



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Colombia	LATIN AMERICA AND CARIBBEAN	P178872	
Project Name	Colombia: BioCarbon Emissions Reduction Program Orinoquia		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Environment, Natural Resources & the Blue Economy	Investment Project Financing	2/22/2023	7/13/2023
Borrower(s)	Implementing Agency(ies)		
Republic of Colombia	Ministry of Environment and Sustainable Development (MADS), National Planning Department (DNP), Ministry of Agriculture and Rural Development (MADR), Instituto de Hidrologia, Meteorologia y Estudios Ambientales (IDEAM)		

Public Disclosure

Proposed Development Objective

Generate payments to the Program Entity for measured, reported, and verified Emission Reductions (ERs) from reduced deforestation, forest degradation, enhancement of forest carbon stocks (REDD+), agriculture, and other land use sectors that meet the GHG accounting requirements of the BioCF ISFL in the Orinoquia region of Colombia and to distribute ER payments in accordance with an agreed Benefit Sharing Plan (BSP).

Financing (in USD Million)	Amount
Total Project Cost	50.00

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

No



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

Colombia seeks to become carbon neutral by 2050. To achieve this, the country is working to establish the necessary enabling conditions to generate Emission Reductions (ERs) from the Agriculture, Forestry, and Land-Use (AFOLU) sector, the most important source of greenhouse gases (GHG) emissions in 2014 .

Mitigating climate change in the AFOLU sector involves addressing the direct and indirect drivers of GHG emissions in a comprehensive manner to help improve climate resilience of production systems, local communities, and critical ecosystems. It must also incentivize low-carbon agriculture, livestock, and sustainable forestry, and seize any future market advantage on this regard. In addition, attracting climate finance from international ER buyers would strengthen and help escalating results of sustainable low-carbon landscape management. Colombia has selected the Orinoquia region to pilot ER generation from the AFOLU sector.

The purpose of the BioCarbon Emissions Reduction Program (ERP) Orinoquia is to make and/or generate payments to the Program Entity for measured, reported, and verified ERs from REDD+, agriculture, and other land use sectors that meet the GHG accounting requirements of the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL) in the Orinoquia region and to distribute ER payments in accordance with an agreed Benefit Sharing Plan (BSP).

The ERs would be generated through (i) strengthening coordination and participation of the public-private sector, (ii) strengthening institutional capacity to prioritize and implement practices, technologies, and approaches aligned with productive low-carbon and resilient activities, and (iii) designing and implementing financial and non-financial incentives to promote relevant stakeholders' adoption of sustainable low-carbon practices and technologies. The ERP would have to demonstrate compliance with the World Bank Environmental and Social (E&S) Standards (ESS) for both ER generation and benefit distribution.

This operation is prepared under the CO Sustainable Low-Carbon Development in Orinoquia region Project (P160680), particularly Component 3, "Definition of Emissions Reduction Program and Monitoring, Reporting and Verification". The Orinoquia Emissions Reduction Program (ERP) is of strategic importance for CO as a high-quality pilot program for the country to access international carbon markets with certified ERs, which it can use to contribute to comply with its Nationally Determined Contribution (NDC).

The Ministry of Agriculture and Rural Development (MADR) is expected to be the lead implementing agency as under the current project, equally with strong participation by the Ministry of Environment and Sustainable Development (MADS) and the Institute of Hydrology, Meteorology, and Environmental Studies (IDEAM).

The beneficiaries would be Orinoquia AFOLU sector stakeholders involved in generating ERs under the ERP. These may include relevant national and regional government entities; key non-governmental entities; private sector companies involved in zero deforestation agreements or climate smart agriculture, indigenous peoples and local communities applying low-carbon approaches, practices, and technologies defined in the ERP.

The BioCarbon ERP is in line with the World Bank Group's Country Partnership Framework (CPF). Particularly, it would contribute to enhance natural resource management capacity in targeted regions (Pillar 1); promote an approach that responds to the dual goal of peacebuilding and environmental sustainability. It will have synergies with several ongoing Advisory Services and Analytics (ASA) and projects by the World Bank.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]



The Orinoquia is one of the five natural regions of Colombia and includes the departments of Arauca, Casanare, Meta, and Vichada.

