



**The World Bank**

FCPF CAPACITY BUILDING ON REDD+ FOR INDIGENOUS PEOPLES, CIVIL SOCIETY AND LOCAL COMMUNITIES IN LAC PROJECT

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# Project Information Document/ Identification/Concept Stage (PID)

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Concept Stage | Date Prepared/Updated: 23-Mar-2021 | Report No: PIDC237096

## BASIC INFORMATION

### A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P175745		Moderate	FCPF CAPACITY BUILDING ON REDD+ FOR INDIGENOUS PEOPLES, CIVIL SOCIETY AND LOCAL COMMUNITIES IN LAC PROJECT
Region	Country	Date PID Prepared	Estimated Date of Approval
LATIN AMERICA AND CARIBBEAN	Latin America	23-Mar-2021	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	Asociación Sotz'il, Asociación Coordinadora Indígena y Campesina de Agroforestería Comunitaria de Centroamérica (ACICAFO)	ACICAFOC, Asociación Sotz'il	

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## PROJECT FINANCING DATA (US\$, Millions)

### SUMMARY

<b>Total Project Cost</b>	1.99
<b>Total Financing</b>	1.99
<b>Financing Gap</b>	0.00

### DETAILS

#### Non-World Bank Group Financing

Trust Funds	1.99
The Forest Carbon Partnership Facility – Readiness Fund	1.99



## **B. Introduction and Context**

### Country Context

Deforestation and forest degradation are the second leading causes of global warming, responsible for about 15 percent of global greenhouse gas (GHG) emissions, which makes the loss and depletion of forests a key issue for climate change. 80 percent of the Earth's above-ground terrestrial carbon and 40 percent of below-ground terrestrial carbon is in forests. Given the large contribution of deforestation and forest degradation to global GHG emissions, combating both has been identified as one of the most cost-effective ways to lower said emissions.

There is a consensus in the global community that the issue of deforestation and forest degradation must be effectively tackled as it would otherwise limit the options available to reduce GHG emissions and concentrations, and ensure increases in temperature to as low levels as possible. Any reduction in the rate of deforestation and forest degradation has the benefit of avoiding a significant source of carbon emissions and reducing other environmental and socioeconomic problems associated with deforestation.

In addition to mitigating climate change, stopping deforestation and forest degradation and supporting sustainable forest management conserves water resources, prevents flooding, reduces run-off, controls soil erosion, reduces river siltation, protects fisheries and investments in hydropower facilities, preserves biodiversity, cultures and traditions. A new study carried out by the Stanford University[1] suggests that deforestation could lead to a rise in the occurrence of diseases like COVID-19. The findings suggest that when forests are cleared for agricultural use, the chances for transmission of zoonotic, or animal-to-human diseases, increase. If sustainably managed, forests can also be an important source for income, jobs and economic recovery of communities.

[1] <https://news.stanford.edu/press/view/33295>. April 8, 2020.

### Sectoral and Institutional Context

#### ***The REDD+ concept***

REDD+ was first considered by the United Nations Framework Convention on Climate Change (UNFCCC) 11th Conference of the Parties (COP11) in Montreal in December 2005. Five years later in Cancun, COP16 agreed that "developing countries could contribute to mitigation actions in the forest sector by reducing emissions from deforestation; reducing emissions from forest degradation; conserving forest carbon stocks; sustaining management of forests; and enhancing forest carbon stocks." This became known as the REDD+ Agenda.

