



# PROJECT IDENTIFICATION FORM (PIF)

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

## PART I: PROJECT IDENTIFICATION

Project Title:	Sustainable management of forest ecosystems in Amazonia by indigenous and local communities to generate multiple environmental and social benefits		
Country:	Bolivia	GEF Project ID:	5755
GEF Agency:	UNDP	GEF Agency Project ID:	4743
Other Executing Partner:	Plurinational Authority for Mother Earth	Submission Date:	March 20, 2014
GEF Focal Area:	Multi-focal Biodiversity, Land Degradation, Sustainable Forest Management	Project Duration (Months):	60
Parent program	N/A	Agency Fee (\$):	589,841

## A. INDICATIVE FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount	Indicative Co-financing \$	
BD-2	<b>Outcome 2.1:</b> Increase in sustainably managed landscapes and seascapes that integrate biodiversity conservation.	<b>Output 1:</b> Policies and regulatory frameworks for production sectors. <b>Output 3:</b> Certified production landscapes and seascapes.	GEF TF	1,792,829	3,349,238	
	<b>Outcome 2.2:</b> Measures to conserve and sustainably use biodiversity incorporated in policy and regulatory frameworks.		GEF TF	1,792,829	5,023,856	
LD-3	<b>Outcome 3.1:</b> Enhanced cross-sector enabling environment for integrated landscape management	<b>Output 3.1</b> Integrated land management plans developed and implemented <b>Output 3.2</b> INRM tools and methodologies developed and tested <b>Output 3.3</b> Appropriate actions to diversify the financial resource base <b>Output 3.4</b> Information on INRM technologies and good practice guidelines	GEF TF	283,078	8,373,094	
	<b>Outcome 3.2:</b> Integrated landscape management practices adopted by local communities		GEF TF	566,157	5,023,856	
SFM/REDD	<b>Outcome 1.3:</b> Good management practices adopted by relevant economic actors	<b>Output 1.3.</b> Types and quantity of services generated through SFM	GEF TF	1,478,296	3,349,238	
Sub-Total				5,913,189	25,119,282	
Project Management Cost				GEF	295,659	1,255,964
<b>Total Project Cost</b>					6,208,848	26,375,246

## B. INDICATIVE PROJECT DESCRIPTION SUMMARY:

<b>Project objective:</b> Forest ecosystems of Amazonia are managed by indigenous and local communities (TIOCs) to generate multiple environmental benefits, and local benefits that motivate the communities' continued participation in their protection.						
Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
1. Enabling environment at national and regional levels in support of integrated and sustainable management of		- Improvements in capacity development and coordination indicators of key institutions <sup>1</sup> (measures to be developed and baseline and target values to be determined during PPG phase)	<b>1.1 Institutional mechanisms and capacities at national and regional levels support SFM in TIOCs, including:</b> a) Nationally-harmonized principles and procedures for territorial planning at regional, landscape and TIOC levels, to optimize the delivery of environmental and social benefits. b) Consultative platforms at the regional level to		1,991,812	8,373,094

<sup>1</sup> Particularly the Vice-ministry of Environment, Biodiversity and Climate Change (VMA), the Plurinational Authority for Mother Earth and the Joint Mechanism of Mitigation and Adaptation for the Integrated Management of Forests and Mother Earth

forests and life systems in Original Indigenous Peasant Territories (TIOCs)		<ul style="list-style-type: none"> <li>- Stable populations of Brazil nut tree pollinators (e.g. <i>Eulaema</i> spp. and <i>Xylocopa</i> spp. and dispersers (<i>Dasyprocta variegata</i> or <i>D. agouti</i>) (baseline values to be determined during the PPG phase)</li> <li>- Specific provisions for inter-sector coordination and integration in policy and planning instruments of key institutions, as measured by BD2, LD and SFM tracking tools</li> <li>- Increased budgets assigned to research, capacity development, planning and enforcement in support of TIOC SFM model</li> <li>- Planning instruments and regulations applied to 100,000 ha of other TIOCs, as a measure of the indirect (replication) impact of the project</li> <li>- 2,000 people in the 4 target TIOCs have diversified their means of life and generated increased revenues through SFM.</li> </ul>	<p>support multi-stakeholder decision-making regarding forest management and life systems (e.g. locations and nature of institutional investments in social, productive and/or infrastructural development, provisions of environmental regulations)</p> <p>c) Instruments to ensure the viability and sustainability of forest-related production systems, including monetary investments and systems of regulation and enforcement (covering e.g. levels, locations and timing of NTFP offtake, timber harvesting, and forest clearance for agriculture)</p> <p><b>1.2 National level monitoring, systematization and communication of SFM experiences in TIOCs, including:</b></p> <p>a) Agreed indicators of the biological and social sustainability of SFM and SLM, with base line values</p> <p>b) Results monitoring systems to support adaptive management at institutional and community levels, within a context of climate change</p> <p>c) Access to best practice and technical and conceptual knowledge regarding integrated approaches to resource management by local communities.</p>			
2.Integrated management of natural resources in TIOCs.	•	<ul style="list-style-type: none"> <li>- 500,000ha<sup>2</sup> in TIOCs, (including around 350,000ha of forest) are subject to landscape-wide planning, zoning and regulatory frameworks that provide for ecosystem sustainability and resilience, and promote the rights and abilities of indigenous communities to manage and use natural resources in a sustainable manner.(as recorded by BD2 tracking tool)..</li> <li>- Rates of deforestation and degradation of native forests (as recorded by LD3 tracking tool) reduced by 50%, as a result of improved governance and market-based incentives among indigenous communities, resulting in improved status of globally-important habitats, avoided deforestation of 2,888ha and avoided carbon emissions of 248,325tC (as measured by the SFM/REDD tracking tool)</li> </ul>	<p><b>2.1 Local/community-based institutions and municipal governments) with technical and organizational capacities</b> for application at field level of</p> <p>a) Instruments of territorial management and plans for the integral and sustainable management of forests and life systems.</p> <p>b) Inspection and control of the management and use of forests and life systems</p> <p>c) Local level holistic monitoring of forests including baseline values and analysis of of environmental, social and productive elements of forests and life systems, and their interactions; resilience and regenerative capacities environmental functions and services</p> <p>d) Formulation and application of corresponding adaptive management strategies</p> <p><b>2.2 Instruments for the planning and enforcement of territorial management and SFM</b>, providing for sustainability and incorporating integrated perspectives, including:</p> <p>a) Plans at territorial, forest/life-system and community levels providing for SFM</p> <p>b) Regulatory frameworks at local level for the integral and sustainable management of forests, in accordance with considerations of ecological and social functioning, and cultural norms (specific regulations to be developed will be defined during the PPG phase).</p>		3,921,377	16,746,188

<sup>2</sup> The total area of the 4 target TIOCs is 1,626,536ha, including 67 communities

