



Colombia: Conservation and Sustainable Use of Biodiversity in the Andes Region (World Bank)

Operational Program: 4,3 (Biodiversity)

GEF Secretariat Review: Concept Clearance

Financing (millions): \$15.70 *Total (millions):* \$30.70 1196

Summary

The project would assist the Colombian Government and national institutions to address conservation, sustainable use, and benefit sharing issues in the Andean region, a key mountainous region for global biodiversity. This six years' two-phased project would have five key components: (a) conservation areas; (b) conservation and sustainable use of biodiversity in rural landscapes; (c) knowledge base for decision making, monitoring and evaluation; (d) intersectoral coordination; and project management and project monitoring. It would substantively help expand the mountains OP portfolio with a high quality project.

Expected Project Outputs: (a) Andean protected area system more representative, viable and effective; (b) incorporation of biodiversity considerations in rural landscape strategies; (c) knowledge base of biodiversity expanded, organized for decision-making, evaluation of impacts and disseminated to stakeholders; (d) inclusion of biodiversity considerations in sectoral development programs; and project management, monitoring and evaluation established and effective.

Project Duration (months): 72

Basic Project Data

Project GEF ID:

<i>Staff</i>		<i>Processing Status</i>	<i>Date</i>
Program Manager	Ramos	Processing Stage	
Implementing Agency	World Bank	Concept Pipeline Discussion	1/24/00
Regional Coordinator	C. Kimes	PDF A - Agency Approval	
Executing Agency	National Government	PDF B - CEO Approval	
		Bilateral Project Review Meeting	
		Work Program Submission and Approv	
		CEO Endorsement	
		Agency Approval	
		Project Completion	

Cost Summary

Cost Item	Years	Amount (USD'000)
<u>Preparation</u>		
- PDF A		
- PDF B		\$0.35
- PDF C		
<u>Project Allocation</u>		
- Executing Agency Fees and Costs		\$0.00
- Project Managment Costs		\$0.00
- Other Incremental Costs		\$0.00

Completeness of Documentation

Focal Point.....	<input checked="" type="checkbox"/>	Budget.....	<input checked="" type="checkbox"/>	Logical Framework.....	<input checked="" type="checkbox"/>
STAP Review.....	<input checked="" type="checkbox"/>	Increment Cost.....	<input checked="" type="checkbox"/>	Length.....	<input type="checkbox"/>
Disclosure of Administration Cost.....	<input type="checkbox"/>			Complete Cover Sheet....	<input type="checkbox"/>

1. Country Ownership

Country Eligibility

Colombia ratified the CBD as reported in the proposal. It is eligible for funding by GEF.

Evidence of Country Ownership/Country-Drivenness

Letter of endorsement; substantive financial government contribution as co-financing; interest to use information for decision-making purposes, interest to mainstream biodiversity consideration in the productive sector, extensive participation of various, key stakeholders.

2. Program and Policy Conformity

Portfolio Balance

There is an extensive portfolio under development in Colombia. The Andean region is a focus of four GEF proposals: The Colombia Massif (UNDP) located at the division of the Andean Cordillera (recently cleared for inclusion in the pipeline); the Sierra Nevada de Santa Marta (World Bank, recently included in the work program of December 99); the Serrania de la Macarena (UNDP, under preparation with PDF B resources); and this proposal, which serve as an umbrella projects for all. There is also an EA under implementation (UNEP), a MSP for the sustainable use of biodiversity in the western slope of the Serrania del Baudo (World Bank), and a finalized Conservation of biodiversity in the Choco Region (UNDP). Regional projects including Colombia are Actions for Sustainable Amazonia (UNDP, under preparation) and the Regional support for the conservation and sustainable use of natural resources in the Amazon (UNDP, under implementation). A global project explicitly including Colombia is the Biodiversity Country Studies, phase II. Apparently, a few other concepts are under development by the IAs, including some regional projects.