#### ***The Forest Carbon Partnership Facility***

The Forest Carbon Partnership Facility (FCPF) was launched in 2007 as a result of a strong interest of developing countries in REDD, and a clear demand from both industrialized and developing country governments for a mechanism that would help forested countries reduce emissions from deforestation and

forest degradation and conduct demonstration activities to show how REDD could be implemented. Decisions taken at COP13 in Bali specifically invited Parties to further strengthen and support ongoing REDD efforts, support capacity building, provide technical assistance (TA), and address the institutional needs of developing countries. The FCPF has since become the largest actor in the REDD+ domain, working with 47 developing countries across Africa, Asia-Pacific, and Latin America and the Caribbean, along with 17 donors, which have made contributions and commitments totaling US\$1.3 billion. The FCPF supports REDD+ efforts through two complementary funds: The *Readiness Fund* helps countries set up the building blocks to implement REDD+. This includes designing national REDD+ strategies, developing reference emission levels, designing measurement, reporting, and verification systems, and setting up national REDD+ management arrangements, including proper environmental and social safeguards. The *Carbon Fund* was set up to pilot results-based payments to countries once they advance through REDD+ readiness and implementation, meet requirements for payments, and achieve verified Emission Reductions (ER) in their forest and broader land-use sectors.

### ***The FCPF Capacity Building Program***

The UNFCCC COP16 decision on REDD+ called for the full and effective participation of Indigenous Peoples<sup>[1]</sup> (IPs) and civil society, and the need to respect their traditional knowledge and rights. IPs and Civil Society Organizations (CSOs) have been recognized as key stakeholders given their close relationship with, and dependence on forested lands and resources worldwide and due to their long history of adapting to climatic variability and ecosystem changes. However, the level of participation of IPs communities and CSOs in national REDD+ processes and international decision making had often been low due to insufficient understanding of the issues, lack of resources to increase the level of understanding, and weak communication between IPs and civil society representatives and national and international REDD+ functions.

A series of regional dialogues between the FCPF and IPs and civil society representatives, which took place after the FCPF was formed, resulted in a request to support forest-dependent IPs and CSOs in building their capacity to engage in REDD+ activities. Consequently, the FCPF Capacity Building Program (CBP) was established to provide forest-dependent IPs, southern civil society, and local communities with information, knowledge, and awareness on REDD+. Phase 1 of the CBP (2008-2015) funded 27 projects in the Africa, Latin American and Caribbean (LAC), and Asia-Pacific regions and two global projects, which supported awareness raising workshops, publication of training manuals, and capacity building activities. Proposals for capacity building activities were processed through the World Bank's corporate procurement vendor system whereby selected IPs and CSOs were contracted as consultants to carry out specific capacity building activities. During this phase, forest-dependent communities in the regions were engaged in national REDD+ planning and formulation and played an active role in partnering with governments to implement consultation activities. Strengthened consultation and participation also helped to publicize and increase the understanding of forest-dependent IPs and CSOs' views and potential contributions to the REDD+ system design and implementation. Phase 2 of the CBP (2016-2019/20) financed REDD+ capacity building for IPs, CSOs, and local communities through small Recipient Executed Trust Funds (SRETFs) with four prominent IPs organizations



and three prominent CSOs in the three regions channeling sub-grants for competitively selected sub-projects in eligible FCPF countries and developing regional knowledge products such as studies, workshops, and South-South exchanges. Two of the Africa SRETFs closed on December 31, 2019 after completing their projects successfully. The SRETF for IPs in Central Africa and the four SRETFs in the Latin America and Caribbean and Asia-Pacific regions closed on June 30, 2020.

In the Latin America and the Caribbean Region, Phase 2 of FCPF CB was implemented by *Asociación Sotz'il*, based in Guatemala, and the *Asociación Coordinadora Indígena y Campesina de Agroforestería Comunitaria de Centroamérica (ACICAFOC)*, based in Costa Rica. Sotz'il supported the implementation of REDD+ capacity building activities among forest-dependent IPs, whereas the ACICAFOC focused on in-country CSOs and Local Communities. Implementation Support Reviews (ISRs) for closing Phase 2 of the FCPF CB projects in LAC (ACICAFOC, P157958; and Sotz'il, P155976) demonstrate satisfactory achievement of set targets. These include national capacity building sub-projects to IPs, civil society, and local communities in the targeted FCPF countries, and an abundance of regional knowledge activities developed and disseminated. The progress towards achieving the project PDOs were consistently rated satisfactory and the projects been implemented in compliance with safeguard policies and legal covenants, and they successfully managed grievance redress mechanisms (GRMs).