		- 125,000ha of non-forest lands in the TIOCs and surrounding landscapes are subject to sustainable management practices (e.g. diversified cocoa plantations and silvopastoral systems), as a result of technical support to community organizations.	c) Improved awareness and dialogue between Government community actors, resulting in improved and more cost-effective environmental governance <b>2.3 Community based production entities with capacities for the production and transformation of forest and non-forest products</b> , resulting in sustained benefits for 40 local communities, through: a) The development and implementation of plans for the sustainable extraction and marketing of forest products; b) Sustained access to financial and other resources for the development of sustainable productive initiatives in the TIOCs, including limited micro-finance support (to be confirmed during the PPG), supported by business plans and financial management capacities. c) Effective commercialization of selected forest resources from the TIOCs, including supply-side support on business management, organization, processing, market intelligence, and product processing and presentation. d) Promotion of sustainable agriculture and agroforestry practices in non-forest areas				
<b>Sub-total</b>						5,913,189	25,119,282
<b>Project Management Cost (PMC)</b>						295,659	1,255,964
<b>Total Project Cost</b>						6,208,848	26,375,246

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Bilateral agency	DANIDA	Grant	11,000,000
Bilateral agency	European Union	Grant	11,000,000
National Government	Government of Bolivia	Grant	3,987,500
GEF IA	UNDP	Grant	387,746
<b>Total Co-financing</b>			<b>26,375,246</b>

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

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	BD	Bolivia	3,764,940	357,670	4,122,610
UNDP	GEF TF	LD	Bolivia	891,697	84,711	976,408
UNDP	GEF TF	SFM/REDD	Bolivia	1,552,211	147,460	1,699,671
<b>Total Grant Resources</b>				<b>6,208,848</b>	<b>589,841</b>	<b>6,798,689</b>

#### E. PROJECT PREPARATION GRANT (PPG)

	<u>Amount</u>	<u>Agency Fee</u>
	<u>Requested (\$)</u>	<u>for PPG (\$)</u>
• (upto)\$200k for projects up to & including \$10 million	<u>136,987</u>	<u>13,014</u>

## PART II: PROJECT JUSTIFICATION

### A. PROJECT OVERVIEW

#### A.1. PROJECT DESCRIPTION

1. **Overview:** This project will generate multiple environmental benefits by optimizing the roles of indigenous communities in safeguarding their forests against current and emerging threats, in legally-recognised Original Indigenous Peasant Territories (TIOCs) located within the Amazon region in the north of Bolivia. These TIOCs have historically been conserved and sustainably managed by indigenous people, and therefore constitute a form of “indigenous and community conserved area” (ICCA), although they are not formally recognized as PAs or included in the National PA System (even if a number of TIOCs do overlap with formal PAs)<sup>3</sup>. Thus the main focus of the project will be on maximizing the sustainability of non-timber forest product collection (especially Brazil nut) and subsistence forest use by indigenous actors, given the effectiveness of these forms of use in motivating the communities to continue safeguarding their forests. The sustainability of these activities is currently under threat from factors including the loss of other tree species on which Brazil nut pollinators depend when the Brazil nut trees are not in flower, and the decline of populations of mammal species that disperse the Brazil nut seeds, due to unsustainable hunting (in some cases by the nut collectors themselves). This will be complemented by the promotion of sustainable agroforestry and silvopastoral systems in non-forest areas within and around the TIOCs.

2. The project will target 4 TIOCs covering around 1.6 million ha (out of a total of 19 covering 3.5 million in the Bolivian Amazon): these have been prioritised because they i) form a contiguous block; ii) are actively managed for Brazil nut extraction; iii) are subject to imminent threats and iv) are formally titled to indigenous communities. This approach will require actions at national and regional levels, to develop an enabling framework, and at field level in four target TIOCs to deliver concrete benefits through the development of capacities among local stakeholders and the generation of replicable experiences. This two-level approach is necessary given the separation of roles and responsibilities regarding BD, environment, forestry, agrarian issues, regulation, land use planning policy and natural resource management between central government, regional and municipal governments and local communities.

3. The project will be particularly timely, as the forests of the region are still largely intact, with relatively low deforestation rates, but are beginning to suffer processes of ecological disturbance which are reducing their productivity and economic potential, and are therefore increasingly at risk of conversion to other uses. It will generate major global environmental benefits (GEBs) by virtue of the value of these forests in terms of biodiversity (BD) and carbon storage. The forests have high levels of endemic fauna, such as the Bolivian anaconda *Eunectes beniensis* and the river dolphin *Inia boliviensis*, as well as around 740 bird species and more than 600 fish species. The area is also an important centre of genetic diversity of crops such as cocoa (*Theobroma cacao*), cassava (*Manihot esculenta*) and pineapple (*Ananas* spp.) and its forests contain other economically valuable species such as cashew nut (*Anacardium occidentale*), asaí (*Euterpe precatoria*), royal palm (*Mauritia flexuosa*), rubber (*Hevea brasiliensis*), chonta (*Bactris gasipaes*), male chestnut (*Caryocar villosum*), Brazil Nut (*Bertholletia excelsa*), coloradillo (*Hirtella bicornis*), chocolatillo (*Theobroma speciosum*), Sangre de Drago (*Croton draconoides*) and vegetable ivory (*Phytelephas macrocarpa*), and many others that provide fruits, nuts, resins, perfumes, essential oils, medicinal extracts and materials for crafts.

4. **The target area.** Bolivia is located in the centre of South America, with a surface area of 1,098,581 km<sup>2</sup>, a low population density (a total of around 10,426,155 inhabitants), the second lowest IDH rating and the lowest life expectancy in South America. It is divided in the following regions: Amazon, Andean, Chaco, Savanna, Chiquitana and Marshland. The northern part of the country bordering Brazil and Peru, including the Amazon region, is the most humid. The country has enormous biological and cultural diversity, and is one of the 17 “megadiverse” countries of the planet. It is one of the top 11 countries in terms of plants species diversity; it occupies the fourth place for butterflies; fifth place for birds, with 1415 species, 14 of them endemic; the tenth place for mammals, with 389 registered species, 17 of which are endemic; 11th place for freshwater fish, with more than 650 registered species and around 1,000 probable, an uncertain number of them endemic; 13<sup>th</sup> for tiger beetles (Cicindelidae) and

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<sup>3</sup>For this reason the project focuses on the BD2 strategic objective of mainstreaming BD into production sectors (in this case principally Brazil nut production), rather than BD1.

amphibians, with 254 species of amphibians, of which 60 are endemic; and more than 306 species of reptiles, of which 29 are endemic.

5. The Amazonia region, in the north of the country, has a population of around half a million people, from 19 different ethnic groups. Its climate is tropical humid warm, with an altitude which varies between 90 and 289 m.a.s.l., and soils typical of alluvial and other plains. This lower part of the Amazon catchment is covered by forests and savannas, and is dissected by large rivers which flow together to form the river Madera, one of the most important tributaries of the Amazon. The 4 ITOC included in the project are located in Pando and Beni Departments which have high biodiversity, and are home to indigenous people from a number of different ethnic groups (Esse-Ejja-Tacana-Cavineño, Tacaña-Cavineño, Cavineño and Chácobo-Pacahuara).

6. **History of occupation and extractive use:** The Amazonia region has a long history of extractive use, including the exploitation of quinine and rubber in the 19<sup>th</sup> century, followed by Brazil nuts, which in the 20<sup>th</sup> century became the principal extractive activity in the region. Incursions by non-indigenous extractors have historically displaced indigenous peoples to more remote locations where BD is least disturbed. Low levels of use intensity and the traditional knowledge of indigenous peoples have allowed them to develop relatively sustainable forms of resource use and BD conservation in their areas. Laws introduced in the 1990s provided for local democratization, the regularization of property rights, the elimination of large landholdings and the titling of native territories. Today the region is constituted by indigenous people on titled territories, in many cases under multiethnic associations dedicated to forest extraction and subsistence agriculture; rural communities with collective titles on land and forests; individual landholders also engaged in forest extraction and small agriculture, mainly for subsistence; intercultural communities with individual titling in areas of agricultural frontier expansion, mainly involved in agriculture; cattle proprietors with extensive cattle pastures; and *zafreiros*, who collect Brazil Nuts on a seasonal basis (usually in conflict with other proprietors of rights on the forests).