Thematically, the GEF portfolio has extensive representation of projects dealing with conservation and sustainable use. However, the project is a very much welcome addition to OP#4, on mountains. It is also quite innovative in aspects of using and generating information to be organized specifically for decision making. It will also include studies for green market and environmental services.

Program Conformity

Proposed activities conform well with OPs #4 and 3.

Replicability

Good potential replicability in Colombia and other parts of the Andes. However, substantive security and illegal crop cultivation issues will need to be overcome.

Potential Global Environmental Benefits of Project

Substantive if the project reach outcomes programmed.

Sustainability

Good potential for sustainability given extensive participation of key stakeholders including government agencies at various levels, local and indigenous groups, academic institutions, and others. Financially, there is substantive government contribution locally. However, the issue is likely to need further consideration. Increased absorptive capacity of key stakeholders may promote long-term sustainability too.

Baseline Course of Action

Fairly well defined. Key activities related to conservation areas, sustainable use of natural resources, knowledge base and sectoral integration are likely to take place but at a low level of investment.

Alternative Action Supported by project

Fairly well defined too. GEF funds would incrementally contribute to strengthen the baseline. Although major threats are identified and some of their underlying causes, proposed project activities do not seem to address key causes. The region is one of the most populated parts of Colombia, with extensive developmental pressures related to poverty, population growth, unsustainable agricultural practices, illegal crop cultivation and some security issues. The proposal, as presented has not progressed enough in preparation. Key activities, specific sites within the proposed geographic regions where these would take place, number of communities where these would take place, demographic aspects of these communities, are spelled out only generically. In relation to specifics, the proposal is full of will do, would carry out, etc. clearly indicating that it needs further work.

Given the potential absorptive capacity of IAvH to executive the project, the institutional set-up would have to be carefully designed. The strengths of IAvH are in the biological/ecological academic fields. It has also strengths in the political/decision-making areas. Social issues, regular development activities, NGOs and other stakeholders involved, etc. would have to be addressed by other organizations.

Conformity with GEF Public Involvement Policy

Project proponents have conducted consultations and participatory schemes during project preparation and have the intention to continue to do so not only for preparation but also implementation. The region include key indigenous peoples groups which should particularly be included on these processes.

Private Sector Involvement

Industry is mentioned as part of the financial package. What would its role be besides providing some funds?

3. Appropriateness of GEF Financing

Incremental Cost

The financial package is still incomplete. The GEF contribution of \$15 m would be complemented by a similar amount from local governments, bilateral donors, private landowners and industry. Match is 1:1. The baseline is documented at \$128.9 m, and the alternative at \$158.9 m, the incremental cost being \$30 m. GEF contributing half of these resources.

Appropriateness of Financial Modality Proposed

Grant resources requested from GEF.

Financial Sustainability of the GEF-Funded Activity

Financially, there is substantive government contribution locally. However, the issue is likely to need further consideration during project preparation.

Absorptive Capability

There are some questions about the absorptive capacity of the proposed executing agency. This is basically an academic research institution with very specific capabilities. Its management is well linked to the political decision-making process. However, the it is uncertain the institutional capacity to actually dealt with development activities or broader issues outside the biological/ecological realm. The current IAvH budget is about \$4 m annually. Would it be able to handle a project of about \$ 30 m? In addition, this is not the only project the organization is involved as it plays a role in other GEF projects. This issue should be carefully explored.

Cost Effectiveness

4. Coordination with Other Institutions

Collaboration

Collaboration with key actors and institutions are planned. Some are involved in project preparation. Other will play a role during implementation. Key groups representing/including local communities and indigenous peoples should be part of both, preparation and implementation.

Complementarity with Ongoing Activities

The proposal complements well ongoing and planned activities in the region and country.

5. Responsiveness to Comments and Evaluations

Core Commitments

There is no financial contribution by the Bank to this project.

Linkages

The proposal described well the linkages of the various Bank activities in the country. It does mention linkages to the country assistance strategy.

