



# Project Information Document/ Integrated Safeguards Data Sheet (PID/ISDS)

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Concept Stage | Date Prepared/Updated: 23 mayo 2017 | Report No: PIDISDSC19691



**BASIC INFORMATION**

**A. Basic Project Data**

Country Colombia	Project ID P160680	Parent Project ID (if any)	Project Name Sustainable Low-Carbon Development in Orinoquia region Project (P160680)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date May 02, 2017	Estimated Board Date Oct 12, 2017	Practice Area (Lead) Environment & Natural Resources
Lending Instrument Investment Project Financing	Borrower(s) Ministry of Agriculture and Rural Development (MADR)	Implementing Agency Ministry of Environment and Sustainable Development (MADS), National Planning Department (DNP)	GEF Focal Area Multi-focal area

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**Financing (in USD Million)**

Financing Source	Amount
BioCarbon Technical Assistance Trust Fund	13.50
Global Environment Facility (GEF)	7.31
<b>Total Project Cost</b>	<b>0.00</b>

Environmental Assessment Category B-Partial Assessment	Concept Review Decision Track I-The review did authorize the preparation to continue
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Have the Safeguards oversight and clearance functions been transferred to the Practice Manager? (Will not be disclosed)  
No

Other Decision (as needed)

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**B. Introduction and Context**

Country Context

- Over the past decade, Colombia has sustained historically high growth rates**, supported by sound macro policies, commercial integration, and favorable external conditions. Significant structural reforms since the early 1990s, combined with important trade agreements, have led to a modernization of the economy. Prudent macroeconomic management has also helped improve resilience. As a result, the Colombian economy sustained an average GDP



growth of 4.8 percent in the past decade, more than 1 percentage point above the average for the previous three decades (3.5 percent).<sup>1</sup>

2. **Despite this rapid reduction in poverty, large historical disparities between urban and rural areas persist.** Total poverty fell from 49.7 percent in 2002 to 29.5 percent in 2014, an average annual drop of 1.7 percentage points and extreme poverty fell from 17.7 percent to 8.1 percent during the same period. The rate of poverty reduction was comparable across urban and rural areas; however, it should be noted that poverty continues to be significantly higher in rural areas than in urban areas: from 2002 to 2014, rural areas' extreme poverty rates fell from 33.1 to 18 percent; in urban areas, they fell from 12.2 to 5.1 percent. During the same period, the rural-urban ratio in the poverty headcount increased from 1.35 to 1.68 percent, suggesting that urban areas were more effective than rural areas at lifting Colombians out of poverty.<sup>2</sup>
3. **Regional development policy is a priority of Colombia's government.** Over the past two decades, Colombia has made significant progress on decentralization to promote growth and reduce regional disparities and poverty, but its fiscal and governance framework still has not delivered rapid regional convergence. To promote growth in all regions the government has engaged in a series of reforms. For instance, it started allocating royalty payments generated by hydrocarbon resources to all departments and most municipalities, including those that are not endowed with natural resources. The reform also promotes better multilevel governance and represents a good policy practice for countries seeking to link natural resource development with regional development.
4. **Rural Development is high on Government's agenda, particularly in the context of the peace building process.** Colombia has enormous unrealized potential in its rural areas due to a combination of factors that may be called, collectively, "uneven territorial development". These factors include poor physical and social connectivity – made worse by conflict, under-investment, weak local governance and service delivery, poor market access and rural-urban market linkages, high exposure to natural disaster, and inequitable land ownership and policies that discourage investment. These challenges are cross-cutting and complex, also in the face of the impact of increased investments in agricultural development in the context of the peace process. Territorial planning is therefore necessary to achieve a greater coherence when considered in the context of aiming towards an improved "territorial development. The 2014-2018 National Development Plan (Law 1753 of June 9, 2015) puts a strong emphasis on rural development, through a territorial approach (the last six chapters of the Plan). Such an approach is characterized by: (i) multiple goals and objectives; (ii) sector interactions that optimize synergies; (iii) respect for the interests of local communities; (iv) adaptive planning and management; and (v) collaborative action and comprehensive stakeholder engagement
5. **Environmental costs and depletion of natural capital may threaten the long-term sustainability of economic growth.** Colombia is one of the world's richest countries in terms of biodiversity, and it is generously endowed with forests, water, and mineral resources. Exploiting its natural capital (mainly non-renewable oil and mining but also land, and forests) has been and still is a crucial part of the country's development success. But a key finding of the analysis conducted under the Strategic Country Diagnostic (SCD), shows that Colombia has not re-invested sufficiently the rents received from the extraction of this natural capital into the other forms of capital and its total wealth per capita dips negative while other comparable upper/middle income countries (except China) maintain a

<sup>1</sup> The World Bank Group (2015): Colombia Systematic Country Diagnostic (SCD); [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/07/01/090224b082fc8bd3/1\\_0/Rendered/PDF/Colombia000Systematic0country0diagnostic.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/07/01/090224b082fc8bd3/1_0/Rendered/PDF/Colombia000Systematic0country0diagnostic.pdf), p.86

<sup>2</sup> All data from Colombia SCD (2015), as referenced above, p. 6



positive total wealth per capita after all final adjustments. The sustainable management of its natural capital and reverting the current rate of depletion has become a key priority for the Government of Colombia.

6. **The Government of Colombia has taken a pro-active role in the fight of Climate Change.** Colombia recognizes the threat of climate change to its development and has been very active in international climate change negotiations and public policy formulation. As a non-Annex I country, Colombia is not mandated to limit or reduce its GHG emissions under the Kyoto Protocol, but the country has firmly adopted the UNFCCC principle of “common but differentiated responsibilities and respective capabilities”. Colombia has therefore announced to reduce 20% of GHG emissions against the business as usual level by 2030, a target that is also reflected in the Intended Nationally Determined Contributions (INDCs) submitted by Colombia to the UNFCCC on September 9, 2015. Management of natural resources, disaster risk management and climate change mitigation/ adaptation have to go beyond the country’s “business-as-usual” approach to environmental management in order to avoid potentially large downstream costs. Colombia is undertaking significant efforts in AFOLU sector, and has created an AFOLU roundtable to devise the instruments on how to meet the sectoral AFOLU target (Amazon Vision, BioCarbon Fund, NAMAs). A national preparation for REDD+ is advanced and includes strengthening of Forest and Carbon Monitoring System, dialogues with local communities and institutional coordination. In addition, Colombia has a proposal of a NAMA for the Forestry sector. This NAMA will cover activities on restoration and reforestation and bring enabling conditions for the implementation of the BioCF program.

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#### Sectoral and Institutional Context

7. **The Orinoco Region is considered one of the last wild areas or "virgin regions" on the planet.** The Orinoquia region covers between 28 and 39 million hectares. It is considered that 35% of the region's species are endemic to Colombia and close to 75 threatened species in Colombia live in this area. The region contains 32.4% of the existing running water in the country. The "floodable" area of the basins of the Arauca, Guaviare, Inírida, Meta, Vichada, Tomo-Tuparro, and Atabapo rivers represents 31.7% of the floodable area in Colombia (i.e. 32,343 km<sup>2</sup>). The water supply in this region is subject to broad seasonal cycles with a peak in rainfall normally between June and July, followed by a prolonged period of drought from November to March. This makes this a sensitive territory where natural resource conservation is particularly important to maintain the region's ecological and hydrological processes.
8. **The natural region of Orinoquia is often referred to as the new frontier in Colombia.** Despite the fact that the Orinoco region represents 33% of the national territory, this region contributes only 8,8% to the GDP. However, in the last decade the Orinoquia region's GDP rose 16.8 times, going from 409 million in 2001 to 5.9 billion in 2011 (NDP 2014) and it is projected that this trend will amplify
- **Agricultural expansion:** The Orinoquia region has 7.2% of the agricultural land in Colombia; of that land, only 2.2% is used. However while two decades ago, the land-use in the region was mainly limited to extensive cattle ranching and low-input traditional agriculture, the growing demand for food, feed, and (bio)fuels has pushed modern, mechanized agriculture and associated infrastructure into one of the world's last reserves of arable land. Over the past decade, private investments have promoted the agro-industrial development in the region: for example, between 2003 and 2008, oil palm plantations increased from 64,694ha to 121,135ha<sup>3</sup> and other crops

<sup>3</sup> USDA Foreign Agricultural Service (2009): Colombia – The Next Agricultural Frontier; Global Agricultural Information Network (GAIN; Bogota, Colombia).



