PROJECT IDENTIFICATION FORM (PIF)
PROJECT TYPE: FULL-SIZE PROJECT
TYPE OF TRUST FUND: GEF TRUST FUND
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PART I: PROJECT IDENTIFICATION

Project Title:	Sustainable Forest Lands Management and Conservation under an Eco-social Approach		
Country(ies):	Venezuela	**GEF Project ID:**[1]	5410
GEF Agency(ies):	FAO	**GEF Agency Project ID:**	623206
Other Executing Partner(s):	Ministerio del Poder Popular para el Ambiente (MPPA); Misión Árbol; Empresa Nacional Forestal (ENF)	**Submission Date:**	June 20, 2013
GEF Focal Area (s):	MULTI-FOCAL AREA	**Project Duration (months):**	60 months
Name of parent program (if applicable): • For SFM/REDD+ ☒ • For SGP ☐ • For PPP ☐		**Agency Fee ($):**	783,684

A. FOCAL AREA STRATEGY FRAMEWORK[2]:

Focal Area Objectives	Trust Fund	Indicative Grant Amount ($)	Indicative Co-Financing ($)
CCM-5: Promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry	GEFTF	2,304,731	8,186,000
BD-2: Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors	GEFTF	3,570,121	11,126,000
LD-2: Forest Landscapes: Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people	GEFTF	312,135	978,500
SFM/REDD+-1: Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services	GEFTF	1,500,000	4,681,000
SFM/REDD+-2: Strengthen the enabling environment to reduce GHG emissions from deforestation and forest degradation and enhance carbon sinks from LULUCF activities.	GEFTF	562,329	758,500
Total project costs		8,249,316	25,730,000

B. PROJECT FRAMEWORK

Project Objective: To mainstream biodiversity conservation, sustainable land management, and climate change mitigation in the forestry sector to achieve Sustainable Forest Management (SFM) through innovation in information management, incentive schemes, participative governance, empowerment of the local communities dependant on forests, and multiple mechanisms for restoration of areas under degradation processes in key representative forest ecosystem in Venezuela.

Project Component	Grant Type[3]	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount ($)	Indicative Co-financing ($)
1. Integrated National Forest Information System (SINIB)	TA	1.1 Improved capacity for national forest monitoring and evaluation, covering 4,465,909 ha of forest based on: a) complementing the National Forest Inventory with improved thematic products on biodiversity and GEI and carbon stocks; b) strengthening the processing of geo-spatial and socio-economic information;	1.1.1 Protocol for updating and processing geospatial information (includes procurement of satellite images and revision of methodologies) to support SFM (planning, monitoring, control and research). 1.1.2 Protocol for field level information gathering on forest and socio- economic conditions with a sustainable livelihoods approach 1.1.3 Multitemporal analysis on national forest coverage.	GEFTF	2,456,852 CCM: 740,731 BD: 1,116,121 MSF/REDD+: 600,000	5,550,000

[1] Project ID number will be assigned by GEFSEC.
[2] Refer to the reference attached on the Focal Area Results Framework and LDCF/SCCF Framework when completing table A.

		and c) participatory monitoring of forest coverage.	1.1.1 Study of GEI and carbon stocks and fluxes due to deforestation in three types of forests, carbon hotspots identified, and national MRV standards established for the GEI benefits from reduction of deforestation and forest degradation. 1.1.5 Thematic maps of biodiversity with information on distribution of plants species, their abundance, frequency, dominance, and fito-geographical relationships 1.1.6 Participative mechanism for monitoring of the forest coverage, health and related GEI flows to detect deforestation and forest degradation. 1.1.7 Protocol of information flow and exchange between the SINIB and the National Biodiversity Information System			
		1.2 Knowledge and valuation of forest related biodiversity and carbon hotspots integrated in an improved forest management at local forest unit scale (measures for forest biodiversity conservation applied in forest management plans for at least two local units, covering 274,511 ha.)	1.2.1 Lists of forest species (endemic, threatened, exotics) and carbon hotspots prepared for pilot management units. 1.2.2. Guidelines for the study and definition of zoning of management units taking into consideration the state and needs for biodiversity, carbon hotspots and forest ecosystem conservation utilizing information generated by SINIB. 1.2.3 Database of biodiversity goods, products, and services of forest ecosystems (including the forest reserves), including wood and non-wood products and their multiple use by local communities.			
2. Building of capacities and innovative tools for SFM	TA	2.1 Community stakeholders and national and local governments involved in sustainable forest management through new participatory management tools, covering at least 166,634 ha of forests resulting in: a) stabilized populations of endangered forest species of global importance; b) an estimated 24 million t CO2eq avoided carbon emissions; and c) land degradation processes detained.[4] 2.2. National SFM Certification Program designed and under initial implementation[5]	2.1.1 Program to strengthen technical-legal human resources of the MPPAMB (Ministry of Environment – Forest Mission) implemented to promote and sustain innovations in SFM utilizing the information generated by the SINIB (100 people trained). 2.1.2 Four (4) Annual Operational Plans based on the information generated by the SINIB for forest planning and management with an ecosystem and sustainable livelihood approach developed with local governments and community organizations covering 11,000 ha approximately. 2.1.3 Pilot scheme to transfer the forest management responsibilities to communes or other kind of social based organizations. 2.2.1 Criteria and indicators for national certification of SFM determined utilizing the information generated by the SINIB and applying a multi-criteria analysis, including criteria and indicators for national standards for: a) REDD and MRV (from output 1.1.4); b) conservation of biodiversity and forest ecosystems services under pressure; and c) Conservation modalities of forest cover in areas sensitive to land degradation processes.	GEFTF	2,600,000 CCM: 700,000 BD: 1,100,000 LD: 100,000 MSF/REDD+: 700,000	6,050,000

[4] Threatened species and their population baseline, the estimations of CO_{2eq} benefits and the number of ha. will be further specified during the preparation of the full sized project.

[5] Considering that the national certification scheme first needs to be established (as a key output of this project) no targets for certified hectares have been set at this early stage even though the project would probably have such a outcome. During the preparation of the full project and the Certification Mechanism some targets for certified area at national level will be discussed and eventually defined, considering some scenarios and a phases implementation of the mechanism.

