



# PROJECT IDENTIFICATION FORM (PIF)

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: GEF Trust Fund**

## **PART I: PROJECT IDENTIFICATION**

Project Title:	Conservation of biodiversity in landscapes impacted by mining in the Chocó Biogeographic Region		
Country(ies):	Colombia	GEF Project ID:	4916
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5035
Other Executing Partner(s):	Ministry of the Environment and Sustainable Development (MADS), Ministry of Mining and Energy (MME); National Parks of Colombia; Regional Autonomous Corporations (CARs) and local governments; IIAP and WWF .	Submission Date:	March 31, 2012
GEF Focal Area (s):	Biodiversity	Project Duration (Months):	60
Name of parent program:	n/a	Agency Fee (\$):	585,000

### **A. FOCAL AREA STRATEGY FRAMEWORK:**

<b>Focal Area Objectives</b>	<b>Expected FA Outcomes</b>	<b>Expected FA Outputs</b>	<b>Trust Fund</b>	<b>Indicative grant (\$)</b>	<b>Indicative co-financing (\$)</b>
BD-1. Improve sustainability of protected area systems	Outcome 1.1 Improved management effectiveness of existing and new protected areas	Output 1. New protected areas (2) and coverage (205000 ha) of unprotected ecosystems	GEFTF	4,571,429	25,292,076
BD-2. Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors	Outcome 2.1. Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation Outcome 2.2 Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks	Output 1. Policies and regulatory frameworks (3) for production sectors Output 2. National and sub-national land-use plans (5) that incorporate biodiversity and ecosystem services valuation	GEFTF	1,000,000	13,029,251
Sub-total				5,571,429	38,321,327
Project management cost			GEFTF	278,571	1,916,066
<b>Total project cost</b>				<b>5,850,000</b>	<b>40,237,393</b>

### **B. PROJECT FRAMEWORK:**

**Project Objective:** To safeguard biodiversity in the Chocó biogeographic region from the direct impacts of gold, silver and platinum mining and indirect impacts of mining [population growth and development of agriculture, forestry, fisheries and other sectors]

<b>Project Component</b>	<b>Grant type</b>	<b>Expected Outcomes</b>	<b>Expected Outputs</b>	<b>Trust Fund</b>	<b>Financing from relevant TF, (\$)</b>	<b>Indicative co-financing, (\$)</b>
1. The Policy, legal and planning framework in the mining sector addresses the direct threats to biodiversity from mining operations	TA	- Legal, policy and planning instruments at the national level incorporate environmental and social criteria to prevent/mitigate, and offset the direct impact of mining activity on biodiversity over an area of 4 m ha. - Improvement in capacity of selected national and regional organizations to apply the revised policy and regulatory mining framework. This improvement in capacity is measured with UNDP's Capacity Development	-The Mining Code, Environmental License and Environmental Impact Assessment Framework include requirements to prevent/mitigate and offset the impact of mining activities on biodiversity (including clearance of sensitive areas, mine tailings disposal and pollution to aquatic ecosystems). - The National Mining Land Use Plan includes a Strategic Environmental Analysis (SEA) of the territory with emphasis on biodiversity considerations and the SEA recommendations become requirements for applicants seeking an Environmental License for mining. - Rural development law and/or related	GEF	1,000,000	13,029,251

		Scorecard (baseline to be defined during the PPG phase).	<p>decrees, resolutions and planning instruments include environmental/biodiversity criteria and are linked to the mining Environmental Licensing process.</p> <ul style="list-style-type: none"> <li>- Information system on environmental management conditions, licensing and mining titles strengthens decision-making processes and facilitates compliance and monitoring of impacts on biodiversity.</li> <li>- Protocol with technical and economic guidelines to move forward recovery and restoration processes in areas degraded by mining activity, focused on biodiversity and ecosystem processes.</li> <li>- Training program institutionalized and 300 people trained by end of the project, targeting the National Environmental Licensing Agency and Regional Autonomous Corporations, municipalities community councils and indigenous resguardos working in the Chocó</li> </ul>			
2. Protection of biodiversity in areas highly vulnerable to the indirect effects of mining	TA	<ul style="list-style-type: none"> <li>- Improvement in capacity of Regional Autonomous Corporations, Municipalities and community level organizations to generate, use and share geographic, socio-economic, and bio-physical information needed for spatial planning and management purposes that take into consideration the indirect impacts of mining. This improvement in capacity is measured with UNDP's Capacity Development Scorecard (baseline to be defined during the PPG phase).</li> <li>- Effective deployment of financial and human resources address cumulative indirect threats of mining (inappropriate infrastructure placement, including roads, farming, forestry, bush meat harvesting and other development triggered by an increase in disposable incomes from mining activities); effective surveillance and enforcement over an area covering 2 m ha.</li> <li>- Five protected areas (two of them are new) protect 205,000 hectares of priority ecosystems in zones that are under high risk of development pressures. Biological indicators of selected species remain stable in at least two of these PAs (species and baseline values will be determined during the PPG</li> </ul>	<p><u>Conservation - Compatible Development</u></p> <ul style="list-style-type: none"> <li>- Five Territorial Land Use Plans (POT) covering an area of 2 m ha delimit areas for development, including infrastructure placement, placement of settlements, farming and forestry, taking into account BD importance (The POTs use data from GIS based information systems and specify conservation strategies for designated sensitive areas).</li> <li>- Enforcement capabilities of regulatory bodies emplaced: compliance monitoring with planning structures set out in the POT; aerial surveys and other surveillance measures to assess compliance; improved policing and prosecution of malfeasance</li> </ul> <p><u>Additional Measures to Secure Critical Habitats</u></p> <ul style="list-style-type: none"> <li>- Five participatory management plans for protected areas and two land management/ sustainable use plans for Indigenous Reserves/Afro-Colombian territories that are likely to be affected by indirect development activities stimulated by the mining economy. Plans specify management measures to address threats from encroachment, fire and hunting for the bush meat markets.</li> <li>- Gazettal of 2 new multiple use PAs covering 70,000 ha (legal gazettal and boundary demarcation)</li> <li>- Strengthened institutional and community capacity for 200 people (know how and equipment and other needs) for planning, administration, surveillance and control of protected</li> </ul>	GEFT	4,571,429	25,292,076

	<p>phase).</p> <ul style="list-style-type: none"> <li>- Management effectiveness of 5 protected areas improves by XX% according to the management effectiveness Scorecard (baseline and target scores to be determined during the PPG phase)</li> <li>- Biodiversity management and connectivity amongst forest fragments is improved through Landscape Management Tools (i.e., natural rehabilitation agroforestry systems, etc) in 15,000 hectares of fragmented forests important for conservation of biodiversity.</li> </ul>	<p>areas.</p> <ul style="list-style-type: none"> <li>- Two voluntary market financed pilot projects for the generation of income in multiple-use protected areas by means of REDD+ provide a utilitarian incentive for the conservation of forest blocks covering 70,000 ha in the new PAs<sup>1</sup>.</li> <li>- Sustainable use management system for wild resources harvested by communities including bush meat and non timber forest products to address impacts derived from commoditization of the resources: establishment of sustainable off take levels, permissible harvest measures; conservation safeguards (including no take areas), monitoring and enforcement system by indigenous and Afro-Colombian communities.</li> <li>- Fifteen hundred hectares of restoration pilot projects for degraded areas established on the basis of protocols developed in Component 1. (with co-financing).</li> </ul>			
Sub-total				5,571,429	38,321,327
Project Management Cost				278,571	1,916,066
<b>Total project costs</b>				<b>5,850,000</b>	<b>40,237,393</b>