(grain, soy, maize) from 136,900 ha to 344,700ha.<sup>4</sup> According to the NDP, expectations in 2024 for the Orinoquia region could come to have an area with agricultural activities of 780,000 hectares. In turn, that area could generate 313,000 direct and indirect jobs associated with agricultural development. As for forestry, Orinoco has an area of 8.2 million hectares suitable for this activity.

- **Extractive industries:** The area given in concession by the State for mining added up to an average of 209 ha per year, and rose to an average of 16,000 ha per year from 2006-2010. In 2010 only, 48,000 ha of land were given in concession for exploration. Overall, oil and mining have nearly doubled their participation in the economy over the past decade to about 12 percent currently and only the town of Puerto Gaitan in Meta pumps out approximately 22% of the crude oil in the whole country. In 2012, the national government dedicated the whole Department of Vichada to be a Strategic Mining Reserve (DNP 2014).

9. **These recent developments have come with a high toll on ecological integrity of the region.** The Orinoquia region has the second highest deforestation rate in the country. Between 1990 and 2005, the IDEAM reported an annual 1.3% loss of forested areas in comparison to the country average of 0.4%. The IDEAM also estimated a long term drop in water run-off (between 10% and 30%), due the loss of forest coverage and over-use of water resources by economic activities. In addition, the dynamics of climate change have made this region more vulnerable. The average temperature rise in the upcoming decades (2050) is forecasted for the region to be close to 2.7° C. and drops of between 10% and 20% in rainfall (Ideam 2007) are predicted. These conditions favor the desertification processes in the region, altering the agricultural and livestock processes that are currently in place, deepening the conflicts over access to water during the dry season.

10. **The Colombian Government has voiced a strong commitment to sustainable, low carbon agricultural development in Orinoquia.** The Government of Colombia recognizes that the Orinoquia region can offer major opportunities, both at the economic and social level, but wants to make sure that the development path that will be taken for this “new region” would also respond to environmental sustainability. It can define a development trajectory for the Orinoquia region that will not lock-in an unsustainable trend. This approach has been described in the CONPES 3797 (dated January 12, 2014) on “*Policies for an integral development of Orinoquia: Altillanura*”. Building on the CONPES, the National Planning Department (DNP) is currently preparing an Orinoquia Masterplan for the inclusive and sustainable development of the Orinoquia region. In addition, the National Strategy “Colombia Siembra” establishes the objective of planting 1 Million ha additional of commercial crops and forest plantations, as a strategy to substitute imports. FAO research indicates that Colombia is one of the seven countries that will provide part of the 50% increase in food production that will be needed to address the demand of an increasing population. A large proportion of this additional crop production will concentrate in the Orinoquia region, and the GoC is committed to promoting a sustainable and low carbon agricultural development.

11. **The Orinoquia region has been selected under the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL).** Colombia is one of the four countries<sup>5</sup> selected for consideration under the ISFL initiative (and the only one in the Latin America Region). The Government of Colombia, under the leadership of the MADR and MADS, has selected the Orinoquia region as the jurisdiction for the program to be developed under the ISFL initiative. This decision is mainly motivated by the willingness of the GoC to move the Orinoquia region on a

<sup>4</sup> Wildlife Conservation Society (2014): Commodities, Deforestation and Natural Ecosystem Conservation in Colombia by 2020, DRAFT.

<sup>5</sup> Other countries currently under the BioCF ISFL portfolio are: Zambia, Ethiopia and Indonesia.



sustainable growth trajectory with a low carbon development model using innovative financing models (including result-based payments).

**Box 1. The BioCarbon Fund Initiative for Sustainable Landscapes (ISFL).** The ISFL is a multilateral facility, supported by donor governments and managed by the World Bank. It seeks to promote reduced greenhouse gas emissions from the land sector, including REDD+, more sustainable agriculture, as well as climate smart land use planning and policies. It has pledged in the total amount of US\$ 363 Million from the Federal Republic of Germany, the Kingdom of Norway, the United Kingdom of Britain and Northern Ireland, and the United States of America. The BioCF ISFL is set up to support activities to manage land use change while minimizing forest loss, unsustainable land-use as well as green-house gas emissions. It consists of two components:

- i. Technical assistance and grant funding to support the selected countries with the implementation of its REDD+ and green growth strategies and the creation of enabling environments that change the way land-use decisions are made. Grants will be disbursed through the BioCarbon Fund’s associated technical assistance facility, the BioCF*plus*.
- ii. Results-based financing (a.k.a., payment for performance) based on achieved emission reductions. The main metric for results-based payments will be carbon emission reductions, but other economic, environmental and social indicators will be monitored. Carbon payments will be made through the BioCarbon Fund Tranche 3.

There may be an option for including potential investments in the BioCF ISFL programs (this option is currently under review and if approved by the donors, will be reflected in an Amendment to the Instrument of the BioCF).

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12. **The MADR and MADS are leading the preparation of the Orinoquia Sustainable Integrated Landscape (OSIL) program** which represents the framework that will guide the low-carbon development of the region. Interventions under the OSIL program in the Orinoquia region will be closely coordinated with those implemented through the Amazon Vision program, in order to reduce pressure on the natural forests, as some of the drivers of deforestation affecting the Amazon originate in the agricultural areas of the adjacent Orinoquia region.

13. **The WBG will support the OSIL program through various instruments and sources of financing.** A combination of various instruments will be applied by the WBG to best respond to the challenge of addressing the drivers of deforestation and unsustainable land use changes in Colombia’s Orinoquia region. To do so, the World Bank Group will channel resources from the Global Environment Facility (GEF) and the BioCarbon Fund to support the preparation and implementation OSIL program with a combination of Technical Assistance (TA), investments and performance-based payments. The below table presents the allocation at this stage

<i>TA PHASE</i>	<i>Source of Financing</i>	<i>Cost (US\$ million)</i>
<i>Preparation TA (Bank-Executed)</i>	BioCarbon Fund	1.5
<i>Subtotal Pre-TA</i>		<b>1.5</b>



<i>Operation - (TA)</i> <i>(Recipient-Executed)</i>	BioCarbon Fund	13.5
	Global Environment Facility	7.3
<b><i>Subtotal TA</i></b>		<b><u>20.8</u></b>
<i>ER Program</i>	BioCarbon Fund	50.0
		<b><u>50.0</u></b>
<i>IFC Advisory Services</i>	<i>Capacity building and Private Sector Development Support</i>	<u>3.0</u>

14. **Colombia has a long-standing experience working with the GEF.** Over the past decades, the GEF has supported around 50 projects with an allocation of 150 million and 650 million as matching funds in the GEF focal areas. The proposed operation will build on the lessons learned as well as methodologies and approaches piloted under from the GEF portfolio. It will also align with the on-going (and under preparation) operations to be financed by the GEF (see box below). The PAD-Annex 4 provides a detailed presentation on the alignment of the proposed operation with the Strategic Focal Areas under the GEF-6 (see PAD-Annex 4).