		2.3 Intersectoral dialogue on SFM strengthened.	2.2.3 Incentives and social recognition scheme for the promotion of national SFM certification. 2.2.4 Participatory monitoring mechanism of national certified forest under SFM for multiple use of forest in balance with the provision of forest ecosystem goods and services. 2.2.5 National SFM certification program, containing: law and regulations, register system, certification and chain of custody procedures, and incentive mechanism through cross-sectorial and inter-governmental at different levels agreements. 2.3.1 Training program of human talent and dialogues exchanging local knowledge related to the utilization of information generated by the SINIB for improved forest planning and management and SFM practices implemented in at least 1 commune with 35 community councils. 2.3.2 Platform inter and intra-sectoral coordination and consultation established for forest management governance in Venezuela and adjustment of the SINIB to best fit the information needs of the various sectors.			
3. Forest restoration, conservation, and SFM/SLM (sustainable land management) in areas under forest and soil degradation processes.	INV	3.1 Technical and institutional capacities for restoration of forest and forest lands applying SFM/SLM practices strengthened through the development of national restoration guidelines for: a) very dry tropical spiny forest; b) mangroves; and c) forests and forest lands important for water regulation. 3.2 Restoration and regeneration of 3000 ha of forests through SFM/SLM strategies (i.e. reforestation, agroforestry systems, analog forestry) under an ecosystem approach prioritizing the multi-functionality of forests and resulting in: a) stabilized populations of endangered forest species of global importance; b) sequestration of 0.2 million tonnes of CO2eq; and c) land degradation processes detained in 3000 ha.[6]	3.1.1 General standards and indicators for prioritizing areas for forest restoration applying information generated by SINIB. 3.1.2 National coordinating mechanism, including local governments and community stakeholders, for restoration initiatives applying SFM/SLM practices (i.e. agroforestry systems, reforestation) in area of influence of forest reserves 3.1.3 Guide for good community practices for forest seeds handling and selection of seed providing trees. 3.1.4 National network of Community Providers of forest seeds established. 3.1.5 National policy and strategy for restoration and recovery of forest cover with an eco-social approach. 3.2.1 Model for forest restoration through SFM/SLM on-the-ground tested (i.e. 700 ha with agroforestry, 800 ha with analog forestry, 1500 ha with reforestation, etc.) with the participation of local governments and communities. 3.2.2 Experiences and lessons learned on commercializing wood and non-wood products systemized so they can be used to sustain SFM/SLM best practices. 3.2.3 Value chain and market analysis of the main forest products demanded and affecting the forest and recommendations for market adjustments and the design of commercialization strategies for reducing the pressures on forests. 3.2.4 Four (4) communal commercialization plans for wood and non-wood forest products implemented according to the	GEFTF	2,600,464 CCM: 700,000 BD: 1,100,000 LD: 186,135 MSF/REDD +: 614,329	12,050,000

[6] Threatened species and their population baseline, the estimations of CO_{2eq} benefits and the number of ha. will be further

			3.2.5 Financing schemes (2) designed to sustain the implementation of the National SFM certification program (established under output 2.2.5).			
4 Project progress monitoring and evaluation and information dissemination.	TA	4.1 Project implementation based on results-based management and application of project findings and lessons learned in governmental initiatives and other future operations facilitated.	4.1.1 Monitoring platform and online tracking system providing systematic information on progress achieving project outcome and output targets. 4.1.2 Midterm and final evaluation conducted and project implementation and sustainability strategy adjusted to recommendations. 4.1.3 Best practices and learned lessons of the project published. 4.1.4 Website to share experience and information dissemination	GEFTF	200,000 CCM: 54,000 BD: 84,000 LD: 12,000 MSF/REDD+: 50,000	850,000
				Sub-Total	**7,857,316**	**24,500,000**
				Project management Cost (PMC)[7]	392,000 CCM: 110,000 BD: 170,000 LD: 14,000 MSF/REDD+: 98,000	1,230,000
				Total project costs[4]	**8,249,316**	**25,730,000**

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

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount ($)
National Government	Ministry of Environment- Ministerio del Poder Popular para el Ambiente MPPPAMB	Unknown at this stage	3,000,000
National Government	National Forest Company - Empresa Nacional Forestal ENF	Unknown at this stage	10,000,000
National Government	Tree Mission - Misión Árbol MA	Unknown at this stage	3,000,000
Others	Latin American Forestry Institute - Instituto Forestal Latinoamericano IFLA	Unknown at this stage	1,500,000
Others	National Company of Reforestation - Compañía Nacional de Reforestación (CONARE)	Unknown at this stage	8,000,000
GEF Agency	FAO	Grant	200,000
GEF Agency	FAO	In-kind	30,000
Total Co-financing			**25,730,000**

D. INDICATIVE TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA(S) AND COUNTRY[1]

GEF Agency	Type of Trust Funds	Focal Area	Country Name/ Global	Grant Amount ($) (a)	Agency Fee ($) (b)[2]	Total ($) c=a+b
FAO	GEFTF	Climate Change	Venezuela	2,304,731	218,949	2,523,680
FAO	GEFTF	Biodiversity	Venezuela	3,570,121	339,161	3,909,283
FAO	GEFTF	Land Degradation	Venezuela	312,135	29,653	341,788
FAO	GEFTF	SFM/REDD+	Venezuela	2,062,329	195,921	2,258,250
Total Grant Resources				8,249,316	783,685	9,033,000

[1] In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table

[2] Indicate fees related to this project.

[7] To be calculated as percent of subtotal

E. PROJECT PREPARATION GRANT (PPG)[8]

Please check on the appropriate box for PPG as needed for the project according to the GEF Project Grant:

	Amount Requested ($)	Agency Fee for PPG ($)[9]
• No PPG required		
• (Upto) $50k for projects up to & including $ 1 million		
• (Upto) $100k for projects up to & including $ 3 million		
• (Upto) $150k for projects up to & including $ 6 million		
• (Upto) $200k for projects up to & including $ 10 million	200,000	19,000
• (Upto) $300k for projects above $ 10 million		

PPG AMOUNT REQUESTED BY AGENCY (IES), FOCAL AREA(S) AND COUNTRY(IES) FOR MFA AND/OR MTF PROJECT ONLY

Type of Trust Funds	GEF Agency	Focal Area	Country Name/ Global	PPG ($) (a)	Agency Fee ($) (b)	Total ($) c=a+b
GEFTF	FAO	Climate Change	Venezuela	56,000	**5,320**	**61,320**
GEFTF	FAO	Biodiversity	Venezuela	86,500	**8,218**	**94,718**
GEFTF	FAO	Land Degradation	Venezuela	7,500	**712**	**8,212**
GEFTF	FAO	SFM/REDD+	Venezuela	50,000	**4,750**	**54,750**
Total Grant Resources				**200,000**	**19,000**	**219,000**

PART II: PROJECT JUSTIFICATION[10]

A. PROJECT OVERVIEW

A.1. Project description. Briefly describe the project, including: 1) the global environmental problems, root causes and barriers that need to be addressed; 2) baseline scenario and any associates baseline projects; 3) the proposed alternative scenario, with a brief description of expected outcomes and components and the project; 4) incremental cost reasoning and expected contributions from the baseline, the GEFTF, LDCF/SCCF and co-financing; 5) global benefits (GEFTF, NPTF) and adaptation benefits (LDCF/SCCF); 6) innovativeness, sustainability and potential for scaling up.

