or mitigating harm to people or the environment. You can submit a complaint by sending an email to MICI@iadb.org. You can learn more about the MICI and how to file a complaint at http://www.iadb.org/en/mici/mici,1752.html (in English) or http://www.iadb.org/es/mici/mici,1752.html (Spanish).