The region consists of four main subtypes of ecosystems:

1. The Piedemonte Llanero located in the foothills of the Andean Mountain range, concentrates most of the population and economic activity in the Orinoquia region. Its soils are fertile, and it is characterized by a mosaic of agricultural activities and natural forest.
2. The tropical savannas of the Altillanura located between the Meta and Vichada rivers, stretch across the departments of Meta, Vichada, and Casanare. The soils in the Altillanura have a high aluminum content and lack organic matter, calcium, magnesium, potassium, and phosphorus. The flat topography is ideal for grain, oil seed, and energy crops and forest plantations. The Altillanura ecosystem is intersected by gallery forests that follow the courses of the streams and rivers and are very sensitive to the hydrological changes in the region.
3. The seasonally flooded savannas covering the departments of Arauca and Casanare with low and moderately fertile soils are apt for oil seed, grain, and bioenergy seed production. This area is used for extensive cattle ranching. This landscape is complex, including various ecosystems such as wetlands, peatlands, and seasonal swamp forests. The area is dominated by herbaceous vegetation with patches of shrubs and trees in floodplains forming a mosaic landscape of grasslands, wetlands, and riparian forests. Its aquatic ecosystems (paramos, flooded savannas and wetlands) play an important role in regulating the water regime, climate, and carbon cycle. These savannas are also subject to a periodic fire regime that usually peaks in the dry season between December and early April and represent a significant portion of burned areas of South America. Savanna lands and wetland transformation are having and will have a significant impact on GHG emissions.
4. Finally, the Andean and Orinocense Amazon covers the departments of Vichada and southeast Meta, which include savanna landscape and Amazonian rainforest. In this area, unsustainable cattle ranching and smallholder farming constitute threats to the standing Andean and Amazon forests. The Sierra de Macarena is the transition area between the Amazon and Orinoco regions.

The ERP is jurisdictional by nature and is expected to cover the whole of Orinoquia, including the four departments formed by 59 municipalities, inhabited by 1.37 million people (3.2 percent of the country's total), 32 percent of whom are in rural areas, including indigenous reserves that host nine ethnic groups. Most of the population is urban. The rural areas have been the most affected by the armed conflict, and the region suffers of increased activity of organized crime and illegal armed groups due to strengthening of illegal economies, extortion, land grabbing, and drug trafficking. Land grabbing constitutes one of the most critical drivers of deforestation in the region, responsible for the conversion to grasslands of extensive areas critical for biodiversity conservation, provision of ecosystem services, and carbon storage. The lack of municipal cadasters and clarity on land ownership make these rural communities and territories more vulnerable to conflict and environmental degradation and poverty. In general, poverty is concentrated in the rural areas of all the departments and mainly in those inhabited by indigenous peoples. The informality of the rural land tenure in Orinoquia is 45.9 percent (9.448.437 ha) and reaches 66,8 percent in the department of Vichada. The lack of legal status in the rural land tenure promotes inappropriate and intensive land use and challenges establishment of control measures to GHG emissions. The region is highly vulnerable to climate change, with projections showing average temperature increase in the coming decades between 1.5 - 2.3 °C and a +/- 5 percent reduction in precipitation by 2050.

D. 2. Borrower's Institutional Capacity

The detailed implementation arrangements for the BioCarbon ERP Orinoquia are still under development. ER payments for verified carbon performance would be paid to the GoC, in principle, through its Ministry of Agriculture and Rural Development (MADR, the "Program Entity"), which would also have ultimate responsibility for ensuring that



the ERP is carried out in a manner materially consistent with the World Bank’s Environmental and Social Framework (ESF).

MADR has demonstrated adequate levels of technical capacity and experience in the development of projects under the World Bank’s environmental and social safeguard policies and is currently implementing the CO Sustainable Low-Carbon Development in Orinoquia Region Project (P160680, Orinoquia BioCarbon Project), showing a satisfactory safeguards performance. It is also worth mentioning that this project mostly supports technical assistance and analytical work, with only few, small physical interventions on the ground in demonstration farms. For said performance, MADR has constituted a small but technically strong team, with experience engaging a broad range of relevant stakeholders in the Orinoquia region, including indigenous peoples, campesino communities, producer associations, among others. MADR also recently strengthened its E&S team that supports the implementation of the Orinoquia BioCarbon Project by hiring a new experienced Environmental Specialist and two additional E&S specialists that had already contributed to the ERP preparation. The current E&S team has five dedicated members. A capable team is expected to continue providing E&S risk management support to the ERP, as part of the future Program Implementation Unit (PIU); and might also be strengthened through the appointment of additional resources. MADR has no previous experience with a project applying the ESF. Thus far, the E&S team of the Orinoquia BioCarbon Project has received training on ESS10 and ESS2 and prepared an Information and Consultation Plan for the ERP, mentioned below under ESS10. MADR’s E&S team will join a half-week training course “ESF in Practice” offered for PIU personnel of the World Bank funded projects in Colombia and Mexico, in mid-June 2022. The PIU’s E&S capacity will be further assessed during ERP preparation, and the strengthening measures will be included in the Environmental and Social Commitment Plan (ESCP). Depending on the ERP roll-out plan, additional field-based focal points might be required to support the E&S specialists based at MADR’s headquarters.