Loss of forest ecosystems and associated ecosystem services (habitat for biodiversity of global importance, carbon stocks, and soil conservation in dry and semi-dry lands) and its root causes

In the Bolivarian Republic of Venezuela a land area of 75 million ha or 87.7% of the national territory is covered by forest, shrubby or herbal vegetation. Due to its great diversity of biomes, the country has since 1950 established a national system of Areas under Special Administrative Regime (ABRAE), which currently covers an area of 63.5 million ha. These areas are divided according to their use as production or protected areas in: national parks, forest reserves, wood-land lots, natural monuments, lands with forest vocation, forest fauna refuges and others. Further, in the country there are 22 life zones representing 650 vegetation types and a considerable variety of fauna species. The forest coverage is around of 47,63 million ha, which corresponds to 54% of the total land area of the country and includes 15 Forest Reserves, 4 areas as "Wood-land lots" and 39 areas with forest vocation. All of these areas are destined for permanent forest production with a total coverage of 16.3 million ha.

The annual forest coverage cut and converted into agricultural and farm land reaches (please see table below): i) 32 140 ha/year of tropical wet deciduous forest (representing estimated emissions of 3.82 million tons of CO2eq); ii) 7 500 ha/year of tropical dry forest, wet and dry mountainous forest (representing estimated emissions of 0.95 million tons of CO2eq); and iii) 2 000 to 4 000 ha/year of tropical rain forest, wet forests with a short dry season (representing estimated emissions of 0.58 million tons of CO2eq) (IFLA 2000). On the

[8] On exceptional basis, PPG amount may differ upon detailed discussion and justification with the GEFSEC.

[9] PPG fee percentage follows the percentage of the GEF Project Grant amount requested.

other hand, natural forest regeneration processes has predominately occurred in abandoned/unused land over the course of the last 30 years – with the major occurrence in rain and wet forests with a short dry season - with a yearly growth rate of the above soil biomass of 3,5 to 5 tm/ha.

Baseline annual forest carbon emissions for Venezuela

Deforestation (ha/year)	Forest Type	Above-ground biomass in forests (t/ha)	[tonne root d.m. (tonne shoot d.m.)-1]	In root biomass (t/ha)	Biomass Total (t/ha)	Carbon fraction, (CF) [tonne C (tonne d.m.)-1] (default value for all)	C t/ha	**Total annual C emissions caused by deforestation Total (t)**
32,140	Tropical wet deciduous forest.	220 IPCC, 2003	0.24 Mokany et al., 2006	52.8	252.8	0.47 McGroddy et al., 2004	119	3.82 millions
7,500	Tropical dry forest. (Wet and dry mountainous forest)	210 IPCC, 2003	0.28 Mokaney et al., 2006	58.8	268.8	0.47 McGroddy et al., 2004	126	0.95 millions
2,000 a 4,000 (value used 3,000)	Tropical rain forest. (Very wet forest and wet forest with short dry seasons)	300 Baker *et al.*, 2004a; Hughes *et al.*, 1999	0.37 Fittkau and Klinge, 1973	111	411	0.47 McGroddy et al., 2004	193	0.58 millions
							Total:	5.35 Millions*

* Soil carbon not considered Source: FAO RLC 2013 (Estimation based on current available data)

Venezuela is a mega diverse country. The principal cause of biodiversity loss is the destruction and alteration of natural habitats because of land use changes. The productive activities, such as agriculture and livestock, urban development and the industrial expansion, are the most important driving forces behind the destruction and replacement of habitats, in particular forest ecosystems. Another highly damaging activity is mining, because of its fragmentation of habitats and pollution of water, air and soil. Forest fires, hunting of forest wildlife, and the exploitation of plants with high ornamental value are additional driving forces leading to biodiversity loss in forest ecosystems (GEO 2010).

Since the 1940s there has been a concern for deforestation and forest degradation in Venezuela, in particular in relation to the seasonal forest of Turén, which displays a wealth of tree species under protection today. The rapid progress of deforestation, lead to a decision in 1952 to issue Yearly Permits as a measure to regulate the use of forest resources. This measure was also applied to the forest reserves Ticoporo, Caparo and San Camilo. In an attempt to reduce deforestation, the Forest Planning and Management Plans (POMF) were implemented in 1970 on an experimental basis, with a legal foundation in the Forestry Law of Land and Water of 1966. In the mentioned law long-term administrative contracts, known as Forest Concessions, which were issued for periods of up to 40 years, were contemplated. However, these concessions were contemplated with a purely economic approach to the forests and were in practice characterized by deficient planning and compliance with the POMF by the private companies, the selective extraction of woods of high commercial value (forest mining) as well as land use pressure and the exclusion of local communities in the equal distribution of forest goods and services, leading to a precarious environmental and social balance.

A rapid and retrospective assessment, reveals that after six decades of "forest management" in the country, neither implementation of POMF or governmental policies managed to preserve the forest heritage. Instead the north of the Orinoco river forest area has dramatically decreased and endangered and threatened forest ecosystem species (i.e. *Swietenia macrophylla* (Caoba), *Cedrela odorata* (Cedro), *Anacardium excelsum* (Mijao) y *Tabebuia spectabilis* (Acapro), *Lonchorhina fernandezi* (murciélago narigudo), *Harpia harpyja* (Aguila Arpía), *Crocodylus intermedius* (Caimán del Orinoco)) have and are still ending up in Venezuelan Red Books over endangered species. Besides, only a tiny minority benefits economically from forest concessions at the expenses of both forest exploitation and the local communities, whom have been excluded of any equitable sharing of benefits derived. In addition there is little updated temporal and spatial information that could allow for sound planning in the forestry sector and mainstreaming the conservation of biodiversity in sector activities.