### C. INDICATIVE CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME IF AVAILABLE, (\$)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
National Government	Ministry of the Environment and Sustainable Development (MADS)	In-kind	294,165
		Grant	2,824,769
National Government	Ministry of Mining and Energy	Grant	121,000
National Government	National Authority of Environmental Licensing	Grant	2,074,226
National Government	National Parks Office	Grant	2,150,000
Bilateral Agency	USAID	Grant	2,150,000
Regional Government	Regional Autonomous Corporation of Chocó (CodeChocó)	Grant	1,680,875
Regional Government	Regional Autonomous Corporation of Nariño (Corponariño)	Grant	1,826,020
Regional Government	Regional Autonomous Corporation of Cauca (CRC)	Grant	3,844,360
Regional Government	Regional Autonomous Corporation of Valle del Cauca (CVC)	Grant	10,515,049
Regional Government	Regional Autonomous Corporation of Uraba (Corpouaba)	Grant	2,840,879
Regional Government	Instituto de Investigaciones del Pacifico	Grant	2,200,000
Private Sector	Mining companies (to be confirmed)	Unknown at this stage	5,000,000
NGO	WWF	Grant	1,116,050
NGO	MacArthur Foundation	Grant	300,000
GEF Agency	UNDP	Grant	1,300,000
<b>Total Co-financing</b>			<b>40,237,393</b>

### D. GEF/LDCF/SCCF/NPIF RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Type of Trust Fund	Focal area	Country name/Global	Project amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	Biodiversity	Colombia	5,850,000	585,000	6,435,000

<sup>1</sup> Avoided emissions due to tropical rainforest deforestation: 214,017 tCO<sub>2</sub> over a 5-year period (baseline area = 70,000 ha; aboveground biomass).

## **PART II: PROJECT JUSTIFICATION**

### **A. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:**

#### **A.1. THE GEF FOCAL AREA STRATEGIES:**

Colombia has significant mineral resources, located in remote areas of the country which are also storehouses of globally significant biodiversity. Many of these areas are still largely pristine, with high levels of ecological integrity; a case in point is the globally important Chocó biogeographic region. In the medium to long term, the mining sector is projected to grow, and unless the sector is effectively managed, this will have an adverse impact on biodiversity. This project is designed as a precautionary measure, to ensure that mining development does not occur at the expense of biodiversity. The project will address 2 sets of issues: 1) put in place incremental safeguards to protect biodiversity, by modifying policies and legislation governing the mining sector and elaborating the measures to reduce and mitigate impacts over and above baseline requirements. This includes building the institutional capacity for a mining offsets programme (where mining cannot be avoided or the impacts effectively mitigated) to protect equivalent biodiversity threatened by other anthropogenic pressures, and to strengthen the compliance monitoring and enforcement system; 2) develop the capabilities of the state to manage the indirect threats of mining (i.e., increased population in the mining regions, placement of infrastructure, roads, expansion of farms ) in biodiversity-rich landscapes in the Chocó biogeographic region. These indirect impacts of mining constitute a major externality, in that the impacts arise from the economic stimulus provided by numerous mines, operated by different companies, and the impacts are cumulative, well beyond the operations of any specific company. There is a role for the State to regulate these broader impacts. The mining companies will be required to underwrite the costs of mitigating direct threats (i.e., pollution, and rehabilitation).

The project is framed within the first two BD focal area objectives (i.e., *BD1-Improve Sustainability of Protected Area Systems and BD-2 Mainstream biodiversity conservation and sustainable use into production landscapes, seascapes and sectors*). Under BD-1, the project will contribute to achieving Outcome 1.1 (*Improved management effectiveness of existing and new protected areas*) by: a) declaring two new multiple use areas in particularly vulnerable and important biodiversity refugia and strengthening the management effectiveness of existing protected areas as a precautionary measure against existing and future mining development efforts in the Chocó biogeographic region. Under BD-2, the project will contribute to Outcome 2.1 (*Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation*) through the development and operationalisation of participatory regional land use plans to manage the indirect impacts of mining in sensitive areas. The project will also contribute towards the realization of Outcome 2.1 (*Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks*) as it will incorporate measures in the national mining legislation, and policy and planning framework to protect biodiversity of global importance from the direct impacts of mining. Project interventions will contribute to the Aichi Nagoya Targets 4 (*By 2020, Governments, business and stakeholders at all levels have taken steps to achieve or have implemented plans for sustainable production and consumption and have kept the impacts of use of natural resources well within safe ecological limits*), 5 (*By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced*), 7 (*By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity*), 8 (*By 2020, pollution, including from excess nutrients, has been brought to levels that are not detrimental to ecosystem function and biodiversity*) and 12 (*By 2020 the extinction of known threatened species has been prevented and their conservation status, particularly of those most in decline, has been improved*).

#### **A.2. NATIONAL STRATEGIES AND PLANS OR REPORTS AND ASSESSMENTS UNDER RELEVANT CONVENTIONS:**

This project presents a unique and timely opportunity to address the projected mining threat and associated pressures from accompanying physical development and the growth of other economic sectors, spurred by an increase in mining incomes in the Colombian Chocó. The current political climate is supportive of these measures and the government is ready to ensure that the growing mining sector incorporates environmental and social criteria to prevent, mitigate and offset the impact of mining on biodiversity. The project directly addresses Colombia's National Biodiversity Policy (1996), by promoting the declaration of PAs in areas with sub optimal PA coverage and reducing the pressures on biodiversity from the production activities of different economic sectors. The project is also consistent with the National Policy for Integrated Management of Biodiversity and Ecosystem Services (PNGIBSE) (2011), which establishes the need to advance biodiversity conservation objectives through the policies, strategies and investments of economic sectors such as mining. In addition, PNGIBSE emphasizes the need to integrate BD conservation objectives into regional planning activities governing the allocation and management of cross sectoral land uses, including the placement of infrastructure in

ecologically sensitive areas. Project interventions aimed at strengthening the planning and regulatory framework for land use are underscored by Law 388 of 1997, and Law 1450 of 2011, which require that all Municipalities develop land use plans, and make provisions for enforceable land use zoning taking into account broader environmental management objectives. These needs are also underscored in other policy instruments such as the National Forest Policy (1996) and the National Forestry Development Plan (2000). In addition, the national REDD+ strategy seeks to promote the implementation of REDD+ pilot projects in the country; this is driven by CONPES 3700, which presents the “Institutional strategy for the articulation of policies and actions regarding climate change” (2011).

