

PROJECT INFORMATION DOCUMENT (PID) CONCEPT STAGE

Report No.: PIDC958

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Project Name	Forest Conservation and Sustainability in the Heart of the Colombian Amazon (P144271)
Region	LATIN AMERICA AND CARIBBEAN
Country	Colombia
Sector(s)	Forestry (74%), Central government administration (13%), Sub-national government administration (13%)
Theme(s)	Biodiversity (54%), Environmental policies and institutions (23%), Participation and civic engagement (14%), Land administration and management (9%)
Lending Instrument	Specific Investment Loan
Project ID	P144271
GEF Focal Area	Biodiversity
Borrower(s)	Government of Colombia, Patrimonio Natural
Implementing Agency	Ministry of Environment and Sustainable Development
Environmental Category	B-Partial Assessment
Date PID Prepared/ Updated	15-Aug-2013
Date PID Approved/ Disclosed	15-Aug-2013
Estimated Date of Appraisal Completion	02-Dec-2013
Estimated Date of Board Approval	27-Mar-2014
Concept Review Decision	Track II - The review did authorize the preparation to continue

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I. Introduction and Context

Country Context

Colombia is one of the five mega-diverse nations in the world. It ranks third in terms of biodiversity and is home to almost 15% of all known terrestrial species, including the largest number of species of birds and amphibians in the world. Protected areas and indigenous reserves represent 34% of the national territory. The Colombian Amazon represents 6.5% of the biome's rainforest and 42% of the country's land mass, with over 1.2 million people living in the region, 12.4% of which are indigenous peoples.

For several decades, Colombia has been constructing an extensive system of Protected Areas (18

National Parks and Natural Reserves encompassing 7.9 million hectares) and Indigenous Reserves (189 in total with 25.6 million hectares) in the Amazon. The passage of Act 2 of 1959, declared the vast majority of the Colombian Amazon forest an Amazon Forest Reserve Area, which created a basic degree of protection. However, it is necessary to create more stringent land protection categories in the region. The consolidation of Colombia's Protected Areas is considered a priority in a number of environmental policies in Colombia. The 1996 Colombian National Policy for Biodiversity set the stage for conservation, knowledge, and sustainable use of biodiversity through in-situ conservations. In 1997, the Government of Colombia adopted the Policy for the Creation and Consolidation of a Protected Areas System. Furthermore, the Government of Colombia's National Development Plan 2003-2006 defines the need to consolidate a National Protected Areas System in areas of high biodiversity and strengthen the National Natural Parks Authority. These national commitments are also reflected in the National Strategy for Reducing Emissions from Deforestation and Forest Degradation (REDD+). At the UN Climate Summit in Copenhagen in 2009 and in Cancun in 2010, Colombia indicated its commitment to reduce deforestation in the Amazon to zero by 2020, provided international support. In addition, the updated National Development Plan 2010-2014 seeks to integrate environmental sustainability as a key aspect of the country's development strategy.

More recently, Colombia's Ministry of Environment and Sustainable Development (MADS) released a manual for a national biodiversity offset scheme, which establishes clear procedures for identifying and quantifying measures for offsets in terms of biodiversity loss. The aim is to help Government and the private sector create parallel measures for how each site affected by biodiversity loss should be compensated; ensuring that impacts of large infrastructure projects on the environment will be mitigated and compensated appropriately for any loss of biodiversity.

Sectoral and Institutional Context

Although the rate of deforestation in Colombia is much lower than in adjacent countries, about 22,375 km² of Amazon rainforest have been lost from 1990 to 2010, at an average rate of 111,876 hectares per year. Most of these areas have been converted to pasture for livestock. Between 2005 and 2010, deforestation in Colombia generated 12.75 million tons of CO₂ per year. Preliminary projections by IDEAM indicate that by 2030, if current trends continue, an additional 13,000 km² of rainforest will be lost in the Colombian Amazon, completely losing the connectivity between the Andean and Amazonian forests in the country. Deforestation in the Colombian Amazon has several causes. The main driver is extensive cattle ranching, followed by colonization of peasants, including those fleeing from conflict areas. In addition, the projected expansion of oil and mineral exploitation and construction of road projects in the Amazon, will lead to the development of other infrastructure, rapid population growth and thus increased negative pressures on the forest.

The situation is further complicated due to lack of land use planning, land titling and zoning of the Amazon Forest Reserve. In the coming years, Colombia must ensure proper land use and zoning and restore degraded areas adopting a landscape management approach that integrates sustainable development plans with conservation goals. Hotspots of deforestation in Colombia, like those to the west and north of the Chiribiquete National Park, in Guaviare and Caquetá departments, are places where government has historically lacked adequate presence, leading to lowered use of sustainable land use management practices. Despite the important advances in the peace process, the Revolutionary Armed Forces of Colombia (FARC) are still present in a few areas by the forest frontier. Historically this occupation has contributed to deforestation through extensive land clearings for cultivation of illicit crops.

The Government of Colombia and the World Bank have a long-standing, deep engagement on biodiversity and forests. The World Bank's Programmatic Knowledge Services (PKS) for Colombia supports the Government's agenda on Environment, Natural Resources Management, and Extractive Industries, laying out the ongoing and future activities by the Bank. The PKS aims to consolidate and rationalize the range of current and planned knowledge services within a programmatic approach consistent with country and Bank strategy in environmental and natural resources management, climate change and pollution management. Annex III lists the Bank's completed, ongoing, and planned PKS program on Environment, Natural Resources Management, and Extractive Industries in Colombia.