7. At present the region is going through important processes of change. First, a geopolitical process of incorporation of the region to the rest of the country as a result of the development of communications and highways, and the growing international recognition of the rights of the indigenous peoples and their impact on the national environment; second, the rupture of the monopoly on political decisions on the part of the dominant elites bound to the concentration of land, due to the local participation in the municipalization processes and the increase in organizational capacity among local and indigenous actors; and third, changes in land tenure patterns with the recognition of the rights of local agroextractive and indigenous communities.

8. **The Brazil Nut Industry:** Bolivia is the largest producer of Brazil nuts accounting for 54% of global Brazil nut production (in shell) in 2008, followed by Brazil (39%) where production of the nut has declined drastically. Bolivia is also the main exporter, accounting for approximately 73% of global exports. The principal export destinations of Brazil nuts are the UK, USA, Germany and the Netherlands. Around a third of the population of northern Bolivia are involved in the collection, processing and trading of Brazil nuts, which account for 75% of the area's economic production. Since Brazil nuts grow only in the Amazon region, the EU is completely dependent on imports for its market. Brazil nut imports in 2008 amounted to €60 million or 18 thousand tonnes. Between 2004 and 2008 imports increased by 6.1% annually on average in terms of value, and by 6.4% in volume terms. Bolivia accounted for 60% of the total supplies and the percentage of imports from this country during this time expanded by 8.8% annually on average in terms of value, and by 9.4% in terms of volume. Other South-American exporters of Brazil nuts to the EU were Chile (3.6% of total EU imports in 2008), Brazil (2.4%) and Peru (1.5%). While EU imports from Chile increased by 12% annually on average during the review period, imports from Brazil and Peru declined considerably. The largest EU importers of Brazil nuts are the UK (39%), The Netherlands (15%), Germany (15%), Italy (8.2%), Spain (4.9%) and Belgium (4.4%).

9. **Policy and legal framework.** According to the **Framework Law of Autonomies** (2001), the central level of the State has exclusive responsibility for BD and environment policies, forest policy and the general régime of lands, forest resources and forests, the elaboration and execution of the régime of protected areas (PAs). Regulation functions can be delegated to autonomous territorial entities (departmental, municipal governments and autonomous native peasants). It is a concurrent responsibility between the central level of the State and the autonomous governments the preservation, conservation and the protection of the environment and wild fauna, maintaining the ecological balance and the control of environmental contamination, as well as the conservation of lands, forest resources and forests. However, the governments of indigenous native peasants have responsibilities for resource management and sustainable use in their lands according to the Constitution. The autonomous

governments have exclusive responsibility for Land Use Planning, in coordination with municipal governments and native autonomous entities.

10. The *Framework Law of the Mother Earth and Integral Development to Live Well* has as its objective the establishment of the vision and foundations of integral development, in harmony and balance with Mother Earth, guaranteeing the continuity of the capacity of regeneration of its components and life systems. In this legal framework the “Plurinational Authority of the Mother Earth” was created as well as the “Joint Mitigation and Adaptation Mechanism for the Integral and Sustainable Management of the Forests and the Mother Earth” (henceforth “the Joint Mechanism”), as the strategic institution to advance in the construction of a new productive focus based on the creation and capacity building of sustainable productive systems, based on a holistic perspective of forests in the framework of life systems. This involves coordinating and harmonizing processes of local governance in relation to forests and BD, and territorial management in the framework of harmonized agrarian and forest-based sustainable productive systems. The Joint Mechanism is in charge of coordinating government entities with normative, promotion, regulation, control and inspection responsibilities related to forests, biodiversity, territorial management and sustainable productive systems.

11. According to Bolivian legislation, this approach to SFM is based on territorial planning, with a landscape approach, in municipal, indigenous and community territories. It promotes effective coordination between public, community and other relevant stakeholders through agreements setting common objectives and targets. It involves the following methodological steps: i) *strengthening forest governance and life systems* to tackle the drivers of deforestation and forest degradation, focusing on land tenure rights, the decentralization of forest policy instruments, and autonomy in decision-making regarding resource use; ii) *territorial planning*, involving simplified and participatory processes (“Life Plans” in indigenous communities); iii) *common agreements* on objectives between public, community, indigenous people and private actors regarding resource management; iv) *implementing complementary actions*, for example through financial and technological support; v) *monitoring forests and life systems* at local, sub-national and national levels, with an emphasis on integrated social, economic and environmental indicators developed and applied by local people.

12. **Threats** to forests and their BD vary across the Amazon region: the department of Pando is characterized by extractive use, and the department of Beni by extensive medium-scale cattle raising, although with a growing pressure from *agricultural activities and grazing* mainly in the North of La Paz. The Amazon is one of the regions of Bolivia that has been least affected by deforestation to date, due largely to its remoteness<sup>4</sup>: however there is an increasing threat of forest degradation (as described below) which if not addressed will reduce the economic value of the forest and in the medium term expose it to conversion to other land uses.

13. Brazil nut collection is carried out throughout the target TIOCs. Although inherently sustainable, recent evidence has shown that the collection of Brazil Nut seeds may under certain conditions result in long term impacts on populations of the species, affecting its survival and the composition of the forest as a whole. *Hunting for food by Brazil Nut collectors* generate impacts on native fauna in some extraction areas, which affects forest ecology due to the importance of some hunted species (e.g. *Dasyprocta variegata* and *D. agouti*) as seed dispersers, resulting in reductions in seedling recruitment. These impacts are not immediately evident due to the long life span of the Brazil Nut trees, but in the long term will significantly affect forest ecology and composition; the long term loss of such valuable components of the forest will furthermore reduce the overall value of standing forest to local people, motivating its conversion to land uses which are more profitable in the short term, such as agriculture and grazing. These impacts are compounded by emerging processes of *unregulated timber extraction* and *forest fires*, with repercussions for the stability of fragile ecosystems.

14. These threats are interrelated in complex ways, which require to be addressed in an integrated manner in order to ensure ecological and productive sustainability. Brazil Nut trees have seasonal flowering, and when they are not in flower their pollinators (including large solitary bees of the genera *Eulaema* and *Xylocopa*) depend on other tree species in the forest; declines in the status of these species due to forest loss and degradation therefore affects the status of pollinator populations and in turn reduces the productivity of the Brazil Nut trees, which again renders the forest increasingly vulnerable to conversion to other uses.

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<sup>4</sup> Deforestation is largely concentrated in the south of the country, due largely to the expansion of crops such as soya, as well as cattle ranching. Cumulative deforestation to 2011 was around 5.3 million ha, with around 45 million ha of forest remaining.

15. **The long-term solution** to these threats is for the active management of the forests of the Bolivian Amazonia by their indigenous inhabitants to be supported and optimized, in such a way as to confer sustainable economic and social benefits to them that reinforce their motivations to protect the forests against threats such as conversion to other land uses, fire and unregulated logging, while at the same time avoiding the negative impacts of extraction such as the unsustainable hunting of bush meat by the nut collectors.