Venezuela has a significant area of arid lands, semi-arid, sub-humid and drylands, which cover approximately 45% of the national territory. The processes of erosion of these lands is a serious environmental problem and is considered as the main factor of the degradation of productive soils. The more vulnerable States that already have desertification and land degradation trends are Nueva Esparta, Sucre, Anzoátegui, Lara, Falcón, Táchira, Mérida, Trujillo, Guárico, Monagas and Zulia, which altogether reach 10.08% of the countries territory. These zones extend from the Paria Peninsula to the Peninsula of La Guajira. A large part of these areas are classified

as drylands and sub humid lands that comprise the Northeastern Region and Los Llanos. In the Central Western Region, specifically in the Falcon State, the advances in the degradation of the physical and biological environment is highly dangerous and around 70 % of the dry and very dry tropical forests have been lost. It is estimated that the erosion has resulted in the loss of 40% of the region's agricultural soil and the disappearance of native tree species and fauna (i.e. Vera (*Bulnesia arborea*), Cuji (*Prosopis jubiflora*), Dividive (*Caesalpinia coriaria*)).

Baseline scenario and projects

This current situation of the forestry sector in Venezuela has led to a reorientation of the forest policy of the country under new approaches that draw on humanism, holism and participation and that recognizes the strategic role of the forest and its contribution to the climate change adaptation and mitigation, conservation of biodiversity, food security, sustainable development and poverty eradication, ensuring the conservation of forests through its sustainable management and restoration of forest lands.

The law in force regarding natural forests, is the Law on Forests and Forest Management of 2008, which is complemented by other legal instruments such as the Organic Law for the management of the territory and its partial regulation, the Law on Communes, the legal status of Areas under Regime of Special Administration (ABRAE), and others related instruments. The Ministry of the Environment (MPPA) through its "Mission Tree" (MPPAMB), is the competent national entity in forest and land management. MPPAMB implements the forestry policy through different tools for environmental planning, territorial planning, Environmental and Social Impact Evaluations, and environmental impact studies. In addition, recent issued norms and regulations include norms on selection and conservation of seed providing trees and the prohibition of the explotation of the following tree species: Caoba (Swietenia macrophylla), Cedro (Cedrela odorata), Mijao (Anacardium excelsum), Acapro (Tabebuia serratifolia), Saqui-saqui (Pachira quinata), and Pardillo negro (Cordia Thaisiana).

In the baseline scenario there has also been made progress in the development of the following instruments, initiatives and projects addressing the loss of forest ecosystems and associated services:

The National Forest Inventory (NFI) provides basic information on the Venezuelan forests, and is an important tool for planning and SFM as part of the framework of a new model for forest production (and development) which promote a rational and ecologically sustainable use of the forest resource. Furthermore the NFI also allows for the compliance with one of the indicators suggested by United Nations to measure the achievement of the goal 9 of the Millennium Development Goals (the proportion of territory covered by forests) and the inventory of greenhouse gases (GHG) as part of the National Communication, required by the UNFCCC. The methodology for the NFI was prepared with financial and technical support from FAO and the guidelines of the IPCC.

The National Forest Company (ENF), was created by Decree No. 7.457 in 2010 under the MPPA, with the objective to implement sustainable production of forest goods and services through the planning of the forest heritage. This company controls most of the wood and non-wood forest goods of the country applying a new model of low impact and sustainable development of forests taking into account social welfare linked to the social Missions of Venezuela, access to basic services and the training of the inhabitants of local communities. The ENF can establish industrial or semi-industrial community enterprises for processing of wood and non-wood forest products integrating communities in forested areas under a new scheme of forest management. ENF establishes different types of partnerships and agreements with public or private stakeholders to, for example, promote the access to funding for the rehabilitation of sawmill machinery or the promotion of joint ventures (public-private partnerships) applying an ecosocial approach to forest management in forest reserves. The objective is to create an enabling environment for SFM and generate local capacities for direct administration of the forest in a sustainable manner by local communities or other social community based organizations complying with the law of communes to promote social participation and the endogenous development.

"Mission tree" under the MPPA serves the social function of integration and empowerment of rural and urban communities in forest restoration, organized into conservation committee or cooperatives, for the construction of a new model of development. This model is based on the recovery and conservation of forests intended for protection, agroforestry or even industrial purposes to improve the quality of life of the communities, and as a strategy for integrated management and sustainable use of watersheds.

Other important governmental instruments of specialized technical services include the National Company of Reforestation (CONARE) for recovery and forest restoration in the expanded territory, the Latin American

Forest Institute (IFLA) conducting research and consulting scientific, and other economic instruments such as the mechanism Oil Compensatory Forests of Venezuela S.A. (PDVSA) currently under construction.

Finally, since 2004 Venezuela is part of the Kyoto Protocol of the UNFCC with the current position of not intervening in CDM projects that are geared to generate certified emissions reductions in the context of the carbon market. The public policy is directed towards the promotion of alternative financing mechanisms different to conventional markets mechanism.

Remaining Barriers for SFM

Deficiencies in the NFI. The NFI monitors forest coverage by different types of forests. However, the available information is not complete and is out of date, which forces to make extrapolations with little accuracy over forest resources. The lack of use of geo-spatial instruments and in particular the lack of skills and capacity to process geo-spatial information results in the non-application of tools that could update the data regularly in a cost-effective manner, and deficiencies in accuracy in the analysis and results of the NFI. The current NFI does also not include socio-economic data on communities and sectors depending, utilizing and converting forest resources and areas. Currently the operating protocols of the NFI do not involve communities and local stakeholders in data collection and monitoring of forests. These three aspects make the information produced by the NFI less appropriate for supporting decision making processes, planning and forest management at the local level. Finally, even though the NFI applies a methodology for monitoring of carbon stocks and GHG emissions from land-use changes and deforestation on the methodology of the IPCC, there is still a need to clarify some of the formulas and values used with data on carbon flux and other GHG from different forest types around the country. This results in that GHG emissions estimations of the forestry sector currently has a high uncertainty rate and cannot be used as the basis for defining national MRV standards.

Absence of knowledge about and valuation of forest biodiversity. Another weakness of the available information on forest ecosystems is the state of its biodiversity and its value for communities dependent on forests or living in their areas of influence. This results in the lack of valuation of biodiversity and their services and the integration of conservation measures in forest planning and management.

Weak operational capacities for communal SFM and forest land use planning. Although the country has a new framework and instruments for territorial planning, planning of the use of forest resources, and SFM, the capacity for their implementation is very weak. There are only limited previous experiences in the country with community SFM based on participatory forestry planning and management with an ecosocial approach. There are also remaining legal gaps such as land use regulations in forest reserves.

Lack of national standards for SFM and incentives for their adoption. SFM is embodied in various legal tools and the mandate of the ENF, but a major obstacle to encourage their adoption by sectoral actors and communities is the lack of national standards, criteria and indicators defining SFM and the establishment of a system of certification of SFM that can give an added value to the products and services of forest ecosystems under SFM.