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**Box. 2: GEF portfolio in Colombia – A Long-Standing engagement.**

The proposed operation will build on the wealth of lessons learnt gathered from the various operations financed by the GEF in Colombia. These projects have piloted key initiatives to foster ecosystem and multiscale approach for biodiversity and ecosystem services conservation under climate changes scenarios and to promote policies and practices based on methodologies and tools for land use planning. Below are listed a few of this important initiatives (either closed, under implementation or preparation):

- **The Colombia National Protected Areas Trust Fund (P091932)** implemented by the WB and Patrimonio Natural and the Colombian National Parks System, working in the application of the concept of conservation mosaics that encompasses a more integrated understanding of landscape-level including ecosystem processes and management requirements within and beyond the protected areas themselves.
- **Mainstreaming Biodiversity in Sustainable Cattle Ranching (P104687)** implemented by the WB and Fedegan- is connected through the engagement with te cattle ranching sector in the adoption of sustainable land management practices like silvopastoral production systems to improve natural resource management, enhance provision of environmental services, and raise the productivity.
- **Mainstreaming biodiversity in Palm Cropping in Colombia with an ecosystem approach (GEF# 4113)** – implemented by AID and Fedepalma, based on the integration of the ecosystem approach concept with key productive sectors and the adoption of biodiversity-friendly production systems, contributing to protect and restore high value conservation areas in palm-growing regions, enhance their natural assets in the framework of regional conservation schemes, and improve local livelihoods with participation from social actors present in palm agro-ecosystems-
- **Institutional and Policy Strengthening to Increase Biodiversity Conservation on Production Lands-** implemented with UNDP and TNC based on the experience in the Orinoco region in promoting voluntary biodiversity conservation practices on cattle ranching and forestry production lands through a revised legal/policy framework and institutional strengthening and with the application of a pilot program in the llanos region of



Colombia.

- **Forest Conservation and Sustainability in the Heart of the Colombian Amazon Project (P144271)** implemented by the WB and *Patrimonio Natural* considering the approach to improve governance and promote sustainable land-use practices. aimed at reducing deforestation and preserving biodiversity in close to nine million hectares while helping to generate opportunities for vulnerable communities in the area, including small-scale farmers and indigenous communities and promoting a positive impact on regional productive associations, local governments and environmental authorities
- **Consolidation of the National System of Protected Areas (SINAP) (GEF# 5680)**, at National and Regional Levels implemented by UNDP and WWF- is linked to this project proposal through increasing the coverage, and connectivity of protected areas and through strengthening of management effectiveness and participatory instruments.
- **Amazon Sustainable Landscape Program (GEF# 9272)** implemented by UNDP, and the World Bank, aimed to work in Brazil, Colombia and Peru to promote and support sustainable land management actions towards the reduction of CO2 emissions. This operation was recently approved.

The GEF portfolio in Colombia (past and on-going) provides a wealth of information that will be directly feeding into the design process of this proposed operation. In particular, a lot of work has been done on Protected Areas, that will directly inform both in terms of technical design as well as institutional arrangements and financial sustainability. Work on agricultural commodities has also been quite important as well under GEF operations in Colombia: while commodities to be targeted under the Component 2 of the operation will only be confirmed once the preparatory studies on “low carbon agriculture development” will be completed, stakes are high that livestock and palm oil will receive a particular attention: project interventions will thus directly build on lessons learnt from the GEF portfolio on those sub-sectors, in particular in terms of incentives, technical and financial package, partnerships.

15. **The overall outcome of the proposed operation is a strengthened framework for integrated landscape planning and management.** The current Note focuses on the concept-stage presentation of the operation that will be jointly financed by the BioCarbon Fund (\$13.5 million) and the Global Environmental Facility (\$7.3 million). The proposed operation will be provided for strengthening the enabling environment for the Emission Reductions (ER) Program (estimated amount of US\$50 million for ER transaction), through addressing key capacity gaps and activities identified/prioritized during the preparation phase; including those needed for the sustainability of the institutional arrangements for Program implementation. Under the TA, efforts will be made to identify financial and non-financial incentives (from private and public sectors) to promote low-carbon landscape activities in the Orinoquia region that will generate the carbon credits to be purchased under the ER-Program.

**Box 3.: Theory of Change – How proposed OSIL Program will change the development paradigm in the Orinoquia.**

It is indeed considered that the Orinoquia region is at a turning point. Under business-as usual, and given the peace process context in Colombia, the land conversion trend is likely to amplify and lead to significant and potentially irreversible loss of critical ecosystems and associated





services that they deliver. However there is clearly a second path that the Government of Colombia has been promoting for the Orinoquia region. The proposed OSIL program is expected to gear the development trajectory in the Orinoquia region towards a low-carbon and biodiversity-friendly path. The change scenario is precisely that the deep economic and social transformation being planned for this region should occur taking biodiversity and climate change into consideration as cornerstones for sustainable development. The program will seek to incorporate protection and conservation of ecosystem goods and services, including the region's hydrological dynamics, and climate change adaptation strategies and practices as variables that have an economic importance for the sectors driving conversion (agribusiness and extractives). Doing so will allow to define a well-balanced economic and ecological development model for the Orinoquia region, within priority river basins, identifying the development and conservation scenarios that will optimize the maintenance of ecosystem services, the conservation of biodiversity, as well as benefiting development and increase competitiveness and peacebuilding.

Specifically the proposed TA will ensure that key elements be mainstreamed in the territorial planning processes: biodiversity, hydrological dynamics, carbon stocks, vulnerability to climate change... By doing so, the territorial planning will be strengthened and will increase landscape resilience. It will also promote the adoption of Climate Smart agriculture to reduce emissions in priority sub sectors (cattle ranching and agroforestry and palm oil), best practices/low carbon development approach for agriculture while increasing the areas under protected status.

Such approach, and given the TA nature of the proposed operation, will ensure long-term sustainability (beyond the closing of the operation). As a matter of fact, the technical assistance nature of this operation will support the definition of tools and methodologies that could then be scaled up in the context of the overall Orinoquia Program. Mainstreaming environmental dimensions into the land-use planning exercises will ensure that sustainability is well properly taken into account while defining development path in the selected municipalities in Orinoquia. Given the projected investments in agriculture sector in Orinoquia, defining low-carbon practices for a few major value chains (livestock, palm oil, forestry...) will have impacts beyond scope of the projects.

#### Relationship to CPF

16. **The FY 2016-2021 Country Partnership Framework (CPF) focuses on three main pillars:** i) Fostering Balanced Territorial Development, ii) Enhancing Social Inclusion and Mobility through Improved Service Delivery, and iii) Supporting Fiscal Sustainability and Productivity. The proposed operation fully contributes to the Pillar 1 of the CPF which identifies as a key objective the need for “*Enhanced Capacity for Natural Resource Management in Target Regions*”(Objective 2 under the CPF). In the Orinoquia region, the proposed operation will support sustainable management of natural resources and the adoption of sustainable and climate-resilient productive agricultural systems. This operation also responds to the Cross-cutting theme under the CPF “*Constructing Peace*”: Orinoquia is indeed a key region for the peace process in Colombia and the proposed operation will ensure a development path that responds to the dual challenge of peace-building and sustainability

17. **The proposed operation is also aligned with the WBG Forest Action Plan FY16-20** and will specifically contribute the Focus Area 2 on Forest-Smart Interventions in Other Economic sectors and with the cross-cutting theme on Climate Change and Resilience. It also responds to the WBG Climate Change Action Plan (2016) specifically to the



Priority III - Scale up Climate Action as the OSIL program will deliver on forestry, land restoration and climate smart agriculture, as key components of a climate smart land-use.