16. **Baseline:** There is a strong baseline of projects and investments related to forests, natural resource management, productive sectors and indigenous communities in the project area, however this is largely focused on other stakeholder groups and land tenure/resource management models and as a consequence advantage is not being taken of the opportunity to work with indigenous communities in protecting forests.

17. The Government's new *Programme for the Sustainable Management of Forests and Energy* (2014-2018), supported by the Danish Government, has a total budget of US\$22.18 million . Its first component will focus specifically on forests, through support to the Joint Mechanism. It will operate in the north of La Paz, Pando, Riberalta and the north of Chiquitania, through public institutions such as the Forest and Land Authority (ABT), the National PA Service, the Viceministry of Environment, Biodiversity, Climate Change and Forest Management and Development, and the Plurinational Authority, strengthening policy and institutional frameworks, and capacities for management, promotion, enforcement, monitoring and evaluation. Its products will include regional consultation platforms in PAs, strategic environmental assessments, and integrated management plans for forests and lands.

18. The EU-funded *Programme for Support to the Sustainable Conservation of Biodiversity* or PACSBIO (2012-2018, €18 million or US\$25 million) will contribute to strengthening the National PA System, promoting shared management and the economic and social roles of the communities that inhabit PAs. It will focus on providing long term interinstitutional technical assistance, supporting environmental management and monitoring, and the implementation of a scholarship and research fund. The National Programme for Afforestation and Reforestation (2012-2015, US\$7,183,908), financed through the National Fund for Forest Development, focuses on the provision of seedlings and community-based afforestation and reforestation activities through agreements with Departmental and Municipal Autonomous Governments.

19. Other relevant initiatives on which this project will build, which will have finished by the time it starts, include the US\$3 million, 8 year Programme for Support to Sustainable Development, Natural Resource Management and Environment, funded by DANIDA, focused on strengthening the Viceministry of Environment in relation to Strategic Environmental Evaluations, the National System for Environmental Impact Assessment, the National System for Environmental Quality Assessment, and sustainable BD management; and the US\$3 million Trinational Cooperation Programme "Amazonia without Fire".

20. **Barriers:** Despite the strength of this baseline, certain fundamental requirements for the effectiveness and sustainability of community-based approaches to forest management are missing: these gaps constitute barriers to the achievement of the long-term solution to the threats affecting the forests, which is based on the forests of the Bolivian Amazonia being managed actively and sustainably by their indigenous inhabitants.

21. **Barrier 1: SFM is not adequately supported or prioritized in policies, plans and investments.** Despite the long history of indigenous management and governance and of extractive use in the region, the potential of approaches based on sustainable use and management to contribute to forest conservation, sustainable development, poverty reduction and indigenous rights is only recently reflected in sector policies through territorial approaches. Instead emphasis has been on simplification of management and resource- use leading to monoculture in the areas that have received more support by the State, which is not an appropriate approach for the management of tropical rain forests which are extremely diverse. Insufficient attention has been given to the participation of indigenous and other community-based actors and their roles as agents for conservation and sustainable management, or to reducing the vulnerability and increasing the resilience of their life systems under conditions of climate change. This results in the undervaluation of the knowledge and local technology and facilitates the pressure of external groups that undermine these local practices.

22. The forest sector has been characterized by weak decentralization, relative to other sectors affected by the decentralization processes since the 1990s, with the State assuming the role of protector of the forests. This has changed with the titling of the TIOCs and recognition of indigenous local governments. However, there is still need to strengthen local institutions for SFM. There has been little coordination between different central entities of the Executive (agricultural, forest sector, infrastructure and others); as well as among the central level of the State,

departmental and municipal governments. As a result, there is a divorce between agrarian regulations and the normative related with forest and environmental management; forest lands have been usually considered as idle lands for the expansion of agriculture (large scale or colonization), and forest resources are considered separately from the ecosystems they are part of, in relation to water, biodiversity resources and environmental services.

23. Incipient processes of territorial management and articulation of local governance have not been implemented in practice due to a lack of institutional direction and an absence of effective mechanisms of control. Land use planning does not adequately recognise the full complexity of landscape-scale processes and the interactions between social and environmental aspects, or to take adequately into account environmental considerations such as the location, characteristics and vulnerability of ecosystems and biodiversity. The new Law No. 300 of Mother Earth and Integral Development for Living Well provides a legal framework for addressing these issues.

24. Although field biology has advanced significantly in Bolivia over the past 30 years, the level of knowledge is as yet not fully adequate as a basis for the management of the forests. This has implications not only for the capacity of following up the impact of the actions of the project but also in general to ensure the sustainability of forest management: there is therefore a need for strong links to be developed between scientific institutions within Bolivia that are active at local, regional and national levels.

25. ***Barrier 2: Local communities are unable to obtain significant and sustainable revenues from standing forests.*** Investments in conservation have a relatively limited focus on conventional approaches based on State-managed PAs, without taking adequately into account the potential contribution of the knowledge and management systems of indigenous peoples, or the potential for active management and extraction to be compatible with goals of conservation and environmental sustainability. Likewise, approaches to the promotion of production sectors do not adequately incorporate environmental criteria, the interactions between sectors at landscape level, or the potential for production sectors to generate indirect impacts at landscape scale such as acceleration of the agricultural frontier due to imbalances in demography and tenure conditions. Dominant economic and social development models, meanwhile, do not in practice adequately recognise the potential for the active and sustainable management of forest resources to contribute to the livelihoods and household economies of indigenous peoples.

26. The indigenous peoples and local communities of the Bolivian Amazonia have low levels of independent productive capacities for managing forest resources and obtaining economic benefits from them in sustainable manners. Key limitations include the almost absolute absence of information and dialogue of knowledge with technologies of modern science, in relation to the ecology of the forests and their integral and sustainable management; poor articulation to national, regional or global markets; limited ability to add value to forest products; scarce availability of funds to develop productive activities of integral and sustainable management; and absence of systems for the integral and holistic monitoring of biological diversity and ecosystem sustainability, within a context of local institutional development, livelihood systems and climate change.

27. The resulting very low level of generation of revenues for the producers, in particular for the indigenous populations, based on the sustainable use of the forest, is leading to increased emphasis on environmentally damaging practices (such as the conversion of forest for agriculture), resulting in deterioration of indigenous cultural visions and increasing levels of inequity at local level.

28. **Incremental cost reasoning and the associated global environmental benefits:** The **objective** of the project is that forest ecosystems of Amazonia are managed by indigenous and local communities (TIOCs) in such a way as to generate multiple GEBs, as well as local benefits that reinforce the communities' continued motivation and ability to participate in their protection. To this end, the project will work at two levels: Component 1 will focus on developing and strengthening an enabling environment to support the implementation and institutional adoption of the model, and Component 2 will focus on developing local conditions and capacities for its application based on the methodologies developed by the Joint Mechanism. This support will be incremental in nature, complementing the baseline investments by focusing on introducing integrated, landscape-wide perspectives to resource management, recognizing and promoting environmental functions, socio-ecological resilience to climate change, management of life systems, and strengthening and realizing the roles of community-based actors as agents of conservation and sustainable resource management.