Public Disclosure

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

A. Environmental and Social Risk Classification (ESRC) Substantial

Environmental Risk Rating Substantial

The Environmental Risk of the BioCarbon ERP Orinoquia is rated Substantial at Concept stage despite of its expected positive environmental impacts due to the (i) ERP location in a sensitive area from the environmental standpoint; (ii) complex ERP design, involving many different stakeholders engaged in the implementation in multiple sites of diverse activities of different nature (e.g. regulatory processes and other types of technical assistance work; physical investments; set up of financial incentives; etc.), which makes it difficult to assess the environmental risks and impacts and to monitor the implementation of measures to minimize adverse impacts in accordance with the ESF and the mitigation hierarchy; (iii) uncertainty on the nature, scope and location of most of the ER activities to be developed and adopted, and thus the potential significance of their associated risks and impacts; (iv) level of coordination required and the limited enforcement capacity of the institutions to be involved in the management of the risks associated to certain ERP activities; and (v) potential risks of reversals and/or leakages (e.g. to the neighboring Amazon region) in view of the limited capacities of the ERP implementing entity to enforce E&S policies in a region where an armed conflict has recently existed and the rule of law is still hampered by illegal actors.



Social Risk Rating

Substantial

The BioCarbon ERP Orinoquia is expected to have significant social benefits for the population by promoting measures for sustainable and environmentally friendly, low-carbon activities with the participation of communities, including indigenous peoples, Afro-Colombians, and farmers. The ERP will not generate ER payments for major infrastructure or activities with adverse impacts on physical, cultural, and/or archaeological sites and is not expected to require land acquisition and/or involuntary resettlement. However, the social risk is rated Substantial at the Concept stage on account of the following factors: (i) the ERP will operate in a complex context where there is presence of vulnerable indigenous peoples, Afro-Colombians, and farmer communities whose vulnerability may have increased after the COVID-19 pandemic, and where there are customary practices involving child labor; (ii) issues of equitable access to ERP benefits, especially across communities where there has been a legacy of exclusion in land use, land rights, and decision-making processes; (iii) increased activity of organized crime and illegal armed groups in the Orinoquia region, long been affected by violence and crime, which pose a safety risk for ERP officials and communities; (iv) the informality of land tenure may restrict investment and implementation of some of the ERP activities for beneficiaries, and could also potentially lead to some conflicts for benefits; (v) risks of inadequate communication about carbon ownership with vulnerable communities; and (vi) potential restrictions in access to natural resources for local populations. In addition, informal farms are small and involved in activities that require intensive land use to be economically profitable and result high generators of GHGs, and the ERP may affect them directly. The ERP will pay particular attention to the impacts and benefits for indigenous peoples, Afro-Colombians, and other vulnerable social groups, by carrying out the necessary assessments and instruments, including a land tenure assessment that is being finalized by the BioCarbon PIU and the Benefit Sharing Plan (BSP), to ensure engagement in ERP activities and benefit sharing is fully inclusive of the most vulnerable groups.

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

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The ERP will induce a broad range of investments and activities of different nature and with different geographic scopes, most of which are expected to be defined in detail as the ERP preparation proceeds and some may only be defined during the ERP implementation. Consequently, the E&S risks and impacts derived from the ERP have been assessed by the GoC at the strategic level, through a national level Strategic Environmental and Social Assessment (SESA) financed under different Reduce Emissions from Deforestation and forest Degradation (REDD+) readiness support operations by the Forest Carbon Partnership Facility (FCPF) and other development partners; and are still being assessed at the framework level, through the ongoing development of an Environmental and Social Management Framework (ESMF) focused on the BioCarbon ERP Orinoquia, developed under Component 3 by the E&S team of the Orinoquia BioCarbon Project.

The preliminarily identified environmental risks of the BioCarbon ERP Orinoquia include reversals (e.g., carbon stored in planted forests can be released due to natural disturbances such as fire, floods, pests and diseases, etc.) and displacements/leakages (e.g., a rise of emissions outside of the ERP area due to ERP activities, such as land-use regulation development or enforcement to avoid deforestation), which may impact biodiversity and forest dependent livelihoods. Agrochemical related pollution is also a preliminarily identified risk, linked with the adoption



of technology packages for improved production in selected agriculture value-chains. Increased water use might also result from increased production induced in the selected value chains.