### ***Challenges, good practices, and lessons learned from the FCPF CBP***

In 2019, the FCPF conducted regional dialogues with IPs' organizations (IPOs) and CSOs that participated in the two CBP phases, to serve as platforms to jointly draw lessons and highlight challenges and success stories. The dialogues showed that despite the achievements of the two CBP phases, the engagement of IPs and other forest-dependent communities still faced some challenges. In Latin America and the Caribbean Region, the regional dialogue took place in Panama City from September 18 to 19, 2019 and identified the following challenges: (i) Women and Youth Participation. Women's participation in decision making processes during project's design and implementation should be further encouraged. Similarly, it was suggested the youth's participation in CBP can be encouraged through the use of ICT based tools as a way to also provide skills useful for youth's livelihoods; (ii) Fiduciary capacities for project management at the local level are still a challenge. In this vein, further capacity and handholding for organizations at the local level was suggested; (iii) Dialogue with Governments. While the impact of the FCPF CBP on organizations at the local level cannot be denied, there is need for strengthening the dialogue with governments and private sector to enhance the importance of REDD+ and the critical role of governments and private sector in creating public policies and strategic engagements related to REDD+; and (iv) Livelihoods. The close link between REDD+ and livelihoods must be further enhanced and operationalized, particularly by introducing attention to livelihoods into the FCPF CBP, if possible.

By the same token, the following lessons learnt were drawn: (i) the translation, simplification of and use of didactic materials for REDD+ concepts is critical in the success of the FCPF CBP at the local level and particularly within vulnerable populations; (ii) the continuous dialogue with government and private sector is key to educate and expose these actors to the key concepts and importance of REDD+ as REDD+ continues to

be a new concept to some of these actors; and (iii) the links between REDD+ and other sectors such as livelihood support, education and health must be better articulated during the operationalization of the FCPF CBP.

The regional dialogue also highlighted the following good practices: (i) the work done by ACICAFOC and Sotz'il and by organizations that were awarded sub-grants have made a positive impact in the well-being of the communities these organizations serve; (ii) while there is still room for strengthening the role of women and youth, thanks to the FCPF CB these populations emerged as critical actors and leaders at the community level in REDD+ processes; (iii) the importance and capacities of small organizations at the community level were enhanced in the implementation of REDD+ activities; (iv) the FCPF CBP has provided more knowledge and incentives to forest dwellers to strengthen conservation activities; (v) through the FCPF CB the importance on ancestral and traditional knowledge and practices has been disseminated and strengthened.

Recent discussions between the World Bank and prominent IPOs around the world have pointed IPs', other vulnerable populations' and other forest dwellers' particular vulnerability to COVID-19. The key reasons for their vulnerability have been identified as lack of accurate information on COVID-19, restricted access to medical services due to remoteness and marginalization, and lack of information on level of infection in communities. While there is considerable information about staying safe during the COVID-19 outbreak, this information is not reaching IPs and local communities sufficiently and in adequate languages, putting them in a heightened state of danger.

The proposed project addresses the identified challenges and good practices and reflects lessons learned from the FCPF CBP Phase 1 and 2. With the emergence of COVID-19, the project will also provide a platform for addressing the knowledge gap of IPs and local communities on the pandemic through local organizations speaking local languages and understanding local cultures.

[1] The definition of Indigenous Peoples is based on the World Bank's Environmental and Social Framework and Standards.