## **Component 1: Enabling environment at national level in support of integrated and sustainable management of forests and life systems in TIOCs**

### ***Output 1.1: Institutional mechanisms and capacities at national and regional levels support SFM in TIOCs***

29. *Harmonized principles and procedures for territorial planning.* The project will support the development of harmonized principles and procedures for mainstreaming considerations of environmental and productive sustainability, landscape-wide social and ecological interactions, and resilience to climate change, into nationally-applicable instruments for territorial land use planning developed and applied by local and regional governments, as well as forest management plans developed and applied by local communities under the oversight of the Government's forestry Authority.

30. *Consultative platforms at the regional level to support multi-stakeholder decision-making.* The project will support the development and implementation of plans, agreements ("Complementary Agreements with Mother Earth") and consultative platforms for coordinating and harmonizing the activities of the governmental entities active in the target areas, in recognition of the social, ecological and productive porosity of the boundaries between forested and non-forested lands and between TIOCs and surrounding areas, and the multi-faceted nature of livelihood systems. Led by the Plurinational Authority, the institutions involved will include those responsible for the development of productive activities and marketing abilities in the local organizations, for productive or infrastructural development and for environmental regulation and enforcement. The agreements will address issues such as the location and nature of investments in social, productive and/or infrastructural development, and provisions of environmental regulations. Also and in accordance with the methodology of the Joint Mechanism (see paragraph 11), the project will develop instruments to ensure the viability and sustainability of forest-related production systems, including monetary investments and systems of regulation and enforcement (covering e.g. levels, locations and timing of NTFP offtake, timber harvesting, and forest clearance for agriculture).

31. There is a sound base of traditional knowledge among the indigenous communities of the area regarding the management of native forests, including the harvesting of NTFPs. The project will support dialogue between different sector institutions (agriculture, forestry etc.), and between executive/research institutions and local communities, regarding the sharing and application of knowledge, resulting in the development and application of corresponding norms for resource management. This will help to ensure that traditional experience-based knowledge is complemented by "conventional" scientific knowledge, and vice versa, with the aim that decisions taken by actors in Government and in local communities take into account in an integrated and harmonized manner the full complexity of the ecological processes that determine the sustainability of forest management and NTFP extraction, as well as the complexities of the social and cultural interactions between the area's inhabitants and their livelihoods, and its forest ecosystems.

### ***Output 1.2: National level monitoring, systematization and communication of SFM experiences in TIOCs***

32. The long-term sustainability of the model of community-based SFM to be promoted through the project will depend on it being able to adapt to changing circumstances and to lessons learnt. This is particularly important given the complexity of the ecological factors which determine ecosystem function and productivity, such as the status of populations of pollinators and dispersers; the susceptibility of the social elements of the model to factors such as migration and cultural incursions; and the potential implications of climate change, the nature and magnitude of which are difficult to predict from the outset but which may include modifications to the phenology and regeneration success of the target species due to changes in temperature and humidity regimes.

33. *Agreed indicators of the biological and social sustainability of SFM and SLM, with base line values:* The project will develop and apply harmonized, locally relevant and integrated indicators of the biological and social sustainability of SFM and SLM. These will be tailored to the specific conditions and determinants of sustainability in each site, and also to the involved stakeholder's capacities for measuring them and analyzing the results. At one level they may include forest cover and intactness indicators measured through remote sensing to be applied by institutions of national Government and research centres; at the other, they may include simple measures of production, income and/or indicator species abundance measured by the members of local communities.

34. *Results monitoring systems to support adaptive management at institutional and community levels.* The project will support the development of monitoring mechanisms, generating information that will be fed into decision-support systems, to enable adaptive management to be put into practice. These will enable, for example, Government institutions to adapt their provision of technical support and the provisions of norms and regulations to

evolving needs and priorities; and forest managers themselves, at community level, to adapt management prescriptions (such as the location, nature and magnitude of offtake of NTFPs and game) in reflection of possible changes in factors such as the phenology and regeneration of the target species.

35. *Access to best practice and technical and conceptual knowledge.* The experiences generated through the project and (subject to consent from indigenous communities) traditional resource management practices will be systematized and communicated between different institutions and different communities, enabling “best practices” to be identified and replicated, and possible mistakes to be foreseen and avoided. This will be complemented by training programmes for staff of regional and municipal governments, members of community-based organizations and personnel of technical institutions of central Government (especially those responsible for forestry, agriculture, environmental regulation and land use planning), which will aim to increase the absorption of this knowledge by them and their capacity to apply it effectively.

## **Component 2: Integrated management of natural resources in TIOCs.**

### ***Output 2.1: Local/community-based institutions with technical and organizational capacities to support sustainable forest/resource management:***

36. The project will strengthen the capacities of a range of institutions in the target areas themselves (TIOCs and their surrounding landscapes), as a further requisite for the effective and sustainable application of the proposed natural resource management model. During the PPG phase, more detailed analyses will be carried out of key capacity requirements for the functioning of the model, and priority actions for strengthening in order to ensure that these requirements are met. Key institutional functions which may be prioritized for strengthening by the project, subject to the results of these analyses, include the following: (i) Application at field level of instruments of territorial management and plans for the integral and sustainable management of forests and life systems; (ii) Application at field level of inspection and control of the management and use of forests and life systems; (iii) Monitoring of biological, social and productive conditions in the target areas, and the formulation and application of corresponding adaptive management; (iv) Development and application of regulations for the integral and sustainable management of forests. In order to maximize prospects for social sustainability and ownership among the target audiences, this strengthening will focus primarily on existing community-based organizations, and local governments.

37. In accordance with the model of indigenous forest management supported by the Government of Bolivia, the institutional capacity development to be provided through the project will aim to assist the forest administration (at local and central levels) and regional/municipal governments to provide dialogue-based support to indigenous groups. Rather than vertical control and technology transfer, the project will strengthen the capacities of these actors to adopt a “help-desk” type role, providing demand-based advice to indigenous groups on issues such as how to strengthen their governance structures, how to access external financial and technical support, and how to monitor the social, biological and productive sustainability of their activities. Furthermore, the project will promote mechanisms and capacities for interaction between indigenous communities (the resource managers) and the national scientific community, in support of the joint generation of information on forest ecology related to Brazil nut production, that is both locally relevant and scientifically sound.

### ***Output 2.2: Instruments for planning and enforcement***

38. *Plans at territorial, forest/life-system and community levels providing for SFM.* To complement the methodological and procedural support to territorial land use planning proposed under Output 1.1, the project will directly support the incorporation of considerations of environmental and productive sustainability into territorial land use plans (at the level of landscape/region and individual TIOCs), forest management plans (Integrated Management Plans for Forests and Lands) and the “life plans” of indigenous communities. This will be based on an initial characterization and classification of life zones and life systems in the target areas, resulting in possible modifications to the spatial configurations of zoning categories applied across the landscape, and to the nature of the permissible activities defined within each category/zone. Mainstreaming into forest management plans will focus on the definition of permissible offtake levels and methods, and silvicultural management practices (e.g. selective thinning or enrichment planting to promote regeneration of the NTFP species or other species on which their pollinators depend), and zoning to avoid ecologically sensitive areas (e.g. where populations of ecologically important fauna are undergoing recovery).