The preliminarily identified social risks of the BioCarbon ERP Orinoquia are associated with the complex context in which the ERP is implemented, where there is presence of vulnerable indigenous peoples, Afro-Colombians, and farmer communities, and a legacy of inequitable access to land use, land rights, natural resources, and decision-making processes; increased activity of organized crime and illegal armed groups in the region that has long been affected by violence and crime, which poses a safety risk for ERP officials and communities; the informality of land tenure, which may restrict investment and implementation of some of the ERP activities for beneficiaries, which may lead to conflicts; and potential restriction of access to natural resources and risks of inadequate communication and engagement with vulnerable communities.

The draft ESMF is under preparation by the E&S team of the Orinoquia BioCarbon Project and will be disclosed and consulted prior to Appraisal. As part of the ESMF, a draft Environmental and Social Risks Assessment (ESIA), including draft measures to manage E&S risks, was prepared, and it will be further refined as the ERP and ESMF preparation advances to ensure risks are adequately addressed applying the mitigation hierarchy. The ESIA will also include a conflict analysis section, which will examine the conflict risks in greater detail and develop appropriate recommendations. The ESMF will (i) identify and analyze potential E&S risks and impacts for all foreseeable activities under the ERP; (ii) provide a gap analysis between applicable national legislation and the relevant ESSs, including the World Bank Group's Environmental, Health and Safety General and Sector-Specific Guidelines (Forestry and Agribusiness/Food Production); (iii) identify generic management and mitigation measures for likely impacts associated with ERP activities, particularly related with indigenous peoples and other vulnerable social groups; (iv) identify and assess the proposed and necessary implementation arrangements and structural organization; (v) define the necessary capacity-building measures and budget; and (vi) provide guidelines for the preparation of site-specific ESMPs and other management plans that may be needed to address identified risks (e.g., ESMPs for value chain development activities, and for land restoration works). The ESMF will also provide guidance on the eligibility criteria of activities through application of a negative list and a risk screening process, which will build on the country systems and incorporate ESF requirements. As an ERP, by nature, has the flexibility to include new activities during implementation, the ESMF will include a process to screen/evaluate such activities to ensure their implementation in a manner consistent with the ESS provisions of the ERP. If early due diligence reveals that an underlying activity is not consistent with the E&S instruments, such an activity would need to be either retrofitted or excluded from the ERP. The ERP will also develop the Benefit Sharing Plan (BSP) in a participatory manner to (i) establish monetary and nonmonetary benefits to the ERP beneficiaries and (ii) spell out the way such benefits will be shared, promoting transparency in the way participants will benefit from the ERP.

To address risks related to informality of land tenure that could potentially lead to conflicts for ERP benefits, as part of the ERP development process, the GoC is assessing land tenure security, determining the relationship between land tenure and carbon rights, and understanding the implication for ER title transfer to ISFL. The assessment considers this relationship based on who owns the land, differentiating between state, community and privately owned land (with and without land titles), and depending on such determination, the GoC is expected to identify new and/or existing initiatives/models that facilitate stakeholder engagement in the ERP also when there are informal tenure rights. The ERP will not directly support land tenure formalization in the Orinoquia region, since there are dedicated programs for said purpose, such as the World Bank financed Multipurpose Cadaster Project (P162594) and its Additional Financing (P172972), which is establishing the multipurpose cadaster in municipalities with valuable



environmental assets to strengthen tenure security and provide access to cadaster information. Lessons from existing land formalization projects will inform the selection of initiatives/models to promote stakeholder engagement in the ERP by those with informal land tenure rights.

In addition, the BSP under development will include measures to benefit stakeholders with different land tenures, following examples from other ERPs and BSPs in the region, such as the “Benefit Sharing Plan for the Dominican Republic’s National REDD+ Emissions Reductions Program” and the “Benefit Sharing Plan (BSP) or the Chilean National Strategy on Climate Change and Vegetation Resources (ENCCRV) For the Results-based payment phase under the REDD+ approach 4th Edition”, among others. Finally, a social analysis assessing potential conflicts that could arise in the context of the ERP implementation will be included as a section of the ESMF, drawing from the example of similar analysis in Colombia and other countries in Latin America, to inform the overall risk assessment process and development of measures to promote meaningful stakeholder engagement, including the most vulnerable groups, and ensure they can fully benefit from the ERP.