Lack of legal and policy frameworks and technical capacities for forest restoration. With the Tree Mission and CONARE the government has created funded programs and an initial institutionality to begin the forest restoration in arid and semi-arid areas affected by land degradation. However, the progress in the implementation is slow as a result of the lack of: coordination and monitoring of the various initiatives; a national policy and strategy for the recovery of forest ecosystems and reverse the processes of land degradation with an ecosocial approach; and technical instruments and capacities such as standards and indicators for the prioritization of degraded areas potential for restoration, community forest seed providers and good practices guidelines for community management of forest seeds, marketing and value chain improvement plans for wood and non-wood products relevant for sustaining SFM/SLM practices.

Proposed GEF project alternative

The proposed project will contribute to promote sustainable production of goods and services from forest ecosystems, while conserving the values of such ecosystems. It will promote a strategy for natural resources management within which forestry activities take into account the short and long term context of ecological, economic, and social interactions within a specific area or region. The management and utilization of forests and forest areas will be with an approach and intensity that allows for the conservation of forest biodiversity and respect the productivity and regeneration capacity of the ecosystems and its ability to maintain, in the present and in the future, its ecological, economic and social functions at local, national and global scale, without causing damage to other ecosystems.

This project will support the conservation of the forest through sustainable management and forest lands restoration. It will expand the availability and access to knowledge and information about the forest including systematic information on the synergies and relationships between global processes of climate change, deforestation, desertification and conservation of global important biodiversity. This will result in improved decision-making on land-use planning and zoning, as well as promote forest restoration and rehabilitation of degraded forest lands with active participation of local and indigenous communities through various forms of organization and forest management.

In addition, based on theoretical considerations, scientific publications on climate change, forests and forest management of the FAO, the project will support the adoption of practices that could support forests to adapt to climate change such as reducing the cutting periods in plantations which reduces the stress associated with senescence and the danger of damage caused by pests and diseases.

With this approach, **the project objective** is to mainstream biodiversity conservation, sustainable land management, and climate change mitigation in the forestry sector to achieve Sustainable Forest Management (SFM) through innovation in information management, incentive schemes, participative governance, empowerment of the local communities dependant on forests, and multiple mechanisms for restoration of areas under degradation processes in key representative forest ecosystem in Venezuela. To achieve this objective the project has been structured in the following 3 components:

Component 1: *Integrated National Forest Information System (SINIB).* Under the leadership of the General Direction of Forests (DGB) of the MPPAMB the SINIB will be implemented in the context of strengthening the NFI of Venezuela. Capacities for national forest assessment and monitoring will be strengthened complementing the NFI with geo-spatial[11] and socio-economic information, adjusting formulas for the monitoring of stocks and forest GHG emissions, and involving local stakeholders and communities in participatory monitoring of forest cover. The participatory monitoring component of the SINIB will try to engage relevant stakeholders and local communities involved in SFM in the management units. The participatory mechanism will be further designed during full project preparation. The involvement of local stakeholders will have an awareness raising effect on forest resources among these stakeholder as well as contribute to cost efficiency in the medium term for data collection to be fed into to the SINIB after validation. This mechanism could in particular be important for forest cover and degradation monitoring. The strengthening of the NFI into the SINIB will ensure access to better information about the state of forest resources as a basis for planning and forest management. To achieve this strengthening the project will provide technical assistance for: (i) reinforcing the process of information gathering, which will include the use of remote sensing through the acquisition of high resolution satellite images and the development of new Geospatial applications for forest monitoring and management in direct partnership between the DGB and the Bolivarian Agency for Space Activities (ABAE); (ii) the preparation of protocols for field collection of information on socioeconomic and cultural issues allowing for a better understanding of the relationship between socio-economic activities of communities and sectors, and forest resources; (iii) Study of GEI emissions and carbon stocks and fluxes due to deforestation in three types of forests; and (iv) the establishment of national MRV standards according to the guidelines of the IPCC for the benefits of GHG reduction of deforestation and forest degradation.

In addition, the knowledge and valuation of biodiversity associated with the forests will be improved for the integration of its conservation and sustainable use in the new regulations for SFM at the management unit level. For this end (under the co-supervision of the national Office of Biodiversity) technical assistance will be provided for: (i) the recollection of information and elaboration of lists and thematic maps of forest species and related flora and fauna (endemic, threatened, exotic) in pilot management units with the participation of local actors trained by the training programmes Para-biologist and para-ecologist (this will promote the involvement of the communes through a catalytic support from the National Forestry Company); (ii) multitemporal analysis of vegetative cover as a basis for the planning of the areas of special interest and the wildlife reserve areas; (iii) the preparation of guidelines utilizing the information generated by SINIB for the study and definition of zoning in management units according to the state and needs of conservation of biodiversity and forest ecosystems including protection rules to generate connectivity and corridors for species movement within and between ABRAES in the area of influence of the forest reserves; and (iv) establish a

[11] The source of geospatial information will be cartographic maps from the Instituto Venezolano de Cartografía Nacional Simón Bolívar and satellite images obtained from different remote sensors including: Miranda, SPOT 4 and 5, LANDSAT 7, and from the Center for Processing of Images under the Ministry of Science and Technology. The images

data base of goods, services and products from biodiversity and forest ecosystems (including forest reserves) and their multiple use by local communities.

Component 2: *Building of capacities and innovative tools for SFM.* Operational and technical capacity will be strengthened in implementation of tools for forest land planning and SFM with a high involvement of community actors and national and local governments. As intervention area for this component the Imataca Reserve has been selected at this stage based on the selection criteria: i) important size; ii) high level of endemic biodiversity; iii) strong deforestation and forest and land degradation drivers; iv) and the presence of vulnerable groups depending on the forest. The Imataca Reserve is in the northeast of the country and covers 3.2 million ha. (the size of the Netherlands). It is home to an important diversity of wildlife and plant species, including endemic species, and several indigenous tribes (please see section A.2 below). This area has for decades been under serious pressures from forest logging and gold and diamond mining concessions given to outsiders with adverse impacts on local indigenous livelihoods and is therefore very suitable for addressing already known deforestation and land and forest degradation drivers through SFM with local communities. For this reason the ENF has already started to work with communities in the area which have shown strong interest in participating in forest planning and SFM. During the full project preparation a more detailed analysis, based on the above mentioned selection criteria, will be done to identify the specific areas of intervention within the Imataca Reserve and eventually other areas of intervention.