## **PROJECT OVERVIEW**

### **B.1. DESCRIBE THE BASELINE PROJECT AND THE PROBLEM THAT IT SEEKS TO ADDRESS:**

Colombia is one of just 17 countries classified as ‘megadiverse’, due in part to the fact that it incorporates significant areas of the species rich Chocó, Andes and Amazon bioregions. The country covers 1.14 million square km and is composed of three large terrestrial biomes: the tropical humid forest covering 105.6 m ha (92.5%), tropical dry forest covering 7.6 m ha (6.7%) and tropical desert covering 0.75 m ha (0.7%). Each of these biomes supports several habitat types: natural forests, for example, cover 61.2 m ha, which correspond to 53.5% of the country’s land territory. Among the most representative types of native forest are: (i) tropical humid (50.8 m ha); (ii) Andean and other montane systems (9.8 m ha); and (iii) tropical dry forests (0.20 m ha). These ecosystems are home to 1,879 bird species, 754 species of amphibians, and about 45,000 plant species. One of the most important storehouses of globally important biodiversity is found in the Chocó Biogeographic Province. This region--a Biodiversity Hotspot--lies between the frontiers of Panama and Ecuador and extends along the entire Pacific coast of Colombia West of the Andes. The Colombian Chocó has a total area of 11.9 m ha (within the departments of Antioquia, Chocó, Risaralda, Valle del Cauca, Cauca, and Nariño). Although large swathes of the Chocó as a whole are highly threatened, the ecological integrity of the Colombian Chocó remains largely intact: about 70% of the original forest cover remains extant (equating to 8,374,468 ha). The predominant forest type is tropical moist forest. The Chocó region is considered to harbor the world’s most biodiverse forests measured in terms of plant species richness and endemism, due to a combination of evolutionary and ecological factors. Of the approximately 45,000 species registered in Colombia, between 7-8,000 (2,000 of which are endemic) are located in the Chocó. The faunal diversity register is similarly spectacular (800 species of birds--100 endemic species, 195 amphibian species--88% endemic, 210 reptile species--47% endemic and 180 mammals species--6.6% endemic). The mean annual temperature is about 24°C, with a maximum average of 30°C and a minimum of 18.6°C. The Chocó is probably the only ecoregion of this size with such high rainfall levels, from 4,000 to more than 9,000 (mm) per year.

Approximately 95% of the population of the Colombian Chocó are Afro-Colombian or Native American. The remaining 5% are mestizos that have migrated to the region from other parts of Colombia. According to the latest national census data, the Afro-Colombian population is 1.3 m and the indigenous population is approximately 32,000.

In Colombia, the environmental sector is governed by the National Environmental System (SINA) which provides the guidelines, standards, activities, and resources for the advancement of environmental principles contained in Law 99 of 1993<sup>2</sup>. SINA is led and coordinated by the Ministry of Environment and Sustainable Development. The Ministry dictates environmental policy at a national level. Specifically, the Ministry establishes environmental rules and criteria that must be incorporated into all land use planning processes at the different levels, regions and sectors (including the Mining sector) in order to ensure the conservation and sustainable use of natural resources. Regional Autonomous Corporations have been set up to execute the Ministry’s activities at a local level, within the frame of SINA. They are in charge of implementing all environmental policies according to regulations, standards and guidelines issued by the parent Ministry. The Regional Autonomous Corporations also dictate key environmental criteria used for land use planning by municipalities.

#### Threats to Biodiversity

Colombia is one of the top three countries in the World ranked by mining potential<sup>3</sup> and the industry is growing at a very rapid rate. For example, between 2007 and 2008 the mining concessions granted increased from 2,711 to 7,343 covering about 4 million hectares nationwide. Current data indicates that gold, silver and platinum mining will increase dramatically in the Chocó biogeographic region. Presently, only 24 mining concessions have received an environmental license; however an additional 1,790 mining requests are being processed. While the current 24 mining concessions cover 3,139 ha, the 1,790 requests would cover 3.63 m ha generating a significant impact as these areas coincide with areas of high

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<sup>2</sup> This law established the Ministry of the Environment and the National Environmental System (SINA). This law is also compilation of rules which established a hierarchical system of environmental agencies and include rules which determine the fines and penalties imposed for violation of environmental laws.

<sup>3</sup> Assuming no land use restrictions in place and assuming industries best practices. Source: McMahon F. and M. Cervantes. 2011. Survey of Mining Companies 2010/2011. The Fraser Institute.

biodiversity. This issue is compounded by illegal mining but there is no accurate information on the number of such mines or production levels. About 32% of the 93 municipalities located within the region already have some level of gold, silver and platinum mining occurring which is expected to grow as indicated above. This growing trend poses significant **direct and indirect threats** to biodiversity—the latter caused by the fact that mining results in a major local economic stimulus that can spawn unsustainable development.

The direct and indirect threats of mining are differentiated based on the stage of operation, as follows:

*(i) Feasibility and mineral exploration:* before mining takes place, minerals have to be discovered and the economic and technical feasibility of mining has to be demonstrated. This phase involves satellite imaging, conducting airborne geophysical surveys, and preparing geological maps, activities conducted by remote without on-site impacts. However, subsequent site evaluation and exploration activities require drilling and sampling, necessitating the construction of roads to facilitate vehicular access. The **direct threats** are typically temporary and they include displacement of wildlife, and localized habitat degradation. But this phase can also lead to **indirect threats** to biodiversity as a result of road construction, which may make remote areas accessible for forestry operations and farm expansion; *(ii) Mine development and mineral extraction:* After economic and technical feasibility is determined, construction and extraction may begin. In general, deposits within 100 m of the surface are extracted from open pit mines and those at greater depths come from underground mines. Construction and extraction require the removal of the vegetative cover and topsoil and drilling, blasting, excavation, and the construction of road arteries, rail lines, and/or conveyor systems. The **direct impacts** of these activities on biodiversity include pollution, and habitat loss and degradation at the mine site, the scale of which will depend on the type of mine and the scale of mining operations. Waste rock disposal is of particular concern, because if not managed properly, it can contaminate ground and surface water. Tailings specifically, contain trace quantities of metals found in the host ore, as well as added compounds used in the extraction process. These can contain arsenic, lead, zinc, cadmium, cyanide, mercury, and other chemicals which can have serious impacts on wildlife health cascading up the food chain. However, from a biodiversity perspective, the **indirect impacts** of mining are of potentially greater concern. Indirect threats result from a conjunction of multiple mining activities operated by different companies. Specifically, mining can be a major driver of economic activities, creating jobs and demand for food stuffs, timber and natural resources in remote areas. This can lead to an influx of people into these regions and the expansion of farms, logging and other activities to service the demand for raw materials and leading to habitat destruction, overexploitation and additional pollution. Unless the activities of these multiple economic sectors is effectively managed at the landscape level—the upshot could be accelerating biodiversity loss, and the fragmentation of natural habitats.

The Colombian government, NGOs and other organizations are very concerned about the afore-mentioned impacts of mining and have underscored the importance of controlling this activity not only nationwide but in the Chocó specifically as a precautionary measure, when the region is still largely intact—and before changes in development and consumption patterns cause irreversible impacts on biodiversity. The Long term solution is to effectively mainstream biodiversity management objectives and safeguards into the operations of the mining sector, and more specifically at a landscape level, across production sectors likely to grow as a result of mining and expected population growth and changing consumption patterns.

The baseline project includes a number of measures aimed at managing the mining sector—which contribute to the said long term solution.