39. *Regulatory and governance frameworks at local level.* The provisions of zoning and forest management planning instruments will be backed up by norms and regulations at local and community levels, complementing the generalized provisions of national legislation on environmental and forestry management. With full participation of local communities, existing customary norms on resource management will be reviewed and, as necessary, modified to improve their relevance and effectiveness from the perspective of ecological and productive sustainability. This process will be led by community members, but where necessary facilitated and oriented by project specialists, who will provide technical inputs on issues such as forest ecology and climate change generated by conventional science, as a complement to traditional knowledge. These norms may, for example, refer to offtake limits and closed seasons for the hunting of game species of importance for ecological function, restrictions on the intensity and location of NTFP collection, and the prohibition of certain collection practices such as tree felling.

40. The processes of consolidation of community-based SFM organizations under Output 2.1 will contribute to overall conditions of community-based environmental governance, while the support by the project to the development of community-based norms and regulations on the activities carried out by the indigenous groups themselves will result in general increases in awareness of environmental and sustainability issues. Both of these developments will have knock-on benefits in terms of the motivations and abilities of the indigenous groups to challenge and control the damaging activities of external actors, such as burning and illegal logging. Support to improved dialogue-based communication between indigenous communities and government agencies will be of mutual benefit in improving the effectiveness and efficiency of their respective efforts to control such threats.

41. Norms and regulations to be supported at municipal/regional levels (wherever possible based on existing normative instruments) will address similar issues, but will relate to a broader range of stakeholders. They will focus in particular in emphasizing the rights of indigenous communities to manage and obtain benefits from the forests within their territories, and the restriction of productive or extractive activities that may jeopardize those rights, such as commercial extraction of timber and NTFPs by external actors when this enters into conflict with indigenous interests.

***Output 2.3: Community-based production entities with technical, organizational, marketing and financial capacities required to carry out sustainable use and management of the target forests***

42. The sustainable extraction of forest products for the generation of income by community-based production entities is at the core of the project concept. The project will focus on strengthening capacities in these entities to carry out management and extraction in a sustainable way, and protect the ecological integrity of the forests and life systems on which they depend, as well as integrating these activities with the management of the broader landscape; these issues are of more critical priority than strengthening market chains which (in the case of Brazil nut) are already well developed in Bolivia. This support will focus specifically on:

- i) The development and implementation of plans for the sustainable extraction and marketing of forest products, with particular emphasis on the incorporation into these plans of considerations of environmental and productive sustainability, and estimating production levels and costs accordingly;
- ii) Sustained access to financial and other resources for the development of sustainable productive initiatives in the TIOCs, with emphasis on identifying financial mechanisms that reward environmental sustainability (through for example preferential access, interest rates or guarantee conditions for credit). Subject to PPG studies and UNDP/GEF rules, the project may provide some limited micro-finance support to community-based production entities in order to “kick-start” some initiatives; however the emphasis will be on linking producers to alternative, sustainable sources of finance (such as the Bank of Productive Development, the Indigenous Fund and the Vice-ministry of Micro and Small Businesses of the Ministry of Productive Development and Plural Economy), and to developing business plans and financial management capacities to enable them to make the best possible use of these.
- iii) Effective commercialization of selected forest resources from the TIOCs. Given the already well-developed markets that exist for Brazil nuts, the project will focus principally on supporting supply-side capacities among producer organizations. This support will include training and ongoing support in relation to issues such as business management, organization, processing and marketing, limited capacities in all of which areas constitute barriers to producers maximizing income from their forests. Marketing support is likely to include the provision of advice on favourable (sustainability-friendly) market options, and the establishment of mechanisms for market intelligence to ensure continued access to market information in the future. Advice will also be provided on product processing and

presentation, in order to help producers obtain the best possible prices for their products, which will in turn increase the value of the forest to them.

- iv) Sustainable agriculture and agroforestry practices in non-forest areas: in order to maximize coverage and impact, this will largely be achieved through alliances with Government programmes and NGOs active in the target areas.

43. **Global environmental benefits:** The project will lead to major GEBs in three focal areas. In the **BD2** focal area, it will contribute to ensuring the long-term conservation status of globally important forest habitats in the project area, covering at least 350,000ha<sup>5</sup>, by strengthening of community-based governance (as a complement to the efforts of State institutions) based on, and motivated by, the generation of sustained economic benefits by the forests from the sale of NTFPs. The locations and levels of NTFP extraction, together with the practices applied, will be determined on the basis of ecological carrying capacity/impact analysis and negotiations with the communities involved, in order to avoid the risk of direct negative impacts on the regenerative potential of target species, or indirect impacts such as decline in populations of frugivores (which are essential for seed dispersal and therefore regeneration) as a result of excessive hunting by NTFP collectors and others. Ecosystem function will further be promoted through a holistic approach will recognizes the ecological interdependence of different components of the ecosystem, such as the requirements of the insects responsible for Brazil nut pollination for a range of other complementary species to maintain them throughout the year.

44. In the **LD3** and **SFM-REDD1** focal areas, the project will contribute to the adoption of integrated natural resource management practices across the broader landscape (in forest lands and neighbouring agricultural/grazing landscapes). These will contribute to maintaining the functions and sustainability of natural ecosystems and agroecosystems (e.g. through ensuring sustainable levels of offtake and the application of agricultural practices that protect soil capital), and of flows of ecosystem goods and services (such as the sustainable productivity of NTFPs, and the protection of indigenous cultural values, and the protection of carbon sinks), as well as helping stabilizing the current dynamics of demography and land-use change. As a result of project support, sustainable management practices (e.g. diversified cocoa plantations and silvopastoral systems) will be applied over an area of 125,000ha of non-forest lands in the TIOCs and the landscapes immediately surrounding them, and the deforestation of an estimated 2,887ha will be avoided, equivalent to the avoidance of an estimated 248,325tC<sup>6</sup>.

45. **Socioeconomic benefits to be delivered by the project including gender dimensions:** The project will result in the generation of direct socioeconomic benefits for local communities, especially indigenous peoples, by developing capacities and an enabling framework for the sustainable extractive management of their forests. This will result in increases in forest-based income from the sale of NTFPs; while the collection of NTFPs such as Brazil nuts is largely a male-dominated activity, the project will promote gender equity and women's participation and empowerment in decision-making and control of the factors of production, enabling them to realize opportunities for obtaining social and economic benefits from participation in processing and marketing activities. The promotion of community-based SFM will generate other, indirect benefits, helping indigenous communities to reassert ownership and occupancy rights over forests, thus contributing to consolidating and stabilizing their sociocultural capital in the face of risks of encroachment and undermining by external actors.

46. **Sustainability.** The environmental, productive and social aspects of sustainability are closely related and will be addressed by the project in an integrated manner. Environmental sustainability will be ensured by supporting the incorporation of principles of sustainability into norms and plans governing practices of forest management and extraction, and into landscape level plans that will as a result take into account the productive potential and vulnerability of different landscape units and habitats. Productive sustainability will be safeguarded by promoting management prescriptions that limit offtake of NTFPs to levels that respect their regenerative capacity, promoting regeneration and ensuring the viability of pollinator populations by promoting tree species diversity within the target forests. Social sustainability will be ensured by promoting the active participation of local stakeholders in the definition of management prescriptions and zoning, in the extraction and marketing of NTFPs, and in decision-making.

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<sup>5</sup> The total area of the 4 target TIOCs is 1.6 million ha, of which around 1 million ha is forest. It is conservatively estimated that the project will directly impact around 350,000ha of this area.