18. **The deployment of the OSIL Program will support a sustainable integrated landscape approach in the Orinoquia region.** It is expected that, through its instruments (technical assistance and result-based payments), the program will promote an economically-profitable, socially-equitable and environmentally-friendly development model in the targeted region. The program will incentivize socially-responsible investments (including through the participation of the IFC) and will ensure environmental dimensions are mainstreamed in the economic development of the Orinoquia region, including resilience to future climatic shocks. Also, through the payment of carbon credits, the program will also support an equitable distribution of the climate benefits to help reduce poverty and vulnerability. The proposed program therefore contributes to the CPS goals and Government of Colombia's National Development Plan and Low Carbon Development Strategy.

1. **The proposed OSIL program in the Orinoquia region** will complement and build synergy with ongoing World Bank land-use and forestry related programs in Colombia including the FCPF Readiness Grant, the Sustainable Cattle Ranching Operation, and the GEF Heart of the Amazon project to support Colombia's Amazon Vision. In addition, through the Territorial Development Policy Loan, territorial development plans and instruments such as multi-purpose cadaster for improved land-use planning will be strengthened to better steer investments and developments in the land-use sector. Finally, the World Bank leads the Post-Conflict Multi-Donor Trust fund (MDTF) in support of Colombia's peace process: close coordination with this process will ensure that the important changes driven by the peace process will not come at the expense of the natural capital (in particular natural forests) and will address illegal colonization, illicit crop cultivation and provide alternative livelihood opportunities in the rural areas.

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### C. Proposed Development Objective(s)

To promote participatory territorial planning and adoption of sustainable land management practices in selected areas and develop the Emission Reduction program for the Orinoquia region

Key Results (From PCN)

The proposed Indicators for the Program include the following:

- i. Territorial planning instruments that include sustainable land-use criteria approved in xxx municipalities in the Orinoquia region (number in terms of POTs, PODs and/or multipurpose cadaster).
- ii. Area brought under enhanced biodiversity protection (hectares -CORE)
- iii. Land area where sustainable land management practices have been adopted as a result of the project (hectare - CORE)
- iv. OSIL Program prepared and submitted to the BioCarbon Fund
- v. Beneficiaries (number, CORE) of which women is desagragated.

A Results Framework will be prepared as part of the preparation of the operation (use of core sector indicators will be promoted to allow for aggregation of portfolio level).

### D. Concept Description

19. The proposed operation, which falls under the Orinoquia Sustainable Integrated Landscape (OSIL) program, aims at strengthening public policies on sustainable land use planning and management, in the OSIL program's jurisdictional area. By doing so, the program will contribute to create a conducive environment for the adoption of a low-carbon



development land uses, in the Orinoquia region that will generate the carbon credits that will be purchased under the ER-Program (through a result-based payment mechanism that will be formalized through the signing of an Emission Reduction Payment Agreement ERPA). It is important to highlight, that in order to be able to tap into the results based payments, investments will be needed to implement sustainable production systems that lead to emission reductions in Orinoquia (that will trigger the payments). Some on the ground activities to pilot sustainable production systems will be covered by the proposed operation but for the large part, investments needed to scale up sustainable land use will come from other sources (mostly private sector but also public resources, donor aid): a study is currently on-going to identify the various sources of financing that could contribute to the investments necessary to scale up the adoption of the low-carbon practices in the Orinoquia that will eventually generate the ERs to be purchased under the ER-Program.

It is proposed to organize the operation around the following four Components:

**Component 1: Integrated Land-Use Planning** (estimated amounts: US\$4.0 million from the BioCarbon Fund and US\$1.4 million from the GEF):

20. So far, the development trends in the Orinoquia region has come with a high toll on environmental sustainability: deforestation rate is one of the highest in the country, land degradation has increased and water reserves have been highly tapped into. In addition, climate change dynamics will increase the vulnerability of the region. Unless a robust and integrated land-use planning system is put in place, the Orinoquia region will spiral down into an unsustainable development path.

21. With the adoption of the CONPES 3797 (dated January 12, 2014) on “*Policies for an integral development of Orinoquia: Atillanura*”, the Government of Colombia has clearly stated its commitment to ensure that the development in the Orinoquia region would respond to economic opportunities while ensuring environmental sustainability and social equity. The proposed Component aims at supporting the Government of Colombia to define an integrated land-use planning in the Orinoquia region.

22. The first component would aim at strengthening institutional capacities at the national, regional and local level, for effective land use planning, including social, economic, technical and environmental considerations. Key sub-components include:

**Sub-Component 1.1: Mainstreaming Environmental Sustainability into Land-Use Planning** (Biodiversity, Water, Climate Change) - (estimated amounts: US\$1.4 million from the GEF).

The Government of Colombia has clearly stated its commitment to promote a sustainable, low carbon development in Orinoquia: in order to do so, this component will address one key bottleneck related to the currently limited coverage of environmental sustainability in land-use planning (baseline). The GEF will thus support the inclusion of key environmental dimensions that will inform the land-use planning exercises to ensure long-term sustainability. To do so, this sub-component would generate critical knowledge to inform decision-making process on land-use planning in the Orinoquia via studies, generation of maps, and development of decision-supportive platforms. Key topics include: land use changes (current and future/projected); land availability and suitability; water availability, risk exposure; biodiversity; implications of climate change trends on land suitability uses. Technical studies and modelling exercises would help identify go /no-go zones, to assure water availability for both conservation areas and productive systems. In particular, the



sub-component could improve the information of the watershed scored card index<sup>6</sup> macro-basin report card to monitor water quality, quantity and ecosystem services as water regulation and carbon storage health in the region, identifying similarities on indicators and report units, also coordinating with the WAVES Initiative led by World Bank in Colombia. Even though there are similarities with others indicators as fisheries and eco-tourism, the report card did not include information at the sub-region scale, due to lack of information. The project will improve the monitoring system with key indicators that could fill these gaps and improve the wealth accounting for the region to monitor water quality, quantity and ecosystem health in the region.

In addition, the DNP has developed a methodology, at national level, to assess the potential impacts of climate change on productive activities and other land-uses. This sub-component would allow to downscale this assessment (or related assessments) at the level of the Orinoquia region. The sub-component would also support a decision-making platform to support land-planning processes, integrating environmental, economic, social and technical considerations and that would be critical to support the development of PODs/POTs and their implementation.

Furthermore, the sub-component would promote synergies with ongoing monitoring conservation-related initiatives led by IDEAM (ecosystem monitoring system), Humboldt Institute IAvH (coordinates the National Biodiversity Information System), National Parks Authority (information system for monitoring of protected areas), with a focus on capacity building, communities of practice and knowledge and participation networks.

**Sub-Component 1.2: Strengthening capacities for territorial planning-** (estimated amounts: US\$3.0 million from the BioCarbon Fund).

Activities under this subcomponent would support the Colombian government initiative to strengthening local, regional and national planning via the establishment of Territorial Development Plans (POTs). The National Planning Department (DNP) has already issued guidelines to help local and regional authorities in the formulation of these POTs. The *POT's Modernos* program will also provide guidelines for institutional coordination arrangements for the formulation and approval of land use plans at departmental level - POD's aiming to ensure the alignment between municipal and regional development initiatives, and allowing for better prioritization of strategic investment projects in the territory. The government has prioritized 234 municipalities and 22 departments to start the execution out the *POTs/PODs modernos* program.

This sub-component would provide technical assistance at subnational level i) to provide input regarding environmental and climate change considerations to territorial planning guidelines for PODs and POTs, ii) to provide guidance on identification of projects and sectors where regional coordination and association among municipalities is needed and ensure alignment with regional and national development initiatives, iii) to strengthen the capacity of municipalities to develop POTs, and iv) for the formulation, implementation and monitoring of land use planning via formulation of PODs/POTs, in selected municipalities of the Program jurisdictional area (the list rural municipalities and departments to be covered will be determined during preparation of the project). In the selection municipalities key variables to be considered include: level of conflicts of the current land-use and land conversion trends; areas of land conservation value; integration of climate smart land-use zoning into the land-use plans; prioritization of climate smart land-use practices and adaptation options; digitation and geo-referencing of the land-use plans; etc.