*1) The Policy legal and planning frameworks for environmental management of the mining sector (US\$20,416,130):* In Colombia, mining requires the issuance of a Mining Title and an Environmental License granted by the Ministry of Mines and Energy and the Ministry of Environment and Sustainable Development respectively. Decree 2820 of 2010 lays out the requirements for obtaining an Environmental License. Depending on the expected production capacity of the mine (i.e., tons/year) license applications can be submitted either to the National Agency of Environmental Licenses (ANLA) or the Regional Autonomous Corporation for review and approval. This application must include the following documentation: (i) an Environmental Impact Assessment; (ii) a certificate from the Ministry of Interior and Justice on the presence of ethnic communities on the mining site; (iii) a certificate from the Colombian Institute for Rural development (INCODER) on whether the mine is located on land owned by indigenous or Afro-Colombian communities and; (iv) copy of the mining title provided by the National Mining Registry. If the mining area is found inside a Forestry Reserve, then the applicant must request the Environment Ministry to degazette the area from the Reserve before the license application is submitted for approval. In addition, if the mining operation is likely to affect indigenous or Afro-Colombian communities then the miner is required to initiate a consultation process according to Convention 169 on Indigenous and Tribal Peoples and national Law 21 of 1991 which approves this convention. Regarding enforcement, the Ministry of Environment and

Sustainable Development, the Regional Autonomous Corporations (CAR), and municipalities are designated as the responsible entities. The Government is taking measures under the 2012 Action Plan of the Ministry of Environment and Sustainable Development, to strengthen policies, plans and strategies for environmental management within key production sectors such as the mining at the national, regional and local level. As such, the Ministry of Mines and Energy and the Ministry of Environment and Sustainable Development have a shared agenda to ensure that the mining sector is managed according to internationally recognized environmental standards and procedures. In addition, the Ministry of Environment and Sustainable Development is: (i) designing an information management system regarding the use of natural resources derived from the mining activity; (ii) building the capacity of the environmental units of the Mining and Energy Ministry; (iii) supporting the incorporation of environmental considerations into the mining sector licensing requirements and (iv) facilitating implementation of cleaner production projects in the traditional/artisanal gold mining industry. The Ministry of Environment and Sustainable Development is undergoing an institutional reform process; the National Authority of Environmental Licensing was recently created to oversee the environmental licensing process. The National Authority of Environmental Licensing is investing in: (i) strengthening operational and technical capacity to meet the demands for environmental licensing processes; (ii) developing and implementing environmental performance indicators that will provide information to support decision making; and (iii) strengthening access to information through web based portals.

*2) Protection of biodiversity and ecosystem services across production landscapes in the Chocó Biogeographic Region (US\$30.7 m):* Colombia's biodiversity protection efforts have heretofore been advanced mainly through the vehicle of protected areas, through establishment of the National Protected Area System (SINAP). The SINAP is characterized by the following elements: (1) it includes multiple categories of protected areas under different national, regional and local management regimes; (2) it establishes coordination mechanisms among the organizations that are part of the system; (3) it seeks to facilitate the resolution of legal, political, and management conflicts among the organizations that are part of the system; and (4) it promotes the establishment of regional and local systems of protected areas known as SIRAPs and SIDAPs, respectively, as part of its structure. Efforts are under way to establish the Pacific SIRAP. Colombia currently has 486 PAs classified within different management categories. Of these, 110 PAs are managed at the national level, with a total area of approximately 18.2 m ha. At the regional level there are 257 areas covering 4 m ha, while at the local level, there are 119 areas covering approximately 156,000 ha. The System of National Natural Parks of Colombia (SPNN) – which encompasses sites with the highest legal protection status— comprises 55 declared PAs, which cover approximately 12.6 m ha. A total of 686,558 ha of PAs have been established in the Chocó region, classified under the following categories: 8 National Parks (494,164 ha), 10 Protection Forestry Reserves (176,653), 3 Regional National Parks (13,455 ha), 1 Integrated Management District and 13 Civil Society Natural Reserves (1,275). In 1959, the Colombian government created Law 2 to establish Forest Reserves in several parts of the country with the aim of both developing a sustainable forest-based economy and protecting soils and water sources. The Pacific Forest Reserve was originally demarcated with an area of 11.1 m ha but between 1964 and 2008, 29.9% of this reserve was allocated to other land uses, including urban settlements. The current reserve covers some 8 m ha and is undergoing a process of environmental planning/zoning with a view to better safeguarding biodiversity and cultural diversity. Nearly 65% of the existing forest reserve area has been legally titled to Afro-Colombian (i.e., 5.1 m ha) groups and about 26% has been allocated to indigenous communities (i.e., 2.1 m ha). About 17.4% of the current forest reserve, an area covering 1.3 m ha, lies within the national protected area system. This includes PAs within SINAP.

The total 4 year budget plan for the National Park Service (2010-2014) has increased more than 50% (from US\$9.7 m to US\$22.7 m) compared with the previous period. Nevertheless, the country faces a financing gap amounting to US \$16.3 m, between current funding and that needed for effective management. The resources allocated for operation and investment in the national parks of Katíos, Farallones, Sanquianga and Utria are US\$1,530,000 and US\$4,463,466 respectively. The National Parks Department will define conservation priorities and develop the regional system of protected areas in the Pacific Sub-system of Protected Areas (SIRAP Pacifico). This exercise will be complemented by a number of initiatives carried out by the Research Institute of the Pacific (IIAP) and Regional Autonomous Corporations. IIAP, for example, will invest US\$200,000 on the development of a methodological tool to prioritize strategic ecosystems based on biological/socio-economic criteria and vulnerability. This activity is focused on the wetland complex in the Middle Atrato River basin of the Chocó Department. IIAP is investing US\$300,000 to strengthen the regional information log on development activities.

The Ministry of Environment and Sustainable Development will invest US\$221,000 to update the Forest Reserve legal framework (Law 2 of 1959) with a component focused on improving the process of regulating development. The Ministry will also invest US\$81,000 in providing technical support for Regional Autonomous Corporations in regions with high

deforestation rates. It will also update the forest cover map of the country, which will provide information on the multiple threats facing project ecosystems. The Ministry of Environment and Sustainable Development will invest US\$81,603 to strengthen the law governing zoning and use of forest ecosystems nationwide, including the Chocó region. Components related to this project will improve capacities to protect forest areas from contra conservation development. The Regional Autonomous Corporations of Uraba (Corpourabá) Chocó (CodeChocó), Cauca and Cauca Valley (CVC and CRC) will invest US\$17 million in aggregate to support biodiversity management, including for land use planning and subsequent enforcement

WWF will invest US\$1,116,050 to identify and implement measures to build resilience of protected areas against impacts derived from climate change and unsustainable uses of natural resources such as mining. This initiative will be carried out in the Gorgona and Sanquianga National Parks and will involve local stakeholders in the planning and implementation process. This effort is part of WWF’s initiative “Implementing Climate Adaptation Strategies in the World’s Most Outstanding Natural Places (funded by the European Union). Also, WWF will execute US\$300,000 from MacArthur Foundation to update existing assessments of state, pressure and threats to biodiversity in the Chocó Darien Ecoregional Complex and define regional vulnerability to climate change. The project will assess the ecological integrity of forest ecosystems and key threats to regional biodiversity providing essential information for this GEF proposal. Finally, USAID will invest US\$2,150,000 from its Natural Heritage - Protected Areas and Biodiversity Trust Fund to strengthen institutional capacity and governance in protected areas and surrounding areas in the Chocó to promote conservation compatible livelihoods.