The component will include technical assistance for: (i) the implementation of a program for strengthening technical and legal capacities of the human resources of the MPPAMB to allow for innovation in SFM utilizing the information generated by SINIB; (ii) the preparation of four local Annual Operational Plans based on information generated by the SINIB for forest planning and management with an ecosystem and sustainable livelihood approach (applying a rapid rural assessment under the sustainable livelihoods approach for the development of the plans and the CRiSTAL (community based risk screening tools for livelihoods adaptation) or other tools oriented at guiding strategies and interventions of MSF according to the climatic reality especially in dry areas); and (iii) development of legal instruments to regulate and sanction activities and regulate the use of forest resources in forest reserves.

In addition, the implementation of a certified SFM scheme will be promoted to add value to products and services from forests under SFM. This will include technical assistance for: (i) the establishment of criteria and indicators for a national certification of SFM based on the information generated by the SINIB and a multi-criteria analysis including criteria and indicators reflecting national standards (including for REDD and MRV (developed under the component 1), conservation of biodiversity and forest eco-systemic services under pressure, and conservation of forest coverage in arid areas sensitive to processes of land degradation; (ii) the identification of proposals for incentives and social recognition for promoting the national certification of SFM; (iii) develop a participatory mechanism for monitoring multiple use balanced with the provision of goods and services from forest ecosystems in forest reserves in model areas under national SFM certification; (iv) the implementation of a training programme of human talent of forest communities and promotion of dialogues using local knowledge on SFM including training in sources and collection of seeds, organic fertilizers, formulation and evaluation of projects, management and conservation of soil, silviculture, geographic information systems, and management of forest species including fruit trees and species with ornamental value; and (v) the development and implementing of a proposal for a national programme for SFM certification including regulating law, registration system, certification and verification chain, mechanism of incentives through cross-sectoral agreements and with different levels of Government.

Component 3: *Forest restoration, conservation, and SFM/SLM (sustainable land management) in areas under forest and soil degradation processes.* This component will be overseen by the DGB with the support of the General Direction of River Basins and watersheds (DGC), and the ENF. It includes the implementation of investment funds mainly for the restoration and conservation of degraded arid and semi-arid areas improving the health of degraded secondary forests and protecting primary forests. The component will also include some technical assistance to strengthen technical and institutional capacities for the restoration of tropical very dry thorny tree forest, mangroves, and forests or forests lands important for water regulation. This will include: (i) definition of standards and general indicators for the prioritization of areas relevant for forest rehabilitation and restoration based on information generated by the SINIB and including cross-sectoral considerations and prioritizing the watersheds approach, and other technical criteria such as steep slopes and susceptibility to soil erosion and the causes of forest degradation and desertification; (ii) establishment of a national mechanism for coordination of initiatives for restoration with SFM/SLM in the areas of influence of forest reserves; (iii) preparation of guidelines for good community practices for forest seed handling and identification of seed providing trees with emphasis on native trees; (iv) establishment of a national network of Community providers of forest seeds; and (v) development of a National Strategy and Policy for restoration and recovery

of forest cover with an eco-social approach under the guidance of the Working Group on Climate Change coordinated by the DGC and the Direction of International Cooperation.

The component will invest in the restoration and regeneration of 3,000 ha. of forests through SFM/SLM strategies (i.e. reforestation, agroforestry systems, analog forestry) in close coordination with local governments and communities. An ecosystem approach will be applied, prioritizing the multifunctionality of forests. The aim of the restoration is to recover the ecological stability by using plantations with species that fulfill the basic functions of protection through characteristics such as resistance to drought and ability to grow in soils with limited availability of nutrients and by establishing multiple use plantations. To sustain these investments, through socio-economic incentives for communities, they will be complemented by systematization of relevant experiences with marketing of wood and non-wood products (bamboo, rattan, fruits, palms fibers, etc.) relevant for supporting the adoption of SFM/SLM practices. In addition a value chain and market analysis will be done for main forest products to better understand how market demands and supplies are affecting the forest and define recommendations for commercialization strategies and market adjustments for reducing the pressures on forests. Four plans for communal marketing of forest wood and non-wood products will be formulated and implemented applying the principle of "multiple use". The investments will also be complemented by the implementation of the financing scheme through added value incentives provided by the national SFM certification (established under component 2).

Incremental cost reasoning and expected contributions from the baseline, the GEF and co-financing.

With the implementation of the project, financially supported by the GEF, basic information will be available and capacities will be developed for the implementation of a new model for SFM with an ecosystem, landscape, integrated, participatory and multi-use vision aimed at obtaining sustained yield of products, goods and services offered by forest ecosystems in order to improve the conditions and quality of life of the communities dependent on forest resources and/or based in their areas of influence. The incremental value to achieve Global Environment Benefits (GEB) in the case of each component is as follows:

Component 1: This component, incremental to current basic NFI, ensures access to systematic and updated information on forest carbon stocks and sequestration as well as GHG emissions from deforestation and forest degradation with a level of detail that allows for the establishment of national MRV standards. Further, information will be available on the state and value of biodiversity and forest ecosystem services. This information is essential as a basis to ensure that planning and forest management optimizes the generation of global environmental benefits from forest ecosystems such as increased forest carbon sequestration and GHG emissions avoided and conservation of threatened species and forest ecosystems with global importance. GEF resources will be invested primarily in technical assistance activities (please see description of component 1 above) while the MPPA and the ENF tentatively would invest USD 1 million and USD 4.5 million respectively in satellite images, equipment for processing geospatial data, community outreach and filed collection of forest biodiversity and socio-economic data including staff salaries and local transportation.

Component 2: This component will provide incremental investments to the new framework and tools for territorial planning, planning of the use of forest resources, and MFS and the work of ENF which is hampered by the lack of skills and operative experience and national standards of MFS. This component will speed up the implementation of forest planning and the formulation and implementation of local Annual Operational Plans for forest planning and management with an ecosystem and sustainable livelihood approach ensuring the incorporation of generating global environmental benefits of the forest ecosystems mentioned above, as well as the benefits of reversing land degradation process in arid and semi arid areas.

This component will also cover the incremental cost of creating a national SFM certification, making sure that it includes important criteria and indicators for generating global environmental benefits, such as REDD monitored by a MRV system, conservation of biodiversity and ecosystem forest services under pressure, and conservation of the forest coverage in areas sensitive to land degradation processes. GEF resources, complemented by USD 500 000 from IFLA (for socioeconomic incentives to promote MFS), will be invested mainly in technical assistance activities (please check the description of component 2 above), while MPPA and ENF will tentatively invest USD 1 000 000 and USD 4 500 000 respectively on staff salaries and local transportation to support the local capacity building and community processes related to the MFS plans and community monitoring mechanism of forest areas under MFS as well as the collection and systematization of forest ecosystems experiences and practices as inputs to define criteria and indicators for the national SFM certification.