Under this component, special attention to gender dimensions will be included in the land planning component of the

<sup>6</sup> Developed in partnership between WWF and the University of Maryland Center for Environmental Science (UMCES). This tool is used to describe ecosystem status, increase awareness, inform and influence decision-making, increase funding and resource availability, all of which can contribute to improve ecosystem.



project, in particular through the inclusion of gender criteria for the development of land-use plans.

**Sub-Component 1.3: Land Administration Institutional Reform** - (estimated amounts: US\$1.0 million from the BioCarbon Fund).

Activities this sub-component would support the on-going efforts by the Colombian Government to restructure/re-design the land administration institutional framework to facilitate the rolling out and implementation of land-use planning tools and instruments, i.e. the POTs/PODs and a rural multi-purpose cadaster system. The proposed operation, via technical studies will help to review and determine the new roles and responsibilities of various national entities involved on land administration and cadaster issues (DANE, IGAC, DNP, UPRA, National Land Agency (ANT)), as well as the role of subnational governments<sup>7</sup>. It will also support the creation of a database combining robust, accurate and georeferenced information that accurately represents the territory (e.g. tenure, ownership, use, accessibility, risk exposure, soil classification...), through the acquisition of satellite images and equipment.

**Component 2: Sustainable Land-Use Management** (estimated amounts: US\$5.0 million from the BioCarbon Fund and US\$5.5 million from the GEF).

Over the past decade, the agro-industrial development promoted in the Orinoquia region has significantly impacted the biological diversity, the water cycle and ecosystem services. The region now ranks second in terms of deforestation with an annual loss of 1.3% of forested areas and features a high level of vulnerability to climate change. In addition, the ecosystems with high conservation and hidrological value in the Orinoquia Region of Colombia are insufficiently represented in the National Protected Area System (SINAP) with only four protected areas (Selvas del Lipa, Cinaruco, Alto Manacacias and Cumaribo). In the context of the peace process, it is also expected that demographic trends could also exacerbate the pressure on natural resources.

In order to avoid further loss of high conservation value ecosystems through deforestation and habitat transformation, there is an urgent need to promote new land-use models that sustain economic development while maintaining ecological integrity at the territorial level. The proposed approach is to promote a multiple-use landscape management that combines critical conservation areas (network of protected areas) and productive activities into a sustainable, low-carbon and resilient landscape.

The second component would aim at piloting and promoting the adoption of low-carbon and sustainable land-uses. Key sub-components include:

**Sub-Component 2.1: Protected areas and critically-important areas**– (estimated amount: US\$5.5 million from the GEF).

Despite their internationally-recognized high biological value, the ecosystems from the Orinoquia region are the less represented in the protected areas system, with only four per cent of the areas under protected status. The Government has committed to significantly increase this area and this is part of a commitment presented by the

<sup>7</sup> Where applicable (depending on the final scope of the proposed sub-component), special attention will be paid to gender dimension under the cadaster/land titling activities, in particularly to support the enforcement of the Colombian regulations, i.e. i) to provide property title to both members of the couple, ii) to implement affirmative actions for property rights formulation of female headed households, iii) to provide comprehensive rural subsidies for landless female heads of households.



Government of Colombia at the CoP-21 in Paris commitment<sup>8</sup> to create additional protected areas (PA) and define the sustainable financial mechanisms for the PA system, as a recognition of the importance of PA as a climate change solution.

This sub-component would aim to support the operationalization of these commitments on PA (National and Regional), will build on the GEF5 SINAP to consolidate the National Park System (SINAP) and would particularly contribute to (i) identify new areas with high conservation and hydrological values that should be protected and integrated into the SINAP (Morichales de Paz de Ariporo, Mata Limon la Erica, Micro watersheds of La Quinchalera, La Iguara and La Melera, and Watersheds of Bitá and Caja, among others); (ii) enhance the effectiveness of the management of protected areas already existing in the region (Serranía de la Macarena), as well as the new ones to be established under GEF5 SINAP (Cinaruco and Cumaribo) and other conservation areas (Bitá, Tomo, Casanare and other key watersheds) and (iii) define a long term financial strategy for the protected areas in the region, contributing and building upon the concept of Project Finance for Permanence (PFP) for protected areas management effectiveness at the national level that is under definition at this moment. This long term financial strategy is under development and will be linked and coordinated with other GEF initiatives (among others), such as GEF5 Heart of Amazon and GEF6 – Amazon Child Project to promote the sustainability and effective management of the protected areas system in Colombia.

In addition to the work on PAs, this sub-component would support sustainable and climate-smart activities in key landscapes including protected areas buffer zones and in critically-important areas: such critically-important areas would be identified based on their capacity to connect important ecosystems and landscapes, preserve and/or enhance the delivery of environmental services at the landscape level (particularly biodiversity and water) as well as the resilience of the ecosystems to potential extreme weather events. At concept-stage, it is planned to select three landscapes; one in the Piedemonte area, other in the transitional zone (Orinoco Amazonia), and the third one in the savannas in order to maintain and/or enhance watersheds health index (based on scorecard measurement 2016). It would also support the land restoration agenda in the Orinoquia region. All the areas that will receive support from the project (with GEF financing) will be Key Biodiversity Areas as per the definition of the GEF.

**Sub-Component 2.2: Sustainable and Low-Carbon Agricultural Productive Systems** – (estimated amount: US\$5.0 million from the BioCarbon Fund).

This sub-component aims to promote the adoption of low-carbon and sustainable agricultural practices in productive landscapes. Together with an improved financing scheme (to be piloted by FINAGRO), this sub-component would promote access to. At Concept-stage, it is envisioned that this would:

- i. Identify and pilot innovative technologies and agricultural best practices that reduce adverse impacts on natural resources (forests, water, biodiversity) and/or contribute to restore degraded lands into productive systems. Priority sectors would likely be: (i) agriculture commodity production, (ii) cattle ranching (meat and dairy) and (iii) commercial forestry. Such interventions will build on research both in Colombia and other countries and will be combined with on-the-ground pilot activities.
- ii. Define improved financing (and non-financial) schemes to promote the adoption of advanced technologies towards low-carbon and sustainable practices. The sub-component would support FINAGRO to design and deploy new financial products (that would have been identified during the preparation of the operation) and

<sup>8</sup> This commitment builds on an MoU signed by the Ministry of the Environment and Sustainable Development the National Parks Office, WCS, WWF, CI and Moore Foundation at the COP21 in Paris.



expand the role of current incentive mechanisms, such as, the Productive Alliances<sup>9</sup> (PAAP) implemented by the Ministry of Agriculture and Rural Development (MADR).

- iii. Promote the engagement of the private sector in sustainable land management via supporting multi-stakeholder dialogues within priority supply/value chains (most likely, cattle, dairy, palm oil, rubber, and forestry) to define/agree on best practices, align with performance standards and promote market and non-market strategies that contribute to the sustainable and competitive development of these sectors in the region<sup>10</sup>.

Mainstream low-carbon and sustainability criteria into the reparation and other government supported programs in the region. Given the potential impact of the peace process in the Orinoquia region, this sub-component would work together with the various programs related to the peace process to generate guidelines to promote sustainable practices and mainstream biodiversity conservation and climate considerations as a keystone in the investments to be supported

**Component 3: Definition of Emission Reduction Program (ER Program)** - (estimated amount: US\$3.0 million from the BioCarbon Fund).