Consultation and Coordination

The UNDP portfolio is briefly summarized now. Closer coordination, particularly with UNDP is needed.

Consistency w/previous upstream consultations, project preparation work, and processing conditions

An informal, upstream consultation took place in mid-October. Comments suggested that the proposal was progressing well, but still needed substantial work on key project design issues (identification of key sites, activities to be implemented, what would be done, where would be done, by whom? stakeholders to be benefitted, etc.). The proposal still lack fine-tuning on many of these issues.

Monitoring & evaluation: Minimum GEF Standards, ME plan, proposed indicators, lessons from PIRs and Project Lessons Study

The M&E plan will need further development. The proposal seems to build well from previous experience in the region.

Indicators

Clearly indicated in the logframe and appear quantifiable and verifiable.

Implementing Agencies' Comments

UNDP Comments:

UNDP supports this proposal which is complementary with UNDP/GEF initiatives currently under development in the Andean region. There are however remaining concerns and strategic considerations which have not been effectively addressed in project-related documentation. These include:

? Cross-referencing of each IA's proposals, to clearly demonstrate the complementarities and programmatic approach adopted for the Andes, regardless of variations in submission timing. This was successfully done with similar initiatives in Central America, Argentina/Patagonia, and Belize). While references to UNDP operations are made throughout the brief, critical sections (specified below) omit the required information that would make a convincing case for a programme approach in the Andes. Including, in Annex form, the relevant sections of

the GoC's "National Strategy for the Andes" (in addition to references in strategic sections of the brief) would decisively further the case for coordinated GEF investments in the Andes.

? A detailed description of the baseline and co-funding sources per project component is required to avoid duplicate reporting of these costs in the different proposals under preparation. The Massif project, for example, includes five regional corporations, all of which will be reporting baseline investments directly related to project-components and committing co-funding resources for project implementation. It is not clear from the WB's project whether resources from the five regional cooperations located in the Massif have also been included in the WB/Andes project's baseline.

Sections in which cross-referencing should be effected:

Government Strategy (section 2b):

This section should explicitly mention the GoC's "National Strategy for the Conservation of the Andes" developed in August 99 by the MMA. Developed in an effort to present a programmatic approach for GEF investments in the Andes region, the strategy document is relevant in that it clearly presents the rationale, complementarity and linkages between the biodiversity proposals being presented for GEF financing consideration.

Referring to the GoC's Andes strategy upfront in each IA's project documentation would: i) credit the GoC for adopting a well structured coordinated programme approach for the Andes; ii) dispel the perception of overlap between proposals, highlighting their thematic and geographic differences; and iii) evidence cooperation and coordination between IAs and the GoC in early stages of project design. While references to UNDP's Macizo and Macarena projects appear in sections of the WB document (namely in section pertaining to collaboration with other IAs) they are not presented in a manner that depicts the programmatic approach or the coordination efforts realized to date.

GEF financed projects in the Andes region include an umbrella project (i.e. The WB Biodiversity Conservation in the Andes project) which focuses on issues best addressed from a national level perspective, and three sub-regional, site specific projects focusing on different globally outstanding ecosystems. The three sub-regional projects are: Protection of the Colombian Massif (UNDP) located in a strategic location at the division of the Andean Cordillera into three different ranges largely responsible for the country's mega-diversity; and two unique Andean outcrops the Sierra Nevada de Santa Marta (WB), recently approved at the Dec 99 council) and La Serrania de Macarena currently under formulation through UNDP/GEF PDF B resources.

Strategic Choices and selection of Priority Zones (section 3b): Project Components 1 and 2.

This section does not mention areas to be covered by UNDP nor their consideration as one of the criteria for determining site selection in the WB proposal. The paragraph only mentions that the final analysis "excluded areas with low viability and major social unrest, where significant investments are already taking place and with weak institutional capacity". While Annex 3 expands on this criteria to add; "areas to be included under other GEF biodiversity conservation projects under preparation (Macizo and Macarena) as part of the Colombian strategy for conservation of the Andes", this information should be presented in the body of the brief as opposed to annex form only.