Relationship to CAS

The proposed project is consistent with the World Bank Country Partnership Strategy (CPS) 2012-2016 for Colombia as well as the World Bank Latin America Environment Strategy 2012-2022. The proposed World Bank engagement under the CPS is wholly aligned with the Government's renewed focus on sustainable development, including positioning Colombia as a leader in the area of climate change and sustainable development objectives agreed upon in the Rio +20 Summit. In particular, the CPS builds on the successful experience of the prior World Bank Group (WBG) strategy in Colombia and aims to support the Government's new National Development Plan. The strategy sets forth a results-focused package of support which includes Sustainable Growth with Enhanced Climate Change Resilience' as one of its three strategic themes. Environmental management and climate change are increasingly important areas of policy action in Colombia, complemented by transparent and effective public sector institutions at national and subnational levels. The Programmatic Knowledge Services approach for Colombia highlighted above is also aligned with the CPS.

II. Proposed Development Objective(s)

Proposed Global Environmental Objective(s) (From PCN)

The project's global environmental objective (GEO) is the same as the project's development objective (PDO), namely, to improve governance and promote sustainable land use activities in order to reduce deforestation and conserve biodiversity in the Colombian Amazon forests.

Key Results (From PCN)

The following indicators would measure success in achieving the PDO:

1. 2.7 million hectares of protected areas are effectively managed and funded, including the monitoring of management effectiveness
2. National and local environmental authorities, as well as of indigenous authorities, are institutionally strengthened for the sustainable management, monitoring and enforcement of the Amazon frontier, including the capacity to account for GHG emissions reductions;
3. Agreements on sectoral programs achieved and implemented with at least 3 sectors driving deforestation (e.g. cattle ranching, agriculture, oil, mining, and forestry); and
4. Land management practices developed and implemented for restoration and to control main drivers of deforestation in identified priority areas.

III. Preliminary Description

Concept Description

As a matter of national policy, Colombia has for several decades been constructing an extensive system of protected areas and indigenous reserves in the Amazon, which have proved effective in preventing further deforestation. This proposed project is an integral part of this commitment, designed to consolidate and sustainably manage the Protected Areas system in the heart of the Colombian Amazon, whose core is the Chiribiquete National Park. If successful, the project will avoid millions of tonnes of CO₂ emissions per year, preserve a biological corridor between the Andes and the Amazon, promote sustainable development and improve the livelihoods of local communities and indigenous peoples in the region.

In the last ten years, the areas surrounding the Chiribiquete National Park have experienced a sharp increase of interest in oil and gas exploration. The National Hydrocarbons Agency (ANH) has designated extensive areas as reserved exploration blocks for future lease of oil and gas exploration. The area is also a target for the development of road infrastructure, with Colombia's commitment to build the Marginal de la Selva road to unite Ecuador with Venezuela placing increased pressure on the area and causing greater harm to the forest.

The proposed project would consist of four components, to help alleviate the above mentioned pressures:

Component 1 -Protected Areas. This component will seek to (i) Improved management effectiveness in new and existing PAs and (ii) increase funding to meet total expenditures required for management

Component 2 - Improved forest governance, management, and monitoring. This component will seek to (i) increase institutional capacity of national, regional and local environmental authorities, as well as of indigenous authorities, including financial sustainability, for sustainable landscape management, monitoring and enforcement of the Amazon forest frontier, (ii) to enhance institutional capacity to account for GHG emission reductions in alignment with the National Forest and Carbon monitoring system, (iv) to reduce deforestation in the project area compared to the Amazon subnational reference forest emission level for Colombia, and (v) to guarantee conservation of at least 95% of the carbon stock by the lifetime of the project of (1,164 M tons of Co₂ eq) of Chiribiquete National Park barring natural disturbances.

Component 3 – Sectoral programs for sustainability and land management. This component will seek to (i) improve cross-sectoral coordination and policy coherence in critical sectors to achieve long term reductions in deforestation (e.g. cattle ranching, agriculture, mining and forestry), (ii) adopt sectoral programs in critical sectors (e.g. cattle ranching, agriculture, mining and forestry) to improve practices that reduce pressures on forests and biodiversity, restore ecosystems and reduce GHG emissions while improving livelihoods, (iii) Develop and implement land management practices developed and implemented for restoration and to control main drivers of deforestation in identified priority areas, and (iv) Benefit local population from sectoral programs by improvements in their livelihoods.

Component 4 - Monitoring and evaluation. The component will seek to improve monitoring of management effectiveness of protected areas, institutional strengthening, and non-carbon benefits of

land management practices and sectoral programs.

The proposed project is consistent with the GEF focal areas of Biodiversity (BD), Climate Change Mitigation (CCM), and Sustainable Forest Management/REDD+ (SFM). Consistent with the “GEF 5 Focal Area Strategies” document, synergies of BD, CCM and SFM are explored to generate multiple global environmental benefits, as well as social and economic ones. The proposed project will include gender specific activities and mechanisms to monitor gender related impacts.

IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	x		
Natural Habitats OP/BP 4.04	x		
Forests OP/BP 4.36	x		
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11	x		
Indigenous Peoples OP/BP 4.10	x		
Involuntary Resettlement OP/BP 4.12	x		
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	40.04	Total Bank Financing:	0.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source			Amount
BORROWER/RECIPIENT			30.00
Global Environment Facility (GEF)			10.04
Total			40.04

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