The baseline projects, while significant are not sufficient to achieve the expressed long-term solution to address threats to biodiversity. There are two barriers to achievement of the solution—hampering efforts to reduce the direct and indirect impacts of mining:

<p>Direct Impacts:</p> <p>Legal, policy, planning and institutional instruments for regulating the mining industry are inadequate and ineffective in terms of averting direct mining threats to biodiversity</p>	<p>Colombia’s current legal, policy, planning, and institutional instruments for regulating the mining industry – while being strengthened to address general environmental concerns and human health aspects, are deficient in dealing with biodiversity management needs specifically. The Mining Code, for example, has not evolved taking into consideration technological developments in the industry, as they affect biodiversity and also does not specify sanctions and penalties that may be imposed in the case of environmental infractions affecting biodiversity. The environmental impact hierarchy—avoid, reduce, mitigate and offset, specifically as it relates to biodiversity is deficient. This is because “no go” areas have not been defined, based on spatial priorities and an assessment of tradeoffs and specific management needs for biodiversity to be addressed under the mitigation step have not been assessed, articulated in guidelines or incorporated into licensing conditions. The country is currently working on a proposal for an offsets policy and manual. While the policy proposal is ready, the offsets manual still needs some work and capacities to plan, negotiate and regulate offsets need to be built. Also, the renewal of licenses should be contingent on compliance with biodiversity standards and licensing conditions.</p> <p>The government lacks an information system that provides up to date information on the status of licenses, production volume, current production status of the mine and the effectiveness of prevention, mitigation and offset measures from a biodiversity management perspective. This issue is compounded by the fact that the Environment and Sustainable Development Ministry, the Energy and Mining Ministry, Regional Autonomous Corporations and Municipalities are either understaffed or poorly trained to monitor environmental licenses and enforce the compliance with mitigation and prevention measures. This is a particular problem at the regional level, in the Chocó.</p>
<p>Indirect Impacts:</p> <p>Weak capacity of governmental institutions, and territorial and community stakeholders to manage indirect impacts derived from future mining development in the Chocó Region</p>	<p>Effective management of the indirect impacts derived from mining (see threats) is hampered by the limited capacity of Regional Autonomous Corporations, the National Park Institute, municipalities and Indigenous/Afro-Colombian reserves and councils to plan and execute effective measures that address the cumulative impacts of multiple economic sectors at the landscape level. Across different institutions in the region, the limitations include: (i) territorial land use plans that fail to consider indirect impacts of mining on the forestry, agriculture, and fisheries sectors; (ii) the significant lack of information management systems that would allow the efficient integration of new information regarding indirect impacts into decision-making processes, for example regarding the placement of roads and other infrastructure including settlements; (iii) sub optimal coverage of the PA system—in terms of safeguarding areas of highest biodiversity significance in areas likely to be impacted by indirect pressures; (iv) weak capacity for co-management efforts in indigenous and Afro-Colombian reserves where cooperation between the State and communities will be critical to address threats from hunting and unsustainable utilization of wild resources—which will likely increase as a result of increasing market demand for bush meat and other natural resources; and (v) a limited</p>



	<p>capacity to field-test conservation schemes and agreements (i.e., voluntary payments for REDD+ -- to improve the cost benefit calculus for conservation.</p> <p>There is also a lack of knowledge among staff within Regional Autonomous Corporations, municipalities and some landowners about biodiversity-friendly production systems and techniques and also the application of legal tools and incentives to adopt sustainable production practices while maintaining or increasing household income amongst target communities. The staff of these regional and local organizations in charge of guiding, developing and implementing territorial management plans have limited knowledge of the potential provided by environmentally friendly silvopastoral systems and other schemes needed to maintain connectivity across the landscape and allow for the continued movement of wildlife between major habitat blocks.</p>
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## **B. 2. INCREMENTAL COST REASONING AND THE ASSOCIATED GLOBAL ENVIRONMENTAL BENEFITS:**

The project has been designed to address these barriers, through two complementary components addressing the direct impacts of mining, and the larger indirect development impacts on biodiversity:

**Component 1. The Policy, legal and planning framework in the mining sector addresses the direct threats to biodiversity from mining operations:** This component will incorporate biodiversity management objectives and safeguards into mining operations nationwide by strengthening the policy, legal and planning framework governing the sector. This is geared to ensuring that mining development does not occur at the expense of biodiversity. The project will revise the Mining Code (Law 165 of 2001) in order to prevent mining from occurring in critical biodiversity areas of top global importance. In addition the project will revise the Code to incorporate specific criteria to prevent, mitigate and offset the impact of mining activities on biodiversity; further it will ensure that these criteria are taken into account when setting conditions precedent to the issuance of Environmental Licenses. This is an opportune moment to undertake this work, as the Mining Code is being redrafted to take into account the concerns raised by ethnic communities on the current iteration. The project will finance a Strategic Environmental Analysis (SEA) of the direct impacts of mining on biodiversity to inform the National Mining Land Use Planning process. Policy reforms will ensure that SEA recommendations are taken into account in the Environmental Impact Assessments submitted by mining companies as part of their application for an Environmental License. The ability of regulatory bodies to assess tradeoffs and set biodiversity management conditions in the License will be enhanced through the creation of an information system on environmental management conditions, licensing and mining titles. This system will facilitate the listing of companies (seeking new licenses and titles) that have not complied with previous environmental mitigation/protection/rehabilitation obligations and thus increase the risk to companies practicing malfeasance. The Land and Rural Development Law will also be amended to incorporate biodiversity criteria (such as the need to exclude key biodiversity areas from mining) in the land titling process (governing the allocation of land to mining). This work will piggy back on the scheduled review of this Law—making this an opportune time for intervention. Finally, the project will develop a protocol for the rehabilitation of mine site following mine decommissioning—to ensure that biodiversity needs are addressed (planting of native trees and other safeguards).

The revised legal, policy and planning framework reached by this component will be institutionalized through a training program that will train over 300 people. This program will target representatives of the National Environmental Licensing Agency and Regional Autonomous Corporations, municipalities' community councils and indigenous resguardos working in the Chocó. This training program will strengthen the capacity of national, regional and local officials to operationalize the offsets policy that should be in place by the time this project begins as the offsets policy proposal has just been completed and an implementation manual should be ready by July 2012.

**Component 2. Protection of biodiversity in areas highly vulnerable to the indirect effects of mining:** The aim of this component is to manage indirect mining threats in the Chocó region through a two-pronged approach consisting of: 1) Strengthening the conservation of biodiversity through improved management of existing protected areas and the establishment of two new multiple-use PAs and 2) mainstreaming biodiversity principles through effective territorial planning, enforcement, and actions on the ground in production sectors likely to grow as a result of mining.

As part of the first approach the project will focus on ensuring that selected existing PAs (National Parks Orquideas - 37,491.19 ha, Tatama - 22,507.7 ha, and Corredor Farallones/Munchique - 75,000 ha) and the new multiple-use PAs (covering 70,000 ha) are appropriately managed, in accordance with their objectives, biophysical characteristics and social and economic contexts, and the biological requirements of the ecosystems and species that they seek to protect. To this end, 5 participatory management plans will be strengthened/operationalised taking into account other planning instruments such as the Territorial Land Use Plan (POT) and the Strategic Environmental Analysis (SEA) of the National Mining Land

Use Plan (see Component 1). These plans will make provisions for stakeholder participation of indigenous and Afro-Colombian representatives. The project will ensure that the two new multiple-use protected areas (70,000 ha) are declared in an objective manner, based on reliable information regarding the relative conservation priorities of the ecosystems and taxa in question, the nature and magnitude of the threats affecting them and their social, economic and cultural dynamics. The project will also support the development of monitoring systems, databases and information management systems to guide management planning and decision making, in accordance with principles of adaptive management. Effective monitoring and control systems will be institutionalized to ensure the sustainability of natural resource use in the PAs given that the areas in question will be subject to continued, controlled use by local communities.