In addition, since WB project components 1 and 2 will involve site-specific investments, the need to dispel the perception of any geographic or thematic overlap with the Macizo or Macarena initiatives will be imperative in these sections of the brief (in addition to the references currently included in the annexes and maps). Referring to the specific sites of the Macizo and the corresponding activities planned would evidence the coordination effected at project design stages and preempt any duplication concerns that might arise from Council. (Please refer to the relevant sections in UNDP's Project Concept and the PDF A document for the range of activities planned in the Macizo sites).

Collaboration with other IAs:

A more precise description of the Macizo project should be provided in this section. In this regard both the Concept Paper and PDF A provide appropriate descriptions as summarized below. Please remove the reference to botanical gardens (?).

The Macizo project will establish sub-regional network of regional, municipal, private and indigenous protected areas with clearly defined and compatible management categories and strategies, to conserve the paramo and montane ecosystems of the Colombian Massif. The project will center on areas between 2,000 and 4,000 m.a.s.l. and particularly on the Biosphere Andean Belt Reserve and its extension (the Andean Belt Reserve includes the National Parks Purace, Nevado del Huila, Las Hermosas and the Cueva de los Guacharos). Project activities will focus on strengthening existing protected areas within this sub-region and set up new ones in strategic locations to form corridors and retain the long-term viability of remaining habitat blocks. Participatory management plans will be developed for existing and potential areas and the capacities of local stakeholders strengthened for their implementation. The project will also work closely with local and indigenous communities residing in buffer zones to develop alternative livelihoods and agricultural practices compatible with fragile mountainous soils. A biodiversity overlay will be developed for the regional land-zoning plan currently under formulation by the GoC to ensure long-term compatibility with the sub-regional network of protected areas in Paramo and Montane ecosystems. This overlay will be complemented with a capacity-building programme - aimed at regional and local governments and private institutions - to incorporate biodiversity management principles in the sectoral development processes of the region.

Section 4. Institutional and Implementation Arrangements

The close linkages and complementarities with both the Macizo and Macarena projects would warrant mention in this section along with the establishment of practical provisions to ensure coordination/information and the sharing of best practices among each project's management structure. This is also stipulated in the GoC's Andes strategy.

Section D. Project Rationale

This is also a critical section in which the GoC's strategy for the Andes - involving a combination of regional and sub-regional site-specific investments - should be referred to. Instead, the section refers to on-going local investments (i.e. UNDP site-specific projects) as: "parallel activities supported in Colombia by the GEF which would not have provided the level of support required to address the issue of rapid habitat and biodiversity loss". This section should be revised to emphasize the complementarity between regional and local interventions and the overall impact both efforts can achieve as part of a programme approach. Favoring one over the other completely negates the existing strategy of joining efforts to generate a greater impact. (Please refer to the relevant sections in UNDP's Project Concept).

IC assessment: Baseline and co-financing:

As previously mentioned, there are eighteen Regional Autonomous Corporations (CARs) with environmental management responsibilities in the Andes. Five of these are directly located in the area of the Macizo. Since the WB Project Brief does not discriminate baseline and co-financing amounts by CAR (list each with their corresponding baseline and co-financing prospects) or project component, a situation of double accounting of the baseline and cofinancing may occur between the Macizo and Andes proposal. A more acceptable route would be to present existing baseline and co-financing amounts by project component along with the corresponding CAR (or other baseline and co-financing source). At present the proposed amounts, including

international cooperation amounts, are too vague to realistically determine their exact relation and complementarity to project components. The system boundary needs to be specified in thematic and geographic terms so that a realistic incremental cost assessment can be prepared for both proposals.

Additional comments from UNDP were received on March 20, 2000. These indicate: "UNDP is supportive of this project.