This Component directly relates to the preparation of the Emission Reduction Program (ER-Program) that will support the OSIL program through the result-based payments (for an envelope currently estimated at \$50 million). Given the nature of the ER Program, specific elements need to be defined before the Government of Colombia can enter into an Emission Reduction Purchase Agreement with the BioCarbon Fund. It will encompass three main sub-component activities:

**Sub-component 3.1: Characterization of the Program Area** (estimated amount: US\$0.5 million from the BioCarbon Fund).

This sub-component would support the delimitation of the intervention area of the program, i.e. location and size in hectares (through creation of maps, shape files, etc.). Once the delimitation of the program is clearly defined, the sub-component would help in the construction of the reference level: this would be applied as the basis against which the performance of the ER Program will be assessed and payments be made. This would include the definition of the different land-uses, historic emission levels, and identification of emission factors, and adjustment factors that could be applied in order to account for the specificities of the Orinoquia program and development projections in the region. The characterization and definition of the program's jurisdictional area will guide investments and activities under the other components of the Program.

In addition, this sub-component would support an assessment of the land and resource tenure regimes in the accounting area based on the assessment carried out under the FCPF Readiness Grant, including i) the range of land and resource tenure rights, categories of rights-holders present in the Accounting Area (including Indigenous Peoples and other relevant communities); ii) the legal status of such land tenure and resource rights, and any significant overlaps, ambiguities or gaps in the applicable legal framework, including as pertains to the rights under customary law and the analysis of the status of National Parks; iii) areas within the Accounting Area that are subject to conflict or disputes related to contested or competing claims or rights, and if critical to the successful implementation of the ER Program, how

<sup>9</sup> The PAAP helps to identify and catalyze partnerships between organized producers and buyers, while providing support and technical assistance to implement best practices and ensure compliance with market requirements.

<sup>10</sup> In parallel, the IFC will identify potential for investments into private sector companies in the program area which would be accompanied through financial support by the BioCarbon Fund for capacity building for the adoption of low-carbon production practices among producers supplying products to those companies.



such conflicts have been resolved/ addressed, and iv) any potential impact of the ER Program on existing land tenure and resource rights in the Accounting Area.

**Sub-Component 3.2: Definition of the ER Program**– (estimated amount: US\$0.5 million from the BioCarbon Fund).

This sub-component would aim at defining the operational and financial plan of the ER Program. In particular, it would (i) define in details the underlying lines of action that would generate the emission reductions under the ER Program (see Annex 5 for preliminary ideas) (ii) prepare an operational plan that would ensure a full deployment of the lines of action aligned with expected ER (iii) prepare a financial plan that would present costs and revenues of setting up and operating the ER Program until 2025.

The sub-component would support a participatory and inclusive consultation and stakeholder information process that would inform the preparation of the ER Program. To do so, it would support information and consultation mechanisms and structures, consultation meetings, capacity building, publications and other information used as well as mechanisms for receiving and responding to feedback. The operation would also support the further development of the Environmental and social framework and specific safeguard instruments (ESMP) to mitigate social and environmental risks and to comply with World Bank safeguard policies.

If deemed necessary, this sub-component could also promote South-South exchange to foster learning from similar jurisdiction-wide climate smart land-use programs and/ or regions with similar ecosystem characteristics in order to facilitate the preparation of program.

**Sub-Component 3.3: Underlying Tools for the implementation of the ER Program**– (estimated amount: US\$2.0 million from the BioCarbon Fund).

The subcomponent would support government’s compliance with BioCF requirements for ER payments, including:

- i. Development/Design of the Benefit-Sharing Mechanism: The development of an equitable benefit-sharing arrangement for monetary and non-monetary benefits of the ER-Program will be an integral part of the program. The sub-component will support the design of such mechanism and ensure that it follows a participatory and transparent process, building on the national Readiness process, including the SESA.
- ii. Development of the Monitoring, Reporting and Verification (MRV) approach to estimate the emissions occurring under the ER Program, building on already existing MRV systems in Colombia. It will also ensure consistency with most recent Intergovernmental Panel on Climate Change (IPCC) guidance and guidelines.
- iii. Reference Level: This sub-component would help in the construction of the reference level that will be applied as the basis against performance payments will be made. This includes the definition of forest and land-use to be used, historic emission levels, and identification of emission factors, and adjustment factors that will be applied in order to account for the specificities of the Orinoquia program and development projections in the region.
- iv. Development of safeguards systems for ER-Program: the proposed operation would support the preparation of the Safeguards instruments (Safeguards Plans) to be used under the Emission Reduction Program (OSIL).

**Component 4: Program Management and Implementation Arrangements** (estimated amounts: US\$1.5 million from the BioCarbon Fund and 0.4 million from the GEF).

2. This component will strengthen the institutional and implementation arrangements for the day-to-day operation so the OSIL Program, including i) administrative oversight of the Program, ii) program monitoring, iii) financial management, iv) implementation of benefit-sharing plans, implementation and monitoring of safeguards plans and

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instruments for the technical assistance, and development of safeguards instruments for the ER-Program v) feedback and grievance redress mechanism, vi) stakeholder consultations and information sharing, vii) implement of ER Program activities/ interventions.

## II. SAFEGUARDS

### A. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

For the purpose of this Project, the Orinoquia region includes four departments, Arauca, Casanare, Vichada, and Meta. During the preparation TA phase, specific analysis will be conducted in order to delineate the jurisdiction to be covered by the interventions.

The Orinoco region is one of the five natural regions of Colombia and its limits are marked by the Arauca, Meta, and Orinoco rivers, which form natural boundaries with Venezuela. Furthermore, the region consist of four main sub-types of ecosystems:

i. The **Piedemonte Llanero** located in the foothills of the Andean mountain range, and concentrates the majority of 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.

ii. The **tropical savannas of the Altillanura** located between the Meta and Vichada rivers, stretch across the departments Meta, Vichada, and Casanare in central Eastern Colombia. The soils in the Altillanura have a high aluminum content and lack organic matter, calcium, magnesium, potassium, and phosphorus. However, the flat topography is ideal for grain, oil seed, energy crops and forest plantations. Its warm and rainy climate allows for two harvests a years (July/ August; November/ December). The Altillanura ecosystem is intersected by gallery forests that follow the courses of the streams and rivers are very sensitive to the hydrological changes in the region.

iii. 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. In addition, this area is used for extensive cattle ranching. This landscape is complex and includes various ecosystems such as wetlands, peat lands and seasonal swamp forests. They have a rich flora dominated by grasses, and the land use in this area is subject to inundations, therefore the complex water and carbon cycle in this area needs to be carefully studied. It is important to say that **Biodiverse Savannas of the Colombian Orinoco region are recognized globally as centers of high ecosystem and carbon value as well as flora and fauna biodiversity**. They are dominated by herbaceous vegetation with patches of shrubs and trees in floodplains forming a mosaic landscape of grasslands, wetlands and riparian forests. These savannas are characterized by having a large diversity of plants, endemic, migratory and rare species<sup>11</sup>. Its aquatic ecosystems (*paramos*, flooded savannas and wetlands) play in 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.<sup>12</sup> There is a natural dynamic between carbon emissions and

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<sup>11</sup> A recent WWF report states that the Orinoco basin has 71% of water and swamps in Colombia, and home to 167 mammal species, among which 26 species are threatened, 783 bird species and 658 fish species, as well as 2692 flowering plant species. World Wildlife Fund Colombia (2014): Identifying Highly Biodiverse Savannas based on the European Union Renewable Energy Directive (SuLu Map)- Conceptual background and technical guidance. WWF Colombia. According to DNP, the region, has 156 different types of ecosystems of high conservation value and 11 protected areas.