#### Relationship to CPF

##### **Global priorities**

The project will contribute to the achievement of the **Sustainable Development Goal (SDG) 10** of Reduced Inequalities and SDG 13 of Climate Action, and it directly reflects the **Paris Agreement's (2015)** acknowledgement that: (i) Parties should, when taking actions to address climate change, respect, promote and consider their respective obligations on human rights, the right to health, the rights of IPs, local communities, migrants, children, persons with disabilities and people in vulnerable situations and the right to development, as well as gender equality, empowerment of women and intergenerational equity; by ensuring scaled-up collaborations and partnerships cultivated among IPs, civil society and governments; and (ii) that adaptation action should follow a country-driven, gender-responsive, participatory and fully transparent



approach, taking into consideration vulnerable groups, communities and ecosystems, and should be based on and guided by the best available science and, as appropriate, traditional knowledge, knowledge of indigenous peoples and local knowledge systems, with a view to integrating adaptation into relevant socioeconomic and environmental policies and actions, where appropriate.

The project is consistent with the **World Bank Group Strategy** (2013) and the twin goals of ending extreme poverty and promoting shared prosperity that cannot be achieved without addressing climate change and securing ecosystem integrity. The project fulfills the strategy's premise of creating an inclusive society, not only in terms of economic welfare but also in terms of the voice and empowerment of all groups, including traditionally marginalized groups, such as ethnic minorities and indigenous populations, in decision-making processes. The project further fulfills the vision of the **World Bank Environment Strategy 2012-2022** (2012) on low-emission development strategies and innovative finance, calling for cross-region and cross-sector work to find innovative carbon finance and climate finance solutions to help countries adopt low emission paths to development and improve resource efficiency. The project is also relevant to the **World Bank Group Climate Change Action Plan** (2016), which identifies groups vulnerable to climate change as requiring targeted action including through the REDD+ readiness process.

The project is aligned with the objectives of **ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**, namely (i) ensuring that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of IPs; (ii) promoting sustainable development benefits and opportunities for IPs in a manner that is accessible, culturally appropriate and inclusive; (iii) improving project design and promoting local support by establishing and maintaining an ongoing relationship based on meaningful consultation with the IPs affected by a project throughout the project's life cycle; and (iv) recognizing, respecting and preserving the culture, knowledge, and practices of IPs, and providing them with an opportunity to adapt to changing conditions in a manner and in a timeframe acceptable to them.

**World Bank response to COVID-19** looks to strengthen IPs and local communities through short, medium, and long-term measures. Identified short-term actions, include provision of sanitary supplies and protective equipment, training in COVID-19 protocols and tracking of infections, and provision of health information and government guidance in accessible formats and languages. In the medium and long-term, actions include permanent dialogue platforms to enhance IPs, ethnic minorities, and civil society leaders' direct engagement with governments on pandemic mitigation. As part of the project, activities such as regional workshops will be used as platforms to amplify and disseminate information related to the pandemic prevention. Activities will also abide by public health recommendations and legal requirements at the national levels in the context of the COVID-19 pandemic.

### ***Regional priorities***

Project activities will further the LAC Region's Inclusive Green Growth Strategy. The project will supplement it to address climate change through building the capacity of non-state actors, including IPs and local communities by: (i) furthering the region's priority area of inclusion and empowerment of stakeholders and



community participation in development processes, including REDD+; (ii) building the capacity of IPOs and local communities to achieve climate change mitigation, protect forests, and achieve vital social and environmental objectives that will contribute to managing the effects of climate change; (iii) enhancing regional integration and cooperation by disseminating good practices and lessons learned; and (iv) contributing to social welfare by strengthening the capacity of IPOs to benefit from REDD+ through sustainable management of resources, provision of alternative livelihoods, and equitable sharing of revenues from ER.

### ***National priorities***

The project will finance activities at the country-level that are fully aligned with, and contribute to, countries' respective REDD+ strategies and programs, and to the implementation of countries' partnership strategies with the World Bank Group. The project will only operate in countries with already ongoing government-led REDD+ activities, and FCPF Carbon Fund countries will be prioritized in both the scale-up of existing support and the initiation of new activities.