During the ERP implementation, the focus of the World Bank’s implementation support and supervision will be on the performance of the agreed E&S management systems and not on supervising the specific E&S management aspects of the individual activities under the ERP or funded through the BSP implementation on the ground. For that, a third-party monitoring (TPM) arrangement will be considered as an available option in case deemed necessary as part of the ERP preparation. In any event, the objectives and processes of the TPM for the implementation of the ESMF, BSP and other E&S instruments, as well as the roles and responsibilities of the Program Entity and other actors, will follow the guidance included in the Technical

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

Not applicable.

ESS10 Stakeholder Engagement and Information Disclosure

ESS10 is relevant for the BioCarbon ERP Orinoquia. The ERP will require and rely on robust engagement amongst relevant stakeholders at the national, provincial, and local levels. A first round of consultations to discuss environmental, socio-economic and political/institutional risks of the proposed activities was carried out in late 2021 and early 2022 through virtual and face-to-face workshops, involving different stakeholders, including national, provincial, and local authorities (Government of Arauca, Casanare and Meta; National Natural Parks (PNN); the regional environmental authorities Autonomous Regional Corporation (CORPORINOQUÍA) and Corporation for the Sustainable Development of the Special Management Area La Macarena (CORMACARENA); universities (Universidad Cooperativa de Colombia Sede Arauca; Universidad Cooperativa de Colombia Sede Villavicencio; Universidad de Santander Sede Arauca; Universidad Nacional Abierta y a Distancia sede Meta) and leaders of twenty indigenous organizations in the ERP area (Asociación Indígena UNUMA, Cabildo Indígena Chaparral Barronegro, Association of Cabildos and Traditional Authorities of the Department of Arauca, the National Association of Black and Indigenous Peasant Women of Colombia-Puerto Lleras, and Association of Cabildos and Indigenous Authorities – Orpibo). Through these workshops, the E&S team of the Orinoquia BioCarbon Project has conducted a preliminary identification of the principal risks and measures for GHG reduction and the related financing and benefit-sharing mechanisms.



Under the Orinoquia BioCarbon Project, a draft Information and Consultation Plan which includes a Grievance Redress Mechanism (GRM) was prepared. The plan will be reviewed by the Bank and revised, as needed, to ensure consistency with ESS10 and to ensure that it: (i) identifies all key stakeholders, including the most vulnerable ones, such as indigenous peoples, Afro-Colombians; farmer communities; rural women producers, migrants, and others; (ii) includes a strategy for ensuring participation of ERP stakeholders, including description of the key engagement methods and the measures to be used to facilitate their continuous engagement; (iv) includes a strategy for efficient information disclosure, communication to ensure information about the ERP and carbon ownership is well disseminated, including how to provide feedback and raise grievances; (v) describes how feedback on the ERP will be solicited, recorded and monitored; (iv) describes the roles and responsibilities to carry out disclosure of information and stakeholder engagement; (v) describes the GRM; and (vi) includes an estimated budget for the implementation of the SEP, including the GRM. The SEP and the GRM will be disseminated with key stakeholders during the ERP preparation and feedback on its key aspects will be solicited and incorporated in the document. The GRM will include procedures for the management of grievances associated with ERP activities, guided by principles including: (i) accessibility to all potential users through diverse channels and with due respect for their characteristics and socio-cultural needs; (ii) clear procedures and timelines to analyze, respond and resolve claims and other type of feedback received; and (iii) confidentiality and anonymity for GRM users. In relation to indigenous peoples, the GRM will be tailored to include measures respectful to their culture, including use of indigenous languages and adoption of their own conflict resolution mechanisms, among others. Also, the GRM will provide specific channels and a procedure to address grievances related to SEA/ SH linked to ERP activities.

Public Disclosure

B.2. Specific Risks and Impacts

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

ESS2 Labor and Working Conditions

ESS2 is relevant for the BioCarbon ERP Orinoquia. ERP workers will include both direct and contracted workers. Civil servants that may be involved in implementation of the ERP will remain subject to the terms and conditions of their existing public sector employment agreement and they will also be subject to the ESS2 provisions on Protecting the Work Force and Occupational Health and Safety (OHS). Community workers might also be involved in community forestry activities to be induced by the ERP.