Component 3: This component covers the incremental costs to focus investments in forest restoration and rehabilitation at areas with the highest potential of generating global environmental benefits including in

to the current situation where investments are disorganized, not prioritized and carried out in the absence of a coherent national policy and strategy, aimed at maximizing the ecosocial and global environmental benefits. GEF resources, complemented by USD 1 000 000 from IFLA (for the value chain analysis on wood and non-wood products and the elaboration of communal marketing plans), will be invested primarily in the activities of technical and institutional capacity building (please see description of component 3 above) while MPPAMA and CONARE will tentatively invest USD 3 000 000 and USD 8 000 000 respectively in the restoration and rehabilitation in the field with communities, including investments in local forest seed systems and reforestation, agroforestry systems, and analogue forestry.

Additionally, the MPPA and ENF will contribute tentatively with USD 500 000 and USD 300 000 respectively for the component 4 of the project monitoring and dissemination of results and USD 500 000 and USD 700 000 respectively for the project management costs.

Global environmental benefits

The proposed project aims at generating the following global environment benefits:

- Improved capacities for national forest evaluation and monitoring including the monitoring of GEI flows and the status of forest biodiversity covering 4.465.909 ha of forest
- Forest biodiversity conservation measures implemented through forest management plans for at least two management units covering 274.511 ha.
- Community stakeholders and national and local governments involved in SFM through new participatory management tools, covering at least 166,634 ha of forests resulting in: a) stabilized populations of endangered forest species of global importance; b) an estimated 24 million t CO2eq avoided carbon emissions*; and c) land degradation processes detained.
- Restoration and regeneration of 3000 ha of forests through SFM/SLM strategies (i.e. reforestation, agroforestry systems, analog forestry) under an ecosystem approach prioritizing the multi-functionality of forests and resulting in: a) stabilized populations of endangered forest species of global importance; b) sequestration of 0.2 million tonnes of CO2eq**; and c) land degradation processes detained in 3000 ha.[12]

* Values used for carbon benefits estimations for a period superior of 5 years are: Carbon fraction: 0,47, Biomass: 310,76 ± 48,64 t /ha – trees with diameter > 10 cm. Source: *El almacenamiento de carbono en la biomasa aérea como indicador del impacto del aprovechamiento de maderas en la Reserva Forestal Imataca, Venezuela* (Vilanova, et. al., 2010)

** Carbon calculations are based on: 800 ha with analog forestry: 800 ha x 310 t/ha x 0,47carbin fraction = 116.560 t CO2eq; 1.500 ha with reforestation: 1.500 ha x 100 t/ha (Table 3A.1.3, other broad leave forest in America, 1631 mm of precipitation. IPCC, 2013) x 0,47 carbon fraction = 70.500 t CO2eq; and 700 ha with agroforestry: 700 ha x 50 t/ha (1/2 of 100 t/ha) x 0,47 carbon fraction = 16.450 t CO2eq (assuming that agroforestry systems have 50% forest cover compared to areas under reforestation).

Innovativeness, sustainability and potential for replication

This proposal is innovative in the SFM context in Venezuela in its ecosocial model and promotion of SFM based on a national certification system with multiple benefits indicators for CCM, forest ecosystem biodiversity conservation, and recovery of degraded land in arid and semi arid areas. It is also innovative in the Venezuelan context of forest planning and management, as it emphasizes the involvement of local communities and the fair distribution of benefits from forest ecosystem services.

The sustainability of the project is assured by the high commitment of co-financing from all government institutions involved in forest planning and management and by the emphasis on building institutional, technical, and operational capacities, which are currently lacking creating obstacles for the progress in the implementation of the MFS model in Venezuela, defined in the national forest policy. As such the project is conceptualized and will be further designed to fit into the national institutional framework, policies and programmes described in the baseline section in section A.1. Likewise, the project will provide capacity building to strengthen this framework (outcome 1.1 and outputs 2.1.1, 2.3.1, 2.3.2, and 3.1.3) which will contribute importantly to the sustainability of the project. Another key issue for the sustainability is to develop a national SFM certification mechanism and a national model for forest restoration. Finally, the focus at linking component 2 and 3 on-the-ground activities in SFM with already existing incentive mechanism, new

[12] Threatened species and their population baseline, the estimations of CO_{2eq} benefits, and the number of hectares will be further specified during the preparation of the full sized project.

incentive mechanism, and national and international markets for certified forest products will also sustain the implementation of SFM. The resources for keeping the incentives available should come from the national budget and international cooperation. Gains in social development and environment conservation trough the SFM and forest restoration should justified the sustainability of the funds, programs and incentive initiatives.

The potential for replication is high as the project includes the strengthening of legal and technical instruments at national level and the government has the institutionality and budget to continue the implementation of the developed SFM model.

A.2 Stakeholders. Identify key stakeholders (including civil society organizations, indigenous people, gender groups, and other as relevant) and describe how they will be engaged in project preparation.

The project will benefit around 250 000 people from rural areas who have a direct relation or live within forest reserves, as they will participate in activities related to components 2 and 3. Among other areas, the project will strengthen the activities of the Imataca Reserve. The estimated current population in this reserve is 35 000 people, with around 40% indigenous population distributed in: 36,8% (4 378) are Warao; 29,9% (3 549) are Pemon; 15,1% (1 799) are Kariña; 10% (1 194) are Akawaio; 4,8% (576) are Sanema; 2,8% (333) are Arawaco; and 0,2% (58) are Eñepa (Indigenous National Census, 2001). Other small ethnic groups (Wapishana, Yekuana and others) including non-indigenous people in multi ethnic villages are not properly represented in the statistics. The majority of the 155 settlements consist of multi-family houses, with a shared and solitary economies and strong relationships between different settlements. Most of the villages keep an autonomous economy, based on traditional "conuco" (hunting, fishing and recollection) combined with other market activities such as selling the exceeding from agriculture and hunting, participation in mining activities (that has been increasing in the eastern and southern parts of the Bolivar State), providing labor to forest activities in the forest reserve and to public services to different communities.