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### **C. Project Development Objective(s)**

Proposed Development Objective(s)

The Project Development Objective (PDO) is to strengthen the engagement of targeted forest-dependent peoples and Southern CSOs in REDD+ at the country and regional levels in LAC.

#### Key Results

The following PDO-level Indicators will be used to measure the achievement of the PDO:

1. Participation of direct project beneficiaries in the formulation and implementation of REDD+ strategies and actions (number, disaggregated by IPs/CSOs/other forest dwellers and gender).
2. Participation of direct project beneficiaries in Emission Reductions Programs and Benefit Sharing Plans (number, disaggregated by IPs/CSOs/ other forest dwellers and gender).
3. Beneficiaries who feel project investments reflected their needs (percentage, disaggregated by IPs/CSOs/ other forest dwellers).

Participation under PDO Indicators 1 and 2 will be measured against country-specific baselines, which will be established during project preparation in the five component 1-eligible countries. PDO Indicator 3 will evaluate beneficiaries' satisfaction with project support.

The following Intermediate Results Indicators will be used to measure project results:

1. National knowledge exchange products disseminated in appropriate languages (number);



2. Regional knowledge exchange products disseminated in appropriate languages and accessible formats (number);
3. Direct project beneficiaries (number, disaggregated by IPs/CSOs), of which female (percentage) (Core Sector Indicator, Project Beneficiaries).

National knowledge exchange products will be sub-projects, which the project will finance under component 1 in eligible countries. Regional knowledge exchange products will be workshops, South-South exchanges and publications of regional interest, which the project will finance under component 2 with the participation of the 17 FCPF countries[1]. Direct project beneficiaries will be IPs/IPOs, Local Community Organizations and CSOs that will participate in sub-projects, regional workshops, and South-South exchanges.

[1] Argentina, Belize, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, and Uruguay.

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#### **D. Preliminary Description**

##### *Activities/Components*

In the LAC region, Phase 3 of the Capacity Building Program will be implemented by both Sotz'il and ACICAFOC as part of a single project, but with two separate Grant Agreements. The first organization will continue to focus on implementing REDD+ capacity building activities among forest-dependent IPs, whereas the latter will keep focusing on in-country CSOs and LCs. Phase 3 of the CBP in the LAC region will be financed by a total of 1,990,000 USD as Recipient Executed (RE) funding and structured through the following components:

#### **Component 1: National Capacity Development, Awareness and Local Dissemination**

Component 1 will support REDD+ capacity building and awareness raising sub-projects for forest-dependent IPs and civil society, and their representative organizations and networks in Carbon Fund countries: eligible organizations in Chile, Costa Rica, the Dominican Republic and Guatemala, and in the jurisdictional ER-Ps in those countries in particular, will be able to get sub-grants to undertake awareness raising activities on REDD+ in general and training on fiduciary management, negotiations and resource mobilization. The project will make a concerted effort to include women, youth and Afro-descendants as beneficiaries of activities under this component. Component 1 also includes the identification and production of related studies, analytical reports and learning materials to inform the mentioned knowledge and awareness raising activities. Potential areas to undertake analytical studies on are:

- Use of IPLCs' traditional knowledge and feedback mechanisms and how to incorporate them into ER programs.



- Operationalization of Benefit Sharing Plans (BSPs) in an effective and transparent manner and subsequent awareness raising campaigns on BSPs' content, distribution of benefits, and implications in terms of rights.
- Engagement of women and Afro-descendants in conservation and sustainable management of forests.
- Livelihood support and linkages with ER Programs.

By the same token, awareness raising campaigns will focus on the importance and benefits of REDD+, including fire management, watersheds and water supply/quality protection, diseases/plague balance, economic benefits; BSPs; social inclusion dimensions of REDD+, among others.