Two REDD+ pilot projects will be proposed as a sustainable source of economic incentives for the two new multiple use protected areas. These two projects will help reduce deforestation in over 70,000 ha of the proposed new PAs. The REDD+ projects will employ the following methodology: 1) define the limits of the proposed REDD+ project (spatial, temporal, field measurements of the carbon and other GHG emissions sources); 2) analyze the multi-temporal change in land use and vegetative cover in the region of reference during the past 10 to 15 years and project the regeneration potential of the forest; 3) analyze the underlying agents, drivers, and causes of deforestation; 4) project the amount of future deforestation; 5) determine the future deforestation fronts by analyzing the spatial correlation between historical land use and change in coverage and the biophysical and socioeconomic factors (e.g., proximity to highways, slope, population density, among other variables); 6) project future activity in the baseline (i.e., land use and change in land cover baselines), using the results compiled from steps 2, 4, and 5; 7) calculate the transaction, implementation, and opportunity costs associated with land uses in the project area; 8) interpret remote sensing and perform precise and exact estimations based on fieldwork of the expected baseline of carbon reserves and avoided CO2 emissions; 9) interpret remote sensing and perform precise and exact estimations based on fieldwork of the changes in current carbon stocks and avoided CO2 emissions; 10) estimate the expected leakages due to changes in the carbon stocks and avoided CO2 emissions; 11) calculate ex ante the expected net reductions of GHG emissions of anthropogenic origin; 12) monitor the project; 13) calculate ex post the expected net reductions of GHG emissions of anthropogenic origin; and 14) adjust the baseline for the future period of credits. The REDD+ pilot projects will also include a proposal for performance-based payment schemes (i.e., voluntary market) that include precise forest measurements as outlined in the 14-step methodology. The proposal for performance-based payment schemes will be implemented over the life of the project<sup>4</sup>.

Under the second approach (i.e., *Mainstreaming biodiversity principles through effective territorial planning, enforcement, and actions on the ground in production sectors likely to grow as a result of mining*) the project will develop capacities to monitor and ensure compliance on the ground with the policy, legal and planning reforms undertaken as part of component 1. In addition, the project will mainstream biodiversity principles into five territorial plans (POTs) covering over 2 m ha. This instrument will delimit areas for development, including infrastructure and settlement placement, farming and forestry taking into account the presence of key biodiversity habitats. The POTs will be supported by a GIS based information system and guidelines, which will specify conservation strategies for sensitive areas. Planning efforts will be supported by strengthened enforcement and surveillance mechanisms, including aerial surveys.

The planned GEF alternative and derivative global environmental benefits are summarized below:

<b>Current practice (baseline)</b>	<b>Alternative to be put in place by the project</b>	<b>Global Environmental Benefits</b>
Direct impacts of escalating mining activities in the Chocó <ul style="list-style-type: none"> <li>• Pollution of aquatic bodies</li> <li>• Effects on stream flows</li> <li>• On site habitat transformation/ loss</li> </ul>	<u>National Level</u>  National Mining <b>Land Use Plan incorporates a strategic environmental analysis</b> of the territory with emphasis on biodiversity: designation of “no go” zones (to be codified in the Land and Rural Development Law for Colombia).	- Biodiversity-friendly mining operations in over 4 m ha nationwide. The mining sector has improved its decision making processes and management with regard to biodiversity.  - Conservation status of threatened ecosystems and species improved, through better management of mining and other sectors sensitive areas (avoidance of chaotic contra conservation development)
Lack of incorporation of biodiversity considerations into land allocation, mine permitting and environmental licensing requirements.	Capacity enplaced to assess sector impacts on biodiversity, and set management conditions (precedent to licensing approval)	Conservation of critical habitats
Increasing interest and rapid	<u>Chocó Biogeographic Region</u>  Elevation in protection status of key BD areas, to	1. Improved effectiveness of PAs in addressing multi sectoral threats over an

<sup>4</sup> According to UNFCCC Cancun COP decision 4/CP.15 the scope of a REDD+ project includes reducing emission from deforestation and forest degradation, conserving and enhancing forest C stocks, and ensuring the sustainable management of forests.

<p>development of mining activities in the Chocó with indirect impacts on biodiversity through stimulation of development across economic sectors (human settlement, farming, forestry and fisheries amongst others):</p> <ul style="list-style-type: none"> <li>• Transformation and loss of natural ecosystems</li> <li>• Decrease in habitat connectivity</li> <li>• Increase in hunting of bush meat and harvest of natural resources for local markets</li> </ul> <p>Environmental Institutional weakness in terms of evaluation and monitoring and enforcement – to reduce the direct and indirect threats of mining.</p> <p>Production practices and development models not in line with management best practices needed to sustain biodiversity.</p>	<p>protect refugia (declaration of two new regional protected areas of multiple use).</p> <p>Strengthening management of existing PAs to address the elevated pressures they will face as a result of increasing multi sectoral development.</p> <p>REDD+ incentive for the creation of new PAs.</p> <p>Sustainable use management of wild resources through Landscape Management Tools (i.e., agroforestry systems, conservation corridors, etc): measures in place to manage wild resource use by local communities, to address expected future pressures from markets (and commoditization of resources)</p> <p>Rehabilitation of 1,500 ha of lands degraded by mining activities in areas important for the conservation of biodiversity (financed by Government/ private sector), based on best practice guidelines</p> <p>Multi sectoral land use development plan circumscribes development of infrastructure in sensitive areas (Pas and other important areas), measures to reduce pressures elsewhere.</p> <p>Strengthened enforcement and surveillance mechanisms</p>	<p>area of 205,000 ha)</p> <p>2. Improved habitat for threatened species: Number of species of biological groups (to be determined) remains stable.</p> <p>3. No net forest cover loss and emissions reduction from deforestation (average deforestation rate of 0.52 %/yr<sup>5</sup>) in 70,000 ha: 214,017 tCO<sub>2</sub> over a 5-year period (# of ha x Annual deforestation rate ha/yr x 212.0 tC/ha/yr<sup>6</sup> x 3.67 CO<sub>2</sub> conversion factor).</p> <p>- Increased structural and functional connectivity between patches of natural forest.</p> <p>Conservation status of wild resources threatened by over harvesting improved.</p>
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### B.3. SOCIOECONOMIC BENEFITS TO BE DELIVERED BY THE PROJECT, INCLUDING GENDER DIMENSIONS:

The Chocó biogeographic region is one of the poorest and least developed areas of Colombia. Historically isolated from the rest of the country, Colombia's drive to grow economically and engage in global markets is driving the integration of the region into Colombia's economic and socio-political mainstream, potentially affecting the social fabric of the region. The ethnic identity of Indigenous and Afro-Colombian communities is very closely linked to biodiversity and ecosystem health, both of which are in turn threatened by the direct and indirect impacts of mining. The principal socio economic benefit of the project at the local level will derive from the avoidance and reduction of these impacts. The project will therefore aims to work with key social groups in the region represented by Afro-Colombian community councils, and Indigenous authorities to develop actions that enhance their environmental management capabilities and to work collectively with Government agencies to protect their environmental and social interests. Capacity development measures targeting these authorities will amongst other things strengthen planning, administration, surveillance and control of collective territories and protected areas, and put in place mechanisms to facilitate negotiation, conciliation and conflict management on the part of these communities. Specifically, Afro-Colombian and indigenous communities will be engaged from the beginning of the PPG phase through existing participatory mechanisms. For example, Afro-Colombian communities are currently addressing development issues such as mining in the Common Agenda Committee, the Inter-ethnic Solidarity Forum and the Youth 500 group. In addition, indigenous communities found in the future multiple-use protected areas will be consulted according to existing procedures and protocols used for the declaration of protected areas in Colombia.