The E&S team of the Orinoquia BioCarbon Project will prepare Labor Management Procedures (LMP) for the ERP to describe the type of workers involved in the implementation of the ERP and identify the main labor requirements and risks associated with ERP activities. Studies carried out in the Orinoquia region suggest that child and adolescent participation or support in agriculture-related work in rural areas is culturally accepted and a prevalent practice in some of the productive sectors to be addressed by the ERP. Assessment of the social risks associated with the ERP will pay particular attention to risks related to any child and adolescent labor in rural productive activities to develop and include the necessary mechanisms to prevent child labor, identify the areas with greater potential use of such labor, and include procedures to address such cases if they were to be found during ERP implementation. Further,



the initial risks and impacts assessment conducted by the E&S team of the Orinoquia BioCarbon Project in early 2022 mentions the risk of informality of labor force in some ERP-related activities, which would mean lack of enforcement of the workers' labor and OHS rights. Consideration will also be given to mitigating risks related to discrimination against specific groups such as women, migrant workers, indigenous persons, and Afro-Colombians.

The LMP will describe the working conditions and management of worker relationships, the terms and conditions of employment, provisions for non-discrimination and equal opportunity, workers' organizations and freedom of association, OHS, provisions to protect the workforce (including via minimum wage protections), and the prevention of all forms of child and adolescents labor and forced labor. The LMP will (i) ensure that the health and safety of workers are adequately addressed using the World Bank Group's Environmental, Health, and Safety (EHS) Guidelines, World Health Organization's guidelines on COVID-19, and national regulations; (ii) assess the potential risks and impacts of the activities to be conducted by community workers, including in relation to child labor and OHS risks and clearly identify, in line with ESS2, the terms and conditions on which community labor will be engaged and the relevant OHS requirements to be applied; (iii) include measures to ensure that civil servants working on the ERP, direct, contracted workers and community workers eventually involved, have a general understanding of the relevant OHS requirements and overall protection of employees; and (iv) comply with the ESS2 requirement on establishing and running a standalone GRM for the ERP workers.

Furthermore, a Workers' Code of Conduct (CoC), which will contain obligations of all workers involved in the ERP, will be developed as part of the LMP, and adherence to it will be a condition of employment for all ERP workers. The LMP will also describe capacity building activities for workers on the CoC and how it will be disseminated in the affected communities. The CoC will explicitly address issues of SEA/SH as well as others, such as non-discrimination and respectful treatment of co-workers and community and will specify what constitutes unacceptable behavior for the ERP workers, including security personnel (in case involved); and corresponding sanctions if violated. A Security Risks Assessment will also be carried out (see ESS4) and regularly updated to analyze threats to human security through personal, communal or interstate conflict, crime or violence, inherent to working in conflict-affected areas. Any required special security and supervision arrangements will be included in Security Management Plans (SMP) to be developed as necessary, based on guidance to be included in the ESMF, and its relevant parts will also be transferred to the LMP as part of the protocols to be followed by ERP workers subject to this kind of risk). During the ERP implementation, the LMP may be revisited and updated as required, as additional labor-related risks or issues unfold.

ESS3 Resource Efficiency and Pollution Prevention and Management

ESS3 is relevant for the BioCarbon ERP Orinoquia. The ERP is not expected to lead to significant adverse impacts on human health and environment from hazardous materials, air pollution, disturbance by noise, or other forms of pollution. Given the nature of the ERP, its main positive environmental impact is expected to be reduced GHG emissions. Minimizing GHG emissions will essentially result from REDD+ activities, as well as from low-carbon agricultural practices to be incentivized, such as non or low-tilling and ploughing, which reduces CO2 emissions from soil; from reduced fuel combustion (if the practices incentivized reduce the use of tractors); and from the use of natural nitrogen fixing sources (e.g., cover legumes under oil palm trees).



Regarding potential sources of pollution, low-carbon and sustainable agricultural practices to be incentivized under the ERP are expected, in some cases, to promote the reduction of agricultural discharge to surface water through runoff of pesticides, fertilizers and manure, or leaching of nitrogen into groundwater. Water conservation and rationalization of water use is also expected to be incentivized, in particular within the rice and oil palm value chains. Formalization of water use permits will be requested under the ERP. The ESMF will provide guidance for development of Integrated Pest Management Plans (IPMP) when applicable, as the ERP is expected to allow procurement and use of small quantities of low toxic pesticides in accordance with the approved label category and exclusion list to be specified in the ESMF.