<sup>12</sup> Savannas are being considered the most important biomes in terms of fire events in South America. It has been estimated that between 2000-2008, the savannas of Colombia and Venezuela contribute 25% of overall fires on the continent, of which Colombia's savannas contribute 65%. See Romero-Ruiz, M. et al. (2010): Spatial and temporal variability of fires in relation to ecosystems, land tenure and rainfall in savannas of northern South America, in: Global Change Biology 16, 2013-2013.



sequestration, while sequestration dominates during the wet-season, emissions dominate during the dry seasons, that are expected to become longer due to intensification of land uses and associated desertification processes. Savanna lands and wetland transformation will have a significant impact on GHG emissions since these changes would influence ecological processes including fire regimes, soil water and carbon storage, and carbon sinks in gallery and Amazonian forests<sup>13</sup>.

iv. Finally, the **Andean and Amazonas Orinocense** covers the departments of Vichada and southeast Meta which includes savanna landscape and Amazonian rainforest. In this area, 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.

## B. Borrower’s Institutional Capacity for Safeguard Policies

Since the mid-1990s, the Government of Colombia and the World Bank have been closely collaborating on a variety of environmental issues, ranging from urban environmental management to biodiversity conservation in forest ecosystems. Both MADS and MADR have institutional capacity and proven track record in implementing the Bank’s environmental and social safeguard policies.

Colombia has adopted a subnational approach to REDD+ during the REDD+preparation phase under which it proposes to advance the participatory development of Regional Plans based on the specificities of each of its five eco-regions: (i) Andean; (ii) Amazon; (iii) Pacific; (iv) Orinoquía; and (v) Caribbean. The Government of Colombia has opted to conduct specific Strategic Environmental and Social Assessments (SESA) for each of the five regions: the SESA approach combines analytical work and participatory process. It integrates key environmental and social considerations covered by the relevant policies and procedures at the earliest stage of decision making. It also creates a platform for the participation of key stakeholders, including Indigenous Peoples and local communities who depend of forest resources. In addition, Colombia has a proposal of a NAMA for the Forestry sector. This currently created platforms will be used for consultation process of this project. Currently, Colombian REDD+ team has worked in SESA process in parallel at 3 regions, Amazonia, Pacific (where concentrated the majority of Colombian woodlands), and Orinoquia Region. The SESA process has 5 steps: Early dialogues; information, capacities and dialogs process; Strategy integration draft and complementary documents; Socialization and feedback ; final strategy ENREDD+ integration and politic validation.

In Orinoquia early dialogues were started by department, under the coordination of the Regional Node of Climate Change, leading SESA process, the construction of the REDD strategy for the Region is still in progress.

At regional level, articulation with the Sustainable Landscapes Initiative, under the BioCarbon Fund program, is essential to optimize the resources, technical studies generated and spaces for participation promoted. The results of the diagnostic studies of forest deforestation and degradation drivers in the region carried out by CORMACARENA and IDEAM, could identify, the main risks and benefits that can be presented for the implementation of the strategy at the Orinoquia Region, the information and social platforms used in SESA will bring advantage to social and environmental assessment and the ESMF development for the present project, and biceversa for SESA.

MADS has a technically strong team at national level, working on REDD+ issues. Such team has good experience and engagement with a broad range of stakeholders, including Indigenous Peoples, campesino communities, Afro-Colombian peoples, small producers, and others. This team has been trained during 2015-2016 by the Bank on Safeguards issues and in SESA processes including preparation of the Environmental and Social Management Framework (ESMF), this team supported by the BioC project will develop the safeguard instrument needed

<sup>13</sup> The Orinoquia region has about 2.2 Mio. ha of standing forests. See World Bank/ DNP: Low Carbon Development for Colombia, p.90



The MADR has been implementing the project Alianzas Productivas and has gained significant experience in implementing World Bank Safeguards. The proposed program will built on existing systems put in place under other WB operations.

In the case of the proposed program, the work on Safeguards will build on the regional and national information developed during the last years related to rural development, land use planning and environmental sustainability for the Orinoquia region that will allow to have a global diagnosis of the mainstreaming land uses, to develop an analysis of the national legal and regulatory framework, and structured an Environmental and Social Management Framework for the activities defined for the whole components.



**C. Environmental and Social Safeguards Specialists on the Team**

Arelija Jacive Lopez Castaneda (GSU04) Social Specialist  
Dora Patricia Andrade (GEN04) Enviromental specialist

**D. Policies that might apply**

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Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The proposed operation is categorized as environmental risk Category B, given the nature of the proposed operation, the environmental impacts are expected to be mostly positive, and have benefits associated to stronger capacity building in planning land use, identification and piloting of innovative technologies and agricultural best practices, mainstreaming low carbon and sustainability criteria into productive systems.</p> <p>SESA process for the region has not passed on schedule and will not be completed prior to appraisal, however the GoC presented a rough number of completed and developing studies and projects promoted for the Orinoquia Region, both by the government and the private sector, with an extended and multiple stakeholders consultation (including the early dialogues for SESA), which provide enough information to establish an environmental and social diagnosis of the region, to support the development of an ESMF for the project. For this reason, it was agreed that the GoC would make an additional effort to systematize all the information that is available, analyze it, establish an environmental and social diagnosis and from this, elaborate the ESMF to regulate the actions of the project and integrate the elements to screen the eligibility, establish the sustainability criteria of the possible intervention and establish the mitigation measures to avoid environmental and social impacts.</p> <p>As mention before, all the studies and project running for the region, had a wide consultation previous, free and informed basis process, with different stakeholders, and cover vulnerable groups (i.e. women, indigenou, Afro-Colombians and Campesino communities), and communities living in conflict zones amongst other issues related to the social context of the region.</p>



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The generic subprojects are related with the adoption of low-carbon and sustainable agricultural practices in productive landscapes, cattle ranching and commercial forestry, in compatible and combined activities as silvopastoral, agropastoral, agroforestry, agrosilvopastoral schemes, in such a way, can demonstrate the integrated management allows a greater degree of sustainability and low carbon development.

The potential negative impacts identified could be related with land tenure, opening forest land for agriculture, failure in management implementation (eg. control cattle ranch feeding in forest land), degradation of forestry by inadequate management of non-timber resources, potential water pollution due to use of pesticides or fertilizers, access restrictions to protected areas.

The ESMF will include procedures and environmental and social requirement to ensure that activities defined in the different components prevent and reduce adverse impacts on natural resources or affect communities, and contribute to restore degraded land into integrated productive systems. The ESMF will considered aswell the WBG Environmental and Safety guidelines related to the project intervention (i.e. Agribusiness/Food Production, Livestock, Forestry, etc) When the intervention places are defined, EMP's will prepared for the subprojects including mitigation actions if needed (before the ERPA signed)

The PNN had strong capacities and tools as a "Road map to create new Protected Areas (PA)". This tools includes the preparatory steps for the identification and declaration of protected areas, including delimitation and zoning; social participation in the identification and assessment of affected population (indigenous people, farmer, etc) and possible social impacts from proposed activities; and the definition of recommendations for mitigation or assistance measures to be implemented by competent authorities to improve livelihoods and enhance the environmental sustainability of the territory.

Natural Habitats OP/BP 4.04

Yes

Biodiverse Savannas of the Orinoquia region are recognized globally as centers of high ecosystem and biodiversity. The agro-industrial development promoted in the Orinoquia region has significantly



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impacted the biological diversity, the water cycle and ecosystem services. The proposed operation is expected to have significant positive impacts on natural habitats in Orinoquia, promoting new land uses models that sustain economic develop promoting multiple use landscape management and increase critical conservation areas that should be protected to preserve and enhance the delivery of environmental services at landscape level., while maintain ecological integrity at a territorial level.