The project brief has undergone several iterations, the latter constituting the most reflective of the programme approach adopted by the IAs and the GoC for optimizing GEF resources in the biodiversity focal area. As agreed, Annexes #6 and #7 describing the GEF's portfolio as well as past and current coordination efforts, will also be included – albeit with greater details in some sections – in UNDP's forthcoming Macizo and Macarena submissions.

In relation to baseline and co-financing, it is important to reiterate that the projected US\$ 8 million of co-financing from the CARs (Regional Autonomous Corporations) also includes the contributions that will be made by these institutions to the Macizo and Macarena projects. In this regard, and as per our past comments, it will be important for both project teams to discriminate co-financing contributions per project component and by geographic location. The need for project teams to clarify baseline and co-financing scenarios by project appraisal is stated in Annex #7, as a means to avoid double accounting."

STAP Review

A good review by a highly competent STAP reviewer who knows the issues and region well. Key issues raised by the review (indigenous peoples and private reserves, green enterprises, coordination efforts, inclusion of other stakeholders such as labor associations, NGOs, incorporation of farmer-based research) are only very generically responded, arguing often that these will be taken into account during further preparation. Particular risks such as the implementability of ecoregional conservation is raised but not addressed in the response. These issues again provide strong support to the point that the project is not well advanced in preparation.

Council members' Comments

None yet.

Technical Assurances

Convention Secretariat

Secretariat Comments; October 19, 1999:

1. Country Eligibility and national priority status; Columbia ratified the Convention on 28 November 1994. Its national report is posted on CBD website. The proposed project sites appear to fall in the priority areas nationally identified. Government endorsement needs to be attached to the proposal.
2. Possible relevance to COP guidance; COP guidance on ecosystem and habitats, i.e. paragraph 4© of annex I to decision I/2.
3. Additional Points; A well developed concept document. Is it related to the PDF B proposal reviewed in October 1998.

Other Technical Comments

An ambitious but important project. It will need strong will and political support.

Further Processing

Prior to the bilateral meeting, the PM has the following recommendations:

1. Project concept: It should be cleared and included in the pipeline if it has not been done previously.

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2. Regarding PDF B: It should continue to be implemented as planned.

3. Regarding inclusion in the Work Program:

(a) The project is not ready as key elements of project design have not been completed. For the project to be submitted again for consideration, the following issues should be fully addressed:

(i) for conservation activities: identification of sites where activities would take place, not just the regions. Criteria for site identification have been included so far; participatory issues addressed in project design; operational plans should be developed for those sites that are already protected while management plans are under preparation; potential new protected areas to be designated identified; key investments on these sites identified. Phase 1 project zones should identify threats and underlying causes of biodiversity loss per area and how proposed activities would address these;

(ii) On conservation and sustainable use of biodiversity in rural landscapes: assessments of conservation opportunities completed; inter-institutional coordinating mechanisms agreed; guidelines for participatory assessments completed; transparent criteria for selecting partners to conduct assessments defined; identification of selected studies to be conducted at least completed; identification of key field experiments needed completed; identification of key areas and threatened species completed; regarding dissemination of management tools, the replication strategy to be used completed; details of the proposed seed capital fund fore economic incentives completed and agreed;

(iii) On knowledge base for decision making, monitoring and evaluation: identification of efforts to be supported; key areas of knowledge to be addressed; expected progress to be made on biodiversity baseline inventories during phase 1 identified; how the information will be organized and disseminated; regional capacity to be strengthened identified; target groups or geographic regions for field biodiversity assessments identified; brief outline of the proposed biodiversity information systems to be established, identification of their potential contribution to the CHM agreed; technology to be transferred and cooperation to be promoted identified; topics/groups for proposed field guides identified; identification of indicators that could potentially be used for the proposed biodiversity state-pressure-response;

(iv) On intersectoral coordination: identification of studies and training to be provided to key stakeholders; would GEF resources be used for the inclusion of environmental licensing procedures or for minimizing negative impacts of mega projects?;

(v) On project management and coordination: have the recurrent costs of the proposed staffing been estimated? These should be part of the baseline;

(vi) Other issues: Risk, assumptions and uncertainties. These issues are fairly well covered. The project should be rated as High Risk, not as moderate. The figures reported in the incremental cost matrix reflected in the baseline should be included in the front of the proposal as Associated financing.