ESS4 Community Health and Safety

ESS4 is relevant for the BioCarbon ERP Orinoquia. While significant community health and safety risks are unlikely, the ERP will imply potential risks of health and safety for adjacent communities due to potential transmission of COVID-19 and potential SEA/SH issues, although the corresponding risk has been found low using the World Bank's relevant screening tool. The ESMF will provide a process to screen the associated E&S risks and assess the potential risks and impacts on community health and safety from any activities and interactions with communities. The assessment will consider gender and vulnerability aspects, including any disproportionate impacts and risks on certain groups.

Measures to address risks that may occur locally and temporarily will be included in the ESMF along with guidance for preparation of site-specific plans to mitigate risks to communities and environment. Surveillance and control of illegal activities inducing emissions from deforestation and forest degradation might (i) involve use of security personnel and force, and thus, the related abuse and misconduct risks; and (ii) lead to threats to human security for community and field monitoring staff due to the presence of illegal armed groups. In light of this, a preliminary security assessment will be developed during the ERP preparation and the ESMF will include guidance for preparation of Security Management Plans (SMP) as necessary to identify, prevent, and recommend mitigation measures to protect against eventual risks posed by intensifying levels of conflict and violence in the ERP areas.

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS5 is relevant for the BioCarbon ERP Orinoquia. The ERP will not involve activities that require land acquisition or involuntary physical displacement, and the overall livelihoods impacts are expected to be positive. However, the ERP may imply risks of negative livelihood implications due to restriction of access to natural resources because of activities aimed at improving natural resource management practices. Such potential risks will be assessed as part of the ESMF, and the E&S team of the BioCarbon Orinoquia Project will prepare a Process Framework (PF) by project Appraisal, which will establish the measures to be taken if such potential impacts are identified. The PF will be in line with the ESS5 and applicable national legislation to prevent and manage possible or eventual restrictions on access to



land and natural resources for indigenous peoples, peasant communities, and other stakeholders, and define measures to assist affected persons in their efforts to improve their livelihoods or restore them. The PF procedures will apply to those restrictions that may happen within legally designated protected areas, and also to those outside them, establishing the relevant differentiation criteria for each of these situations. The PF will be finalized no later than 60 days after the ERP Effective Date effectiveness.

There is thus far no expectation on potential exclusion areas due to conflict or land disputes, but this issue will be evaluated during the preparation of the ERP, also to help ensure that ERP activities do not have unintended consequences and undermine the land tenure claims of communities, including indigenous peoples. If exclusions of areas are adopted, they will be defined in the ESMF.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

ESS6 is relevant for the BioCarbon ERP Orinoquia. The ERP is expected to incentivize application of low-carbon and more sustainable productive practices along selected value chains and help deterring agriculture expansion through increased productivity achieved via strengthening productive technologies and practices in key commodities (i.e., cacao, oil palm, rice, and livestock). However, one concern under ESS6 is the eventual expansion of the agriculture frontier (i.e., land use change in natural areas), which the ERP might indirectly induce, as a result of successfully incentivizing more competitive agriculture activities (e.g., leakage). Additionally, diversification of economic activities based on use of living natural resources might lead to overexploitation of such resources, which in some cases might have also cultural significance (cultural heritage). These risks will be further assessed as the actual practices to be incentivized by the ERP are more accurately defined, and the related exclusion list and management measures will be described in the ESMF. The ESMF will include guidelines to develop Environmental and Social Management Plans (ESMP) for the ERP-supported agriculture and livestock activities to prevent any damage to natural forests and biodiversity.

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

ESS7 is relevant for the BioCarbon ERP Orinoquia. Indigenous peoples who meet the requirements of ESS7 are present in the ERP area. Indigenous groups Cuiba, Guahibo and Tunebo (U'wa) live in 104 indigenous reservations that cover approximately 4,583,813 ha of the Orinoquia region across the departments of Arauca, Casanare, Meta and Vichada, as per an analysis made by the Orinoquia BioCarbon Project. Vichada is the department with the highest number of indigenous reservations, representing 38 percent of its total area.

There are twenty indigenous associations in the Orinoquia region, among them the Association of Cabildos and Traditional Authorities of the Department of Arauca, the National Association of Black and Indigenous Peasant Women of Colombia-Puerto Lleras, and Association of Cabildos and Indigenous Authorities – Orpibo, with which the Program Entity has collaborated when carrying out the first round of consultations with indigenous peoples organizations in late 2021 and early 2022. Further consultations with indigenous peoples will be carried out in line with the ESS10 and ESS7 requirements once the ERP activities have been fully identified.