The application of this policy as well seeks to ensure that all options proposed related with the expansion or creation of Natural Protected Areas under the operation will take into account the Management Plans of the AP's and biodiversity conservation criteria's in the jurisdiction of the program. The Government has committed to increase protected areas (PA) and define the sustainable financial mecanismos for the PA system, as a recognition of the importance of PA as a climate change solution to resilience of the ecosystems to potential extreme weather events.

Forests OP/BP 4.36

Yes

Orinoquia region now ranks second in terms of deforestation with an annual loss of 1.3% of forested areas. The activities identified in the different components of the operation, are expected to have significant positive impacts on forests, reduce deforestation and forest degradation, since the promoting new land uses models with multiple use landscape incorporating an important component of reforestation and conservation of existing forest areas in a sustainable management context. The Project activities will be conducted in important forest areas as well, to promote a multiple-use landscape management including forestry management. The adequate measures regarding forest management are included in the ESMF

The ESMF will reflect the requirements of the Bank's Operational Policy regarding forest management, certification program in particular these relate to the ER-Program.

Pest Management OP 4.09

YES

This policy is triggered to prevent the use of hazardous agrochemicals related to agricultural and reforestation subproject defined. Even though critical issues related to pest management will be address as part of the ESMF.

The project promotes the adoption of low-carbon and sustainable agricultural practices in productive landscapes, and suggested as potential eligible



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subprojects, activities or intervention compatibles and combined as silvopastoral, agropastoral, agroforestry, agrosilvopastoral schemes, which can use pests and fertilizers biological control in the cropping arrangements, complementing plants nutritionally and prevent the spread of pests. The only potential impact identified as possible could be water pollution due to inappropriate and excessive use of pesticides or fertilizers. Being a sensitive subject, however, emphasis will be placed on the regulations, specifications related to use of pesticides, and specific supervision of this aspect in the planning and design of activities within the sustainability criteria that will be included in the ESMF. Even when the project will not finance pesticides acquisition

Physical Cultural Resources OP/BP 4.11 Yes

At this stage, is triggered as a precautionary action since the interventions site is not defined. However, is considered highly probable its application given that some of the forests or landscapes involved in the region, are likely to have historical or cultural significance to local communities (including spirit and sacred areas). The ESMF will include screening provisions for evaluating potential impacts and provide specific guidance

This policy is triggered due to the existence of Indigenous Reserves (Resguardos) located in the Project's intervention area. During the project preparation phase, a Social Assessment (SA), and an Indigenous Peoples Planning Framework (IPPF) will be developed.

Indigenous Peoples OP/BP 4.10 Yes

**Social Assessment (SA)**

The Social Assessment will identify the "Resguardos" existing in the area of influence of the project. The participatory methodology will also explore opportunities for carrying out culturally appropriate forums respecting to gender and intergenerational attendance.

**Indigenous Peoples Planning Framework (IPPF)**

IPPF will establish the actions and strategies to prevent and mitigate possible negative impacts to the indigenous population recognizing their collective rights through i) the design and execution of prior consultation process and the implementation of agreements with communities and indigenous territories certified by the of the Ministry of Interior and ii) providing clear and flexible guidelines



procedures for the development of Indigenous Peoples Plans (IPP) for each “Resguardos” identified during the Social Assessment (developed at the ERPA signed).

The IPPF will include also the documentation that systematizes the consultation process, results, and how issues raised in the consultation, were addressed in the IPPF design. The Resguardos that could be involved in the project’s intervention area will be identified and determinate by the Minister of interior as the entity responsible for the consultation process in Colombia.

**Indigenous Peoples Plans (IPP)**

The IPPs will be developed with the complete collaboration of Indigenous Leaders and Traditional Authorities of the Indigenous “Resguardos” in the intervention area of the project through a participatory methodology. The IPP will be based on the legal framework applicable to “Resguardos” which recognizes the collective rights of indigenous peoples, free prior informed consultations of affected IPs, rights to territory, as territorial entities, collective ownership of the “Resguardos”.

All the Safeguards instruments will be prepared according to Colombian laws concerning to “Resguardos”.

The project triggers OP4.12 Involuntary Resettlement given that some activities under the program may involve restrictions of access to natural resources (no Physical relocation or land acquisition is anticipated as a result of the program).

The Process Framework (PF) will be prepared establishes the circumstances, place and time to make a social diagnosis of the territory through participatory methodologies and identify the vulnerability of involuntary restrictions on access to natural resources. This methodology also defines the necessary preventive and mitigation actions that will be implemented in the project. The FP includes the “Roads maps road maps to create new protected areas” and the Management Plan of the different protected areas.

PF would be prepared during project preparation and

Involuntary Resettlement OP/BP 4.12      Yes





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publically disseminated prior to appraisal. This Process Framework would describe the participatory process by which communities, indigenous people and the project's authorities or other relevant implementing agencies will jointly recommend land-or resource-use restrictions and decide on measures to mitigate any significant adverse impacts of these restrictions

During project implementation, Action Plans - describing specific measures to assist people adversely affected by the proposed restrictions - would be submitted for approval by the Bank before the enforcement of the restrictions.

In addition, a benefit-sharing mechanism will be adopted before any payment for carbon can be made under the ER Program

Safety of Dams OP/BP 4.37

No

This policy is not triggered given that the project will not support the construction or rehabilitation of dams nor will support other investments which rely on the services of existing dams.

Projects on International Waterways OP/BP 7.50

No

Even though the Orinoquia region limits are marked by the Arauca, Meta, and Orinoco rivers, which form the natural boundaries with Venezuela, the policy is not trigger because the type of interventions are not related with constructive processes that affect the quality or quantity of water rivers or affluent of rivers in the Orinoquia Watershed. The interventions do not involve hydroelectric, irrigation, flood control, navigation, drainage, water and sewage, or similar projects involving the use or possible contamination of international watercourses described before.

The project promotes the adoption of low-carbon and sustainable agricultural practices in productive landscapes, and suggested as potential eligible subprojects, activities or intervention compatibles and combined as silvopastoril, agropastoril, agroforestry, agrosilvopastoral schemes, which can use pests and fertilizers biological control in the cropping arrangements, complementing plants nutritionally and prevent the spread of pests. The only potential impact identified as possible could be water pollution due to inappropriate practices and excessive use of pesticides or fertilizers. Being a sensitive subject, however, emphasis will be placed on the regulations, specifications related to use of pesticides, and specific supervision of this aspect in



the planning and design of activities within the sustainability criteria that will be included in the ESMF.

Anyway, the possible intervention areas will be analyzed during the identification process more accurately to provide preventive criteria's of negative impact generated that could be related with superficial and underground bodies of water in the watersheds

Projects in Disputed Areas OP/BP 7.60 No

This policy should not be triggered because the proposed project will not affect disputed areas as defined under the policy.

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<b>E. SAFEGUARD PREPARATION PLAN</b>	
<b>1.</b>	<b>Tentative target date for preparing the Appraisal Stage ISDS:</b>
	July 2017
<b>2.</b>	<b>Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing should be specified in the Appraisal-stage ISDS.</b>
	<p>It is expected that the Process of systemizing information, EA integration and the consequent ESMF of Orinoquia Region will be ready and consulted prior to Appraisal. The ESMF will cover all policy requirements including social assessment and free, prior and informed consultations under 4.10, specific Assessments (including Land Tenure and Resource Rights in the jurisdiction) should be conducted to inform and strengthen the preparation of the social safeguards frameworks (IPPF and PF) proposed for the program. The preparation of the EMSF should be consider as input in the Orinoquia's region SESA process and could be the basis to design the ESMF-REDD+.</p> <p>During preparation of the proposed operation, the specific safeguards instruments (as ESMP's for the specific pilot intervention) will be prepared before the ERPA.</p>

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**Approved By**

Safeguards Advisor:		
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