<sup>6</sup> Deforestation in TIOCs in Amazonia between 2000 and 2010 was 0.33%/year: applying this rate to the 350,000ha target area gives a baseline rate of 1,155ha/year (5,775ha over the project life). The project aims to reduce this rate 50%, equivalent to avoided deforestation of 2,887ha and avoided emissions of 248,325tC (estimated average total carbon content is 86t/ha)

## A.2 KEY STAKEHOLDERS INVOLVED IN THE PROJECT:

Stakeholders	Project Implementation Role
Vice-ministry of Environment, Biodiversity and Climate Change (VMA)	Implementing agency and principal institutional beneficiary, by virtue of its role as the National Authority in relation to the conservation and use of BD and natural resources, through its respective Directorates. Will benefit from the project in terms of strengthened capacities for interaction with indigenous peoples, forest management and the sustainable use of BD, and strengthened monitoring of BD.
Pluri-national Authority for Mother Earth	Autonomous entity of the Ministry of Environment and Water. Through the Joint Mechanism, it will execute activities and funds for the sustainable use of the forests in the intervention area of the project, through the administration and transfer of resources for specific projects, that will principally be executed by autonomous departmental and municipal governments, community-based and social/productive non-profit organizations, the private sector and academic institutions..
Joint Mechanism of Mitigation and Adaptation for the Integrated Management of Forests and Mother Earth	The objective of the Joint Mechanism is to promote integrated management and sustainable use of forests and life systems, facilitating optimal uses of the soil through the development of sustainable agricultural and forestry production systems in order to combat forest degradation and deforestation and their causes, in a context of climate change and adaptation. Mechanism for the execution of activities and funds for the sustainable use of the forests in the intervention area of the project
Pluri-national Fund for Mother Earth (FPMT)	The principal function of the fund is to channel, administer and assign financial resources to support the implementation of plans, programmes, projects and other initiatives and actions. Will function as a channel for the GEF and other resources assigned to the present project <sup>7</sup> .
Authority for Fiscalization and Social Control of Forests and Lands (ABT)	Responsible for protecting, regulating, supervising and controlling human activities, promoting sustainable development and integrated management in the interests of the Bolivian people while respecting the rights and cultural identities of people and nations who inhabit and use them.
National Institute for Agricultural and Forestry Research	Operational entity of the Joint Mechanism in relation to the promotion of integrated SFM. Will support project beneficiaries in the generation of technologies, establishing guidelines and developing policies for agricultural and forestry innovation.
Departmental and Municipal Governments	Responsible for applying national policies on BD, SFM and CC at municipal level. The project will strengthen links between municipal governments and indigenous communities, and with academic and scientific institutions, and will strengthen municipal and departmental governments in relation to links with indigenous communities, SFM, sustainable use of BD, and BD monitoring.
Original Indigenous Peasant Territories (TIOCs) and local communities	Direct beneficiaries of the project at local level, benefiting from the promotion of sustainable natural resource use practices, resulting in improved quality of life, increased control over production processes, increases in technical capacities, and increased resilience and sustainability of livelihood systems.
Academic institutions	Academic centres will contribute technical knowledge and information regarding SFM and BD, and will support systematization processes.
National organizations of indigenous peoples and intercultural communities	These organizations will ensure that the interests of indigenous people are adequately represented in the design and implementation of the project. More detailed consultations will be carried out with relevant indigenous organizations during the PPG phase. Subject to the provisions of national legislation on indigenous consultation, currently under development, it is not anticipated that the project will raise issues of specific concern that require more formal procedures of assessment and consent

## A.3 RISKS AND MEASURES THAT ADDRESS THESE RISKS:

Risk	Rating	Risk mitigation strategies
Limited coordination and harmonization of approaches between State	Medium	<ul style="list-style-type: none"> <li>- Creation of mechanisms for inter-institutional dialogue and coordination.</li> <li>- Creation of an information unit to facilitate information flow to actors at different levels and sectors, and promotes communication among them in</li> </ul>

<sup>7</sup> The FPMT is an administrative mechanism for handling funds such as the GEF donation, and in the context of this project does not constitute a mechanism for micro-grants.

institutions at different levels		matters related to the project
Limited buy-in by State institutions	Medium	- Development and implementation of communication strategy focusing on project potential to combine social and environmental benefits; the technical feasibility of the management approaches proposed; the capacities of local communities and their organizations; the potential of community-based initiatives to complement conventional approaches to NRM/conservation; and systematizing and disseminating successful experiences.
Limited buy-in by members of local communities	Medium	- Extensive and effective consultation and participation during project design, involving existing indigenous organizations at regional and national levels. - Development and implementation of communication strategy (and corresponding instruments) to keep local stakeholders fully aware of the objectives and activities of the project, and of its potential to generate multiple social benefits - Development and implementation of strategy and corresponding mechanisms for stakeholder participation, taking advantage of existing mechanisms and including participation of stakeholder representatives in the Project Board and (as appropriate) local/regional advisory committees. - Direct involvement by local communities, indigenous organizations and/or locally active NGOs in the delivery of project outputs (subject to negotiation and capacity assessments during the PPG phase)
Market and price instability for NTFPs	Medium	- Developing of capacities for market intelligence among producer organizations at local, regional and/or national levels - Emphasis on diversified NRM and livelihood support options to buffer against failures of individual products/elements
Climate change (affecting e.g. fruiting patterns of target NTFP species and increasing vulnerability of forest ecosystems to fire) and/or invasive species)	Medium	- Emphasis on diversified NRM and livelihood support options to buffer against failures of individual products/elements - Strengthening institutional and community-based capacities for monitoring and responding to effects of climate change on forest ecology, productivity and vulnerability - Working with scientific national and international institutions to forecast and prevent the damaging effects of climate change.

#### A.4 COORDINATION WITH OTHER RELATED INITIATIVES:

47. The *Programme for the Sustainable Management of Forests and Energy* (2014-2018) and the *Programme for Support to the Sustainable Conservation of Biodiversity* PACSBIO (2012-2018), which constitute important elements of the project baseline (see paragraphs 17 and 18) will also be considered as co-financing, and the project will be closely coordinated with them in order to realize synergies, for example in relation to the strengthening of policy and institutional frameworks, capacities for management, promotion, enforcement, monitoring and evaluation, and the provision of long term interinstitutional technical assistance.

48. The GEF/UNDP project *SFM Biodiversity Conservation through Sustainable Forest Management by Local Communities* (GEFSec Project ID: 3971, GEF Agency Project ID: 4197) is being implemented in the area of the Vilcabamba-Amboro corridor, and is focused on strengthening processes of certification. The two projects will be complementary, given that the one proposed here is more focused on specifically strengthening TIOCs and their management capacities, as well as the development of an active dialogue between science and traditional knowledge regarding the use of natural resources on indigenous lands This project will be developed in an area located to the north and east of the area covered by project 3971, and furthermore includes activities in aquatic, as well as forest ecosystems.

49. The project will also be coordinated with the *Programme for Financial Support and Technical Assistance for the Conservation and Strategic Sustainable Management of Forest Resources in Pando* (COMSERBO Pando), implemented by the Autonomous Government of Pando Department, particularly in relation to the application of mechanisms for financial support to SFM for timber and NTFPs. Funding is currently being sought to extend the period of COMSERBO until 2019, to complement that provided by the Plurinational Fund. It will also be coordinated with the *Project for the Integrated Community-Based Territorial Development of Remote Communities in the Amazon* (funded by Japan and administered by the World Bank through FUNDESNAPE), particularly in

relation to the provision of support for productive initiatives within a framework of community participation and municipal land use planning.