The Secretariat welcomes progress from October 1999 to now, but it is concerned about this early submission.

A brief pre-bilateral meeting took place with Bank staff (C. Sobrevila and C. Kimes) and Secretariat staff (M. Ramos). Issues highlighted above were discussed. Bank staff assured the Secretariat that substantive information was available in annexes not submitted with the draft document. The Bank will review the draft and add necessary information. The Bank will submit a revised project brief by January 27, 2000, when the final decision about the project inclusion in the work program will be made.

A bilateral meeting took place on January 24, 2000 with Bank staff (L. Vidaeus, C. Kimess, G. Castro) and

Secretariat staff (C. Rees, chairing, M. Ramos). The Bank agreed to send a revised project brief draft by January 27, when the Secretariat will make the determination regarding inclusion of the project in the inter-sessional work program.

If existing, additional issues will be discussed at the bilateral meeting on January 24, 2000.

A revised project brief was submitted on January 26, 2000. The PM reviewed it and noted that Task Manager has done a good job in incorporating new information that clarifies some of the questions raised during the Bilateral meeting early last week. Progress was made on specifying further proposed activities and general regions where activities would take place. Annex 3, tables 2 and 3 lists some of the activities to be conducted, but the PM is uncertain if these have the consensus of those that would implement them.

However, the PM is still uncertain about other parts of the draft which actually require consulting with country partners on issues such as NGOs to be included which would be identified at appraisal (criteria are now identified for their selection); participatory design for conservation zones is just beginning; a seed fund would be design during phase one of the project to be capitalized during phase two, but no criteria are identify for selection of activities to be funded; consultation at the regional level is just beginning (page 27) for the participatory approach, but the project is now using the results of early consultation conducted during the NBSAP funded by GEF through UNEP.

Notwithstanding the good work of the Task Manager, but also taking into account some Council members comments during the last Council meeting, the PM recommends not to include it in this inter-sessional work program. In the long run, the Bank would gain more by continuing processing the project and bring it back at any of the next bilateral, once is more completely prepared. The project eventually be a good one which the GEF will feel proud in including in the work program, approving and implementing it.

An upstream consultation took place on February 17, 2000, with Bank staff (L. Vidaeus, C. Kimes and C. Sobrevila) and Secretariat staff (C. Rees, chairing and M. Ramos). The latest note from January 27, 200 was reviewed and the following issues were identified as key for project brief re-submission:

- (a) An annex explaining additional consultations to be conducted between inclusion of Work Program and Endorsement, and those to be completed during project implementation;
- (b) An annex clearly describing the expected institutional setup;
- (c) criteria to identify NGO and other partners finalized; and
- (d) Information on the proposed seed fund, particularly selection criteria for activities to be funded; potential structure, and basic information regarding capitalization plans.

A revised project brief was submitted for consideration and inclusion in the Work Program on March , 2000. An upstream consultation took place on March 17, 2000 with World Bank staff (C. Kimes, G. Castro, and C. Sobrevila) and Secretariat staff (C. Rees, chairing, and M. Ramos). It was noted that the first two annexes requested on social consultations and institutional setup have been included. On the finalization of criteria for the selection of NGOs, these are very firm but not final as they can still be reviewed during project appraisal. On the issue of the seed fund, the Bank deferred its preparation until the project's second phase, instead of the first, as originally considered. On this last issue, the Secretariat still requested basic information about structure, criteria to be used to selecting activities to be funded, and other key issues related. The Bank will address the issue promptly.