In general, organized communities, settled inside forests reserves, are, through citizen participation processes, requesting their socio-environmental rights. They are also aware of their responsibility of sustainable use of their natural resources and the mission that the central government has in relation to the conservation of the National Forest Patrimony. This awareness will facilitate the participation of these communities in the project. The good relationship between the communities and the central Government institutions has allowed for the development of laws, regulations and policies at national, regional, and local levels with the involvement of the communities through citizen participation and through socio-productive organizations. The project will build on this relationship and experiences to assure the participation of the indigenous and non-indigenous communities in project activities and benefits in alignment with the Environmental Rights described in the Constitution of the Bolivarian Republic of Venezuela. A further detailed stakeholder analysis will be conducted during full project preparation to identify the precise organizations to be trained in forest cover and degradation and GHG emission monitoring eventually also from outside the Imataca Reserve. Other central actors involved in the Project and their roles are presented in the table below.

Key actors	Interest in the project	Role in the project
MPPA	Executes the forest policy through instruments of Environmental and territorial planning. It gives directions to the forest resources conservation policy in Venezuela that is based on the strategic environmental policy established in the Constitution of the Bolivarian Republic of Venezuela (Articles 127 to 129) and the National Plan for Territorial Planning. The MPPA governs the management and conservation of forest ecosystems, recognizing the multiple uses and functions of forests and its value as an important part of the national economy.	Lead Execution Agency and co-funder of components 1, 2 and 4 and project management costs.
ENF	The National Forest Company, under the MPPA was created by Decree 7457, 2010 and aims at sustainable production of forest goods and services through the planning of the national forest heritage. This company controls most of the wood and non-wood forest goods of the country under a new scheme of sustainable development oriented towards social welfare linked to access to basic services and the training of people in communities.	Strategic partner. Accompany the process of community involvement in the planning and MFS. Co-funder of components 1, 2 and 4 and project management costs.
Tree Mission MPPAMA	Supports the implementation of forest policy of MPPA through instruments Environmental Planning, Territorial Planning, Environmental and Socio Cultural Impact Assessment, Environmental Education. It is the undisputed benchmark in empowering and incorporating rural and urban communities in forest restoration.	Co-executor and funder of component 3
IFLA	Support in terms of research and academic consultancy	Strategic partner and co-funder of components 2 and 3. Provide technical assistance.
CONARE	Expertise in and responsible for forest recovery and restoration	Strategic partner and co-funder of component 3
FAO	Expertise in NFI, forest policy, SFM and SLM and value chains of forest products, forest recovery and restoration.	GEF Agency for project implementation. Provide

		project implementation. Co-funder
Communes	Beneficiaries of the project and involved in the implementation of the activities of components 1 and 2	Beneficiaries and strategic partners.
ABAE (Bolivarian Agency for Spatial activities)	Responsible for the Venezuelan satellite (Miranda) that can provide important information for the NFI and monitoring of forests.	Provide high-resolution satellite images for the activities of component 1

A.3 Risks. Indicate risks, including climate change risks, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, propose measures that address these risks to be further developed during the project design (Table format acceptable).

Risks that might affect project objectives from being achieved	**Appraisal L= Low, M = Medium, H = High**	**Mitigation actions**
Political and institutional risk: Biodiversity conservation and SFM/SLM not prioritized at the national and regional level	L	The forestry policy will be strengthened and better justified through improved information on forest ecosystems during the project. Possible institutional changes will not affect the integrated planning of project activities, as they seek continuity through the active participation of organized communities in communal councils. In addition there will be technical support from officials at the national and local MPPAMB, and local professionals to increase awareness of local actors, reducing institutional instability due to possible changes in public organizations.
Socio-economic risk: Communities and forest sector stakeholders resistant to adopt SFM/SLM practices	L	Local populations could be against the national policies, however, the Constitution, approved in 1999 and the Law of Communal Councils, together with environmental awareness generated with the policies of Venezuelan government, have increased the participation of local communities en projects concerning natural resource management. For this reason a positive effect of local communities becoming the very important actors in the project is expected and supported through participatory methods applied in component 2 and 3.
Administrative risk: Poor project management capacities	M	MPPAMB has a high engagement of staff which capacities in project management as well as MPPAMB fiduciary standards will be further assessed during full project preparation. If needed a capacity strengthening and fiduciary risk mitigation plan will be implemented at project start up.

A.4 Coordination. Outline the coordination with other relevant GEF financed and other initiatives.

This project will synchronize their actions with other GEF projects, mainly the GEF-IFAD project (GEF ID: 3963) Integral Social Development and its Interaction with Climate Change in the Watershed of Lara - Falcon (PROSALAFA II), which aims at promoting sustainable rural development and support climate change mitigation and adaptation in the states of Falcon and Lara, favoring the increase in carbon stocks, while promoting environmentally sustainable productive alternatives that are better adapted to climate change impacts and can help reduce poverty so ideally complements the LULUCF sector in the areas of influence of forest reserves, enabling the development of regional partnerships for developing intervention models and tools.

The Venezuelan GEF / PENUD project National Park Financial Sustainability (GEF ID: 3609) is currently under implementation and covers parks related to Forest Reserves. Therefore the project will benefit from lessons learned of this project and synergies and complimentary actions could be developed in strengthening wood and non-wood forest products value chain and marketing plans.

The proposed project will also be coordinated and share information with the National Development Plans which are implemented by the Venezuelan government under the framework of the Simon Bolivar National Plan (Plan Patria 2013-2019) and with the Miranda Satellite which will be put into orbit and will provide images for the evaluation and monitoring of natural resources. Further, the proposed project will be complemented by and coordinated with plantation projects promoted by the Tree Mission since 2006 and plantation programmes in the upper and middle part of watersheds in the country that have been developed by public institutions, such as the National Reforestation Company (CONARE) with the participation of the General Direction of Watersheds under MPP-Ambiente.

In relation to the former structures for coordination and articulation will be developed with the ENF and other public and private organizations to strengthen the forest product value chain and networks through the creation

of strategic partnerships (Social property enterprises, Communal property enterprises and joint ventures) to transform wood and non wood goods.

The project and other government agencies will support the incorporation of communities organizations and human settlements in the forest management units and other project influence areas. This is in line with the new model of Forest Management which includes the improvement of sustainable community agro-productive systems which will require direct coordination with communities and families and provision of training in SFM and community organization, new production options for craftsmen and carpenters, forestry and agro forestry practices.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 National strategies and plans or reports and assessments under the relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSAs, NIPs, PRSPs, Biennial Update Reports, etc.

The current project proposal is consistent with the First National Communication (PCN) on Climate Change submitted to the UNFCCC in 2005. It is specifically consistent with the section 6.6 "Opportunities for the Mitigation of GEI from the Forest Sector" which is based on the findings of section 2.6 Land-Use Change and Forestry (LULUCF) of the General GEI Inventory. This inventory