The project will develop in-situ conservation and sustainable use based livelihood strategies based on Afro-Colombian and Indigenous people's traditional knowledge of biodiversity. In particular, it will develop a community based natural resource management system to safeguard wild resources likely to come under pressure from market demand, as the population of the Choco swells (an indirect consequence of mining development in the region). In addition, the project will

<sup>5</sup> Cabrera E., Vargas D.M., Galindo G. García M.C., Ordóñez M.F. 2011. Memoria Técnica: Cuantificación de la tasa de Deforestación para Colombia, Periodo 1990-2000, 2000-2005. Instituto de Hidrología, Meteorología y Estudios Ambientales –IDEAM-. Bogotá D.C., Colombia.

<sup>6</sup> Based on Intergovernmental Panel on Climate Change, 2000. Special Report on Land Use, Land-Use Change, and Forestry. Available at <http://www.ipcc.ch/pdf/special-reports/spm/srl-en.pdf>. Accessed on 03/13/2012.

benefit these communities by ensuring: a) the equitable distribution of benefits from earnings generated from the sale of forest credits in carbon markets (international or the Fundación Natura fund) or international funds, potentially increasing the net earnings by US\$4 to 5 per tCO<sub>2</sub> eq/year); b) improving the forest management skills of local community members (including women) by training them in the principles and practices of REDD+; and c) ecological rehabilitation activities – funded by Government and companies, that will provide wage income. The UNDP gender marker will be utilized to ensure that gender considerations are fully addressed in all these endeavours. By protecting forest cover the project will help to reduce the vulnerability of communities to catastrophic flooding and other natural disasters as a result of the occurrence of extreme climatic events in deforested areas.

**B.4. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS AND MEASURES THAT ADDRESS THESE RISKS:**

Risk		Risk Mitigation Strategy
Government policies and programs will support unrestrained mining development in the biogeographic region of Chocó as world prices for gold, silver and platinum increase	M*	Government support for amending the national mining policy and associated policy instruments is essential for project success. The Government has expressed its commitment to addressing the impacts of mining on biodiversity—leading to the development of this initiative. To garner the legislative support necessary to review and approve new laws and incorporate environmental considerations into the policy and legislative agenda, should this commitment waver, the project will also draw on the advocacy skills of the project’s partners, NGO’s and public research organizations.
Non compliance of companies with new policy prescriptions, aimed at safeguarding biodiversity	M	The project will support compliance monitoring, and also, through black listing, ensure that companies that practice malfeasance vis a vis conditions of their environmental license will not be awarded new mining permits. This will increase the risk of malfeasance, and improve compliance. A dialogue with industry will be undertaken as part of the process of revising policies and regulations—to obtain industry buy in and address concerns, so as to improve compliance.
Insecurity and violence in the Chocó impede project operation and execution.	M	Criteria for the selection of project sites will include where relationships have been established and experience gained to address poverty alleviation and livelihood initiatives.
Resistance in local communities to the project due to distrust of government and high gold, silver and platinum prices	L	Communities and other stakeholders will be participating in project design, planning, implementation and evaluation processes starting with the PPG phase. During the PPG, a detailed stakeholder analysis will be performed to guarantee that all local stakeholder groups related to the project are properly identified and engaged in the project.

**B.5. KEY STAKEHOLDERS INVOLVED IN THE PROJECT:**

Stakeholders	Project Implementation Role
Ministry of Environment and Sustainable Development – MADS	MADS is the GEF focal point and the public agency responsible for the formulation of national policy related to the environment and renewable natural resources and the establishment of guidelines for land use planning to ensure the sustainable use and management of renewable natural resources and the environment. MADS will be in charge of guiding activities related to BD conservation, environmental land use planning criteria and policy issues through the implementation of national plans and policies related to conservation of BD.
National Parks Authority	National Parks Authority is responsible for management and administration of the National Parks System and the coordination of the National System of Protected Areas – SINAP. Parks is part of the organizational structure of the MADS but has administrative and financial autonomy. Its mission is to administer the National Parks System and coordinate the National System of Protected Areas within the framework of the national environmental plan with the aim of conserving biodiversity in situ and ecosystem representation in the PA system, providing and maintaining assets and environmental services, cultural heritage and the natural habitat where traditional cultures are developed and contribute to sustainable human development, under the principles of transparency, solidarity, equity, participation and respect for cultural diversity. It will be the entity responsible for facilitating and coordinating the development of the Regional System of PAs
Ministry of Mines and Energy - MME	MME is responsible for formulating and implementing the national policy for the exploration, exploitation, transport, refining, processing, benefit, transformation and distribution of minerals and hydrocarbons, as well as the policy on generation, transmission, interconnection, distribution and establishment of technical regulations regarding electric power, the rational use of energy and the development of alternative sources. MME generally oversees all the technical, economic, legal, industrial and commercial activities related to the integrated use of non-renewable natural resources and energy resources in line with the national development plans. MME will lead work to reform the Mining Code and develop good practice guidelines for habitat rehabilitation.
Institute for Environmental Research of the Pacific Coast	IIAP is a semi-private institution that forms part of the MADS whose mission is to support and strengthen knowledge and research capacity of actors in the region. The Institute focuses efforts on four major challenges: a) Conservation of biological and cultural diversity; b) Food security; c) Land use planning; and d) Institutional strengthening (SINA). Thus, IIAP will support actions at the regional and local levels in the arenas of land use

Stakeholders	Project Implementation Role
Region - IIAP	planning and sustainable use management.
National Authority of Environmental Licensing - ANLA	ANLA is a new agency created as a result of the restructuring of the MADS. ANLA will ensure that projects, works and/or activities subject to environmental licensing and permits processes comply with environmental regulations and are carried out in such a way that they contribute to Colombia's sustainable development. ANLA will support the management with the CARs and will be part of the group of entities targeted for the capacity-strengthening actions to improve enforcement.
Regional Autonomous Corporations (CARs)	The CARs (i.e., Codechocó, Corponariño, Corpourabá, CRC and CVC) are the regional environmental authorities with territorial responsibilities in the Chocó region. These entities : 1) are public entities under the MADS; 2) endowed with administrative and financial autonomy to manage their own resources; 3) charged by law to administrate within their area of jurisdiction the environment and renewable natural resources and aim towards achieving sustainable development in line with guidance provided by the MADS. The CARs are in charge of regional implementation of national public policy (oversight and enforcement). The CARs will form part of the group of entities that are target of the capacity-strengthening actions of this project to improve compliance monitoring/ enforcement.
Municipalities	The municipalities play a key role in land use planning, and will play a key function in drafting the Territorial Land Use Plans (POTs).
Local communities	Local communities (primarily Indigenous and Afro-Colombian communities) will be direct beneficiaries of the project in terms of enhancing capacities for governance systems, planning issues, participation tools, REDD+ etc
WWF	WWF has worked in the Chocó Ecoregion since 1980 in partnership with a large number of actors. WWF will support efforts to develop biodiversity information systems and safeguards to avoid, reduce and offset mining impacts

## B.6. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

This project will complement a number of initiatives that are promoting the development and implementation of sub national protected areas systems in the Chocó as well as seeking to reduce the environmental footprint of development. A Monitoring system (SIMSA) was developed under the Chocó-Manabí Conservation Corridor project, with funding allocated from the Critical Ecosystem Partnership Fund (CEPF). This consists of a system of indicators (framed in: Ecosystem connectivity and ecological integrity; biodiversity pattern; socio-economic development; benefits and use of ecosystem goods and services; population growth; development of inter-institutional capacity; social participation; and management of protected areas), as a foundation for more effective decision making processes. This system is managed and supervised jointly by the Center of Research and Studies on Biodiversity and Genetic Resources and the Technological University of Pereira, with the participation of Research Institutes and other private and public institutions. The indicator system will form the bed rock of the biodiversity and socio economic monitoring and information systems to be put in place under the project to reduce the impact of mining and other development across the Chocó region. The project will incorporate knowledge, lessons learned and experience gained through implementation of an earlier UNDP/GEF project in the Colombian Pacific: Biopacifico Project. Key outcomes of this project that will serve as input for the present GEF project include the articulation of technical criteria for integrated and participatory land use planning and management and the development of local capacity [that was strengthened in terms of governance and institutional capabilities for environmental management and control].