The E&S team of the Orinoquia BioCarbon Project is preparing an Indigenous Peoples’ Planning Framework (IPPF) to guide consultations and management of risks and impacts on indigenous peoples, based on principles of information sharing, consultation and Free, Prior and Informed Consent (FPIC) in line with ESS7 and national legislation related to indigenous peoples in the ERP areas. Site-specific Indigenous Peoples’ Plans (IPPs) will be developed as needed during ERP implementation. An advanced draft of the IPPF will be developed by ERP Appraisal and finalized no later than 60 days after the ERP Effective Date.

ESS8 Cultural Heritage

ESS8 is relevant for the BioCarbon ERP Orinoquia yet no direct, indirect or cumulative impact on cultural heritage under the ERP has been identified at the Concept Stage. However, the Orinoquia ecosystems within the ERP area may have cultural importance for communities, including indigenous peoples, and/or specific physical cultural resources may need to be considered as part of the ERP design and implementation. Diversification of economic activities based on the use of natural resources will be induced by the ERP and might lead to the commercial use of such resources, which in some cases might also have cultural significance. The ESMF will include measures to evaluate both tangible and intangible cultural resources, and guide mitigation measures if such cultural heritage is affected by ERP activities. Provisions for inclusive consultations will be integrated as part of the SEP, including with relevant authorities of cultural resources in compliance with national laws and regulations, communities, and other stakeholders on the ground where ERP activities are implemented. Any construction or other physical activities that could be part of the ERP, related to institutional support or investments that could qualify as part of the payment scheme, will also need to follow ESMF provisions, including assessing of potential chance finds of cultural heritage. For this purpose, a chance finds procedure will be included in the ESMF.

ESS9 Financial Intermediaries

ESS9 is currently not deemed relevant for the BioCarbon ERP Orinoquia. However, depending on how the economic and financial instruments to incentivize the adoption of low-carbon productive and natural resource management practices and/or new economic activities are designed and selected under the ERP, ESS9 might come to involve financial intermediaries (e.g., commercial banks to allocate subsidized credit to local producers). In such case, ESS9 would be considered relevant and the ERP ESMF would be expanded to guide the assessment of the FIs’ Environmental and Social Management Systems (ESMS), in accordance with ESS9 requirements. The relevance of the ESS9 will be further assessed during ERP preparation.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	TBD
OP 7.60 Projects in Disputed Areas	No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

Public Disclosure



A. Is a common approach being considered?

No

Financing Partners

N/A

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

Actions to be completed prior to Bank Board Approval:

An institutional capacity assessment of the Program Entity and the key participating agencies will be conducted in terms of E&S risk management during the ERP preparation, once the detailed implementation arrangements are defined and the preparation of the E&S instruments has advanced in terms of identifying the risks and impacts along with the relevant management needs and requirements.

Preparation, disclosure and consultation of advanced drafts of the following E&S instruments are expected prior to Appraisal: Stakeholder Engagement Plan (SEP) including a Grievance Redress Mechanism (GRM), Environmental and Social Management Framework (ESMF), Labor Management Procedures (LMP) including a Grievance Redress Mechanism (GRM) for the ERP workers; Indigenous Peoples Planning Framework (IPPF); Process Framework (PF), Benefit Sharing Plan (BSP) and Environmental and Social Commitment Plan (ESCP).

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

The ESCP will include the commitment to consult, finalize, implement, and update, as needed during the ERP implementation, the (i) SEP; (ii) ESMF and its underlying Environmental and Social Impact Assessment (ESIA); (iii) BSP; (iii) LMP; (iv) IPPF; and (v) PF. The inclusion of guidance to develop site-specific Biodiversity Management Plans (BMP) as part of the ESMF will be confirmed as the ERP preparation proceeds.

Public Disclosure

IV. CONTACT POINTS

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Borrower/Client/Recipient

Borrower: Republic of Colombia

Implementing Agency(ies)

Implementing Agency: Ministry of Environment and Sustainable Development (MADS)



Implementing Agency: National Planning Department (DNP)

Implementing Agency: Ministry of Agriculture and Rural Development (MADR)

Implementing Agency: Instituto de Hidrologia, Meteorologia y Estudios Ambientales (IDEAM)

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Eirivelthon Santos Lima, Tuuli Johanna Bernardini
Practice Manager (ENR/Social)	Maria Gonzalez de Asis Recommended on 17-Jun-2022 at 16:45:44 GMT-04:00
Safeguards Advisor ESSA	Angela Nyawira Khaminwa (SAESSA) Cleared on 17-Jun-2022 at 21:53:59 GMT-04:00