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

### **B.1. NATIONAL STRATEGIES, PLANS, REPORTS, ASSESSMENTS UNDER CONVENTIONS:**

50. The project will contribute principally to **Aichi Goal B** “Reduce the direct pressures on BD and promote sustainable use”, and specifically targets 5 (significant reduction in the degradation of natural habitats) and 7 (sustainable management of areas under forestry). It will also contribute to Goal D “Enhance the benefits to all from BD and ecosystem services”, specifically target 14 (restoration and safeguarding of ecosystems that provide essential services) and 15 (enhancement of ecosystem resilience and the contribution of BD to carbon stocks); and Goal E (Enhance implementation through participatory planning, knowledge management and capacity building), specifically target 18 (respect of the traditional knowledge, innovations and practices of indigenous and local communities relevant for the conservation and sustainable use of biodiversity, and their customary use of biological resources).

51. With its focus on striking a balance between sustainable use and BD conservation, the project is compatible with the integrated approach of the **Convention on Biological Diversity**. It is also compatible with the **United Nations Convention on the Combat of Desertification and Drought (UNCCD)**, in relation to the involvement of local communities (article I 3a), the adoption of an integrated approach (article II 2a), as well as the specific reference in Annex III (on priorities for Latin America and the Caribbean) to addressing declining forestry yields and achieving food security and sustainable development and management of agricultural, livestock-rearing, forestry and multipurpose activities.

52. As expressed in COP11 of the CBD (India, 2012), the position of Bolivia is to promote the recognition of the collective action of the peoples in the conservation and sustainable use of the biodiversity as well as of the non-market approaches in the framework of respect for Mother Earth. The 2009 **Constitution of Bolivia** established the structure and territorial organization of the Plurinational State as decentralized and autonomous in the framework of autonomous territorial entities and collectively-managed lands such as TIOCs, and the legal right of indigenous communities to use natural renewable resources. It also recognized the Amazon as a strategic area for special protection for integral development of the country, due to its high environmental sensibility, existent BD, water resources and ecoregions. It established that the State will prioritize the sustainable integral development of Amazonia, through integral management, participation, and fair sharing of benefits, and stated that management should be aimed at employment generation and improving benefits for its inhabitants, in the framework of the protection and sustainability of the environment. Finally, it established that the State will implement special policies in benefit of the nations and rural peoples native to the region to generate the necessary conditions for industrialization, commercialization, protection and conservation of the traditional extractive products

53. The project is also coherent with the country’s Convention related strategies (i) 2001 **National Biodiversity Strategy and Action Plan (NBSAP)**<sup>8</sup>, which recognises the ecological, economic, and cultural importance of BD, and the long term strategic importance of integrating BD into national and local policies. It also proposes that the use of BD should be articulated to local needs and national capacities, and that regional areas should be managed in an integrated manner involving local institutions and national scientific institutions, promoting the economic use of BD within the framework of the ecosystem approach and long-term sustainability, and with local participation; (ii) the Bolivian “**National Program of Action to Combat Desertification**”, which includes actions to respond to the operational objectives of the Decennial Strategy of the UNCCD (2007). The Program includes seven medium term actions of which the following are the most relevant to the project: (a) establish a research and development program that retrieves traditional knowledge, practices and technologies, and also develops technological innovations as the basis for implementing actions to combat desertification; and (b) promote the implementation of policies, plans, programs and projects for integrated watershed management.

### **B.2. THE GEF FOCAL AREA STRATEGIES:**

54. The project has as its central tenet the search of a balance between sustainable use and biodiversity conservation in Amazonia, in the context of the mandates of the Law No. 300 of the Mother Earth and Integral Development for Living Well and the objectives of the Plurinational Authority, which operates through the Joint

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<sup>8</sup> Bolivia is currently preparing an Enabling Activity Project to update the NBSAP and prepare the country’s next national report.

Mechanism. The project implies the development of sustainable productive systems in areas under management of indigenous groups and local communities. It builds on processes of territorial management and governance capacity building in different environments under the leadership of the Plurinational State of Bolivia.

55. The project directly advances BD Objective 2, as it will promote the sustainable active management of forest ecosystems by local communities (BD Outcome 2.1), taking into account landscape-wide interactions between these and processes in neighbouring non-forest ecosystems; under component 1, it will also promote the mainstreaming of these concepts and principles into national policy and regulatory frameworks (BD Outcome 2.2). It also addresses LD Objective 3, as it will apply a landscape approach to ensuring that forest ecosystems are able to compete in economic and social terms with alternative land uses. Finally, the project also advances SFM-REDD Objective 1, by helping reduce pressures on forest resources and generate sustainable flows of forest ecosystem services, through the adoption of good management practices by local stakeholders (SFM-REDD Outcome 1.3).

**B.3 GEF AGENCY’S COMPARATIVE ADVANTAGE TO IMPLEMENT THIS PROJECT:**

56. The approach adopted by the project is in line with UNDP comparative advantage and its focus as a development organization: mainstreaming biodiversity conservation and sustainable land and forest management across productive sectors at the landscape level, building capacities in national institutions and community-based organizations on issues such as planning, commercialization and finance. The project is aligned with UNDP’s Strategic Plan for 2014–2017 priorities regarding supporting sustainable productive capacities and services to boost employment and livelihoods; and on strengthening local governance, sustainable planning at local levels, and natural resources management. The UNDP GEF has proven experience in this area supporting 45 projects mainstreaming projects in 18 production sectors since 2005. In common with this project these have addressed barriers related to policy frameworks, institutional capacities, planning instruments, commercialization, organizational development and technical capacities among producers. UNDP also has a number of projects globally working with indigenous communities. The UNDP Indigenous People’s policy indicates that engagement with indigenous peoples is grounded in UNDP mandated areas of work.


57. The GoB has requested UNDP assistance in view of this experience and as the project objective is in line with the UNDP Country Programme goals. In this regard the project falls under Area 4, Environmental Rights, of the United Nations Development Assistance Framework (UNDAF) 2013-2017 of Bolivia and within this under Outcome 4.2 Conservation and sustainable use of environmental benefits; Output 4.2.1 Wider and improved Forest management, conservation zones and protected areas learning from ancient and traditional practices. UNDP has supported activities in Bolivia related to the management of natural resources over different GEF cycles including the GEF Small Grants programme with 272 community grants and the ongoing project Biodiversity Conservation through Sustainable Forest Management by Local Communities. In addition UNDP Bolivia has developed capacities in the evaluation of environmental conditions in the country, developing Human Development Reports. The UNDP Bolivia CO has sufficient capacity to handle this project with a dedicated team (one Programme Officer with 10 years of experience, plus 1 governance programme officer), and technical oversight provided by an RTA from UNDP’s Regional Centre.

**PART III: GEF OPERATIONAL FOCAL POINT AND GEF AGENCY APPROVAL**

**A. ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF GOVERNMENT**

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Roberto Salvatierra	Vice Minister of Environment, Climate Change and Forest Management and Development	MINISTRY OF WATER AND ENVIRONMENT.	5 MARCH 2014

**B. GEF AGENCY CERTIFICATION**

<b>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.</b>					
Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Adriana Dinu UNDP/GEF Executive Coordinator and Director a.i		March 20, 2014	José Vicente Troya, Regional Technical Advisor	+507-302-4636	jose.troya@undp.org