## C. DESCRIBE THE GEF AGENCY'S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:

UNDP was selected as GEF Agency by the Government of Colombia and has a comparative advantage in addressing the primary challenge of this project, i.e. biodiversity conservation through a mainstreaming and protected area approach. 'Mainstreaming' and "Protected Areas" are the two main UNDP's signature programmes in the area of Biodiversity. The agency has a significant portfolio of mainstreaming and PA projects that adopt strategies for addressing management, financial, ecosystem and sectoral issues. The UNDP Country Office in Colombia has taken a commitment to support initiatives that benefit the Biogeographic Province of Chocó and its people. The Country Office and the UNDP/GEF Regional Coordination Unit will support the partners in the execution of this project by taking advantage of UNDP's experience at the national, regional and global level, and its support to an array of capacity development programmes, including in governance and decentralization—both critical to this initiative. The comparative advantage of the UNDP for GEF also lies in its global network of Country Offices, its experience in the formulation of integrated development policies, institution strengthening, and the participation of the non-governmental sector and communities, as specified in the document *Comparative Advantage of the GEF Agencies (GEF/C.31/5rev.1)*.

At country, regional and global levels UNDP is supporting a number of initiatives to strengthen national capacities to better manage extractive industries. And is being approached by governments, extractive companies as well as other development

partners and civil society actors, who wish to engage and collaborate with UNDP. As demand for UNDP support in this arena has increased, this organization has established a multiple bureau technical task team to guide its work on extractive industries and natural resource management and cross fertilize lessons and good practices across the organization. UNDP's growing portfolio of projects include initiatives in countries such as Russia, Nigeria, South Africa and Uzbekistan to facilitate the environmentally sound management of extractive industries in order to reduce conflict among stakeholders and minimize direct/indirect social and environmental impacts. These efforts include GEF-funded projects such as the mainstreaming of biodiversity management priorities into the oil and gas sectors in Nigeria and Uzbekistan. In the Latin American and the Caribbean region, UNDP is working to protect the Yasuni National Park from oil exploration by signing a historic deal with the government of Ecuador to establish a US\$3.5 billion trust fund. This is equivalent to 50% of the estimated US\$7 billion that tapping the oil would bring. UNDP's projects are also targeting indigenous communities affected by extractive industries. In Guyana, UNDP is raising the awareness and education of indigenous communities regarding the new Amerindian Act and new mining legislation targeting small miners.

In Colombia, UNDP has been supporting efforts to reduce the direct and indirect impacts caused by small miners in the Choco region. In 2009, for example, UNDP nominated Oro Verde, a small miners association, to the SEED award which supports small-scale initiatives that integrate social and environmental benefits into their business model. Oro Verde won the 2009 SEED award for carrying out certified responsible mining practices and reversing environmental degradation in the Choco region. Since 2009, in response to a government request, UNDP has been facilitating a national long-term strategy to harmonize mining development with national, regional and local planning processes and an environmentally sound legal and political framework for the mining sector. Today UNDP has a technical and leadership role in the national debate and has hosted workshops on several topics including how to strengthen the institutional framework in order to facilitate low impact mining and the role of Environmental Impact Assessment in the mining sector. UNDP's leadership role and experience with mining globally, nationwide and in the Choco region positions this organization in a unique situation to facilitate the implementation of this GEF project "Conservation of biodiversity in Landscapes impacted by mining in the Choco Biogeographic Region".

#### **C.1. INDICATE THE CO-FINANCING AMOUNT THE GEF AGENCY IS BRINGING TO PROJECT**

UNDP will bring an estimated US\$1,300,000 as part of their strategies on the sectoral dialogues between the ministry of Mining and Energy and Ministry of Environment and Sustainable Development regarding food security and early recovery. The funds from the sectoral dialogues will strengthen the national capacities of the Ministries for the development and implementation of their inter ministerial agendas in order to promote sustainable development.

#### **C.2. HOW DOES THE PROJECT FIT INTO THE GEF AGENCY'S PROGRAM AND STAFF CAPACITY IN THE COUNTRY TO FOLLOW UP PROJECT IMPLEMENTATION:**

The project is aligned with the development action framework of the United Nations Development Assistance Framework (UNDAF) for Colombia 2008 - 2012. More specifically, the project is consistent with the UNDAF Outcome 2, which has as a relevant Country Programme outcome: "National capacity consolidated to promote environmental sustainability, management of disaster risks and sustainable planning," with the related output "Public institutions and organizations strengthen their capacity to formulate and implement environmental management programmes and initiatives that guarantee the supply and maintenance of environmental goods and services (with emphasis on conservation, restoring and sustainable use of strategic ecosystems)." UNDP in Colombia works to guarantee the integration of energy and environmental and natural resource considerations into the strategies of poverty reduction and sustainable development. Also, it gives attention to all cross-cutting issues such as environmental governance, climate change, gender, and links between sustainable environmental management and poverty reduction. It aims for the inclusion of the local approach in development strategies. In order to do so, UNDP focuses its work on the following strategic areas: i) development of frameworks and strategies for sustainable development; ii) adaptation and mitigation of climate change and effective governance of water; iii) access to sustainable energy; iv) sustainable management of soil and land against desertification and degradation; v) conservation and sustainable use of biodiversity; vi) planning of national policy against the degradation of the ozone layer; and vii) persistent organic pollutants.

This project will be under the supervision of the Regional Technical Advisor for GEF in LAC who has a Ph.D. and M.Sc. in Environmental Policy and Economics with emphasis on the economic valuation of forests. The project will be managed by the Environment and Energy Programme Officer of the Poverty Reduction and Sustainable Development Unit of UNDP Colombia, who has two MSc in Rural Development and Environmental Assessment and Management and ten years of professional experience in, environmental management, and legal/policy issues; also the project will be supported by a senior Programme Support Associate. Support will be provided by the Head of Poverty reduction and Sustainable Development Area (25 years of working experience); additional support will be provided for the project monitoring and evaluation that will

be led by UNDP's Monitoring and Evaluation Unit. Implementation support on Procurement and Finance will be provided by 5 staff members: Finance Officer, Procurement Officer, Human Resources Officer and two senior associates.


**PART III: ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this template).

NAME	POSITION	MINISTRY	DATE(MM/dd/yyyy)
Aníbal Fernández De Soto	Vice Minister	Environment and Sustainable Development	<b>MARCH 22, 2012</b>

**B. GEF AGENCY(IES) CERTIFICATION**

**This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.**

Agency Coordinator, Agency name	Signature	Date (MM/DD/YYYY)	Project Contact Person	Telephone	Email Address
Yannick Glemarec, UNDP/GEF Executive Coordinator		March 31, 2012	Santiago Carrizosa, Regional Technical Advisor, EBD	+507 302-4510	<a href="mailto:Santiago.carrizosa@undp.org">Santiago.carrizosa@undp.org</a>