### **Component 2: Regional Exchanges and Lessons Learned**

Component 2 will finance workshops, South-South exchanges, and publications on regional REDD+ topics to enhance the regional dialogue on REDD+, promote networking and integration, and facilitate cross-learning. REDD+ topics may include: (i) benefit-sharing, (ii) participatory forest management, (iii) IPs/civil society-based conservation, (iv) the economics of REDD+ and livelihoods linkages and impacts to IPs and LCs in LAC, (v) analysis of legal and policy gaps in selected countries, (vi) analysis of tenure rights in selected countries, and (vi) training on fiduciary management, negotiations and resource mobilization. COVID-19 related content will be included in these exchanges as deemed necessary. While studies will be developed or commissioned by Sotz'il and ACICAFOC, workshops and training will be carried out by them jointly (and adapted to abide by public health recommendations and legal requirements in the context of the COVID-19 pandemic). The beneficiaries of these knowledge exchange products will be organizations, IPs, and CSOs from all FCPF beneficiary countries in the LAC region and Sotz'il and ACICAFOC will strengthen the participation of women, youth and Afro-descendant organizations.

### **Component 3: Management, M&E, Reporting and Capacity Building on Environmental and Social Framework**

Component 3 will finance the overhead costs of project management within ACICAFOC and Sotz'il, which will manage the project, including their respective sub-projects, and regional workshops. Secretariats in each organization will carry out procurement, financial management, environmental and social standard assurance and M&E for its respective activities, including quarterly reporting and preparation of annual work plans and budgets carried out jointly by the two secretariats. This component will also finance annual audits of the project accounts by external auditors and any costs related to the execution of GRMs.

## **Environmental and Social Standards Relevance**

### **E. Relevant Standards**

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant
ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8	Cultural Heritage	Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

#### Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	

#### Summary of Screening of Environmental and Social Risks and Impacts

The project will have no physical footprint as all the activities to be financed will fall under "Type 3: Strengthening Borrower Capacity" technical assistance (TA) with minimal risk for potential environmental impacts. Potential social risks such as elite capture, ineffective communication, consultation gaps and/or lack of inclusion or representation will be mitigated by (i) ensuring that capacity building and awareness raising programs are consistent with the ESF and incorporate appropriate E&S objectives; (ii) ensuring that activities are widely consulted with the key stakeholders and have the broad support of their main beneficiaries; and (iii) promoting transparency and public information disclosure. The REDD+ awareness raising, capacity building and knowledge sharing activities will be designed considering the principles of the relevant Environmental and Social Standards (ESS), especially ESS1, 2, 6, 7, 8 and 10. Regarding the COVID-19 pandemic, the project will also provide a platform for addressing the knowledge gap of IPs and local communities on its implications through local organizations knowledgeable and sensitive to cultural needs of the participating IPs.

#### CONTACT POINT

### World Bank

Contact :	Rosa Maria Martinez	Title :	Social Development Specialist
Telephone No :	5220+38490	Email :	
Contact :	Kennan W. Rapp	Title :	Senior Social Development Spec
Telephone No :	5357+81098 /	Email :	

### Borrower/Client/Recipient

Borrower :	Asociación Sotz'il		
Contact :	Ramiro Batzin	Title :	Representante
Telephone No :	50252066705	Email :	batzinr@gmail.com
Borrower :	Asociación Coordinadora Indígena y Campesina de Agroforestería Comunitaria de Centroamérica (ACICAFO)		
Contact :	Arturo Ureña	Title :	Coordinación Técnica
Telephone No :	5062236217	Email :	coordinacionredd@acicafoc.org

### Implementing Agencies

Implementing Agency :	ACICAFOC		
Contact :	Alberto Chinchilla	Title :	Representante
Telephone No :	50622366217	Email :	achinchilla@acicafoc.org
Implementing Agency :	Asociacion Sotz'il		
Contact :	Juliana Upun	Title :	Member
Telephone No :	50278394477	Email :	upunjuliana@gmail.com

### FOR MORE INFORMATION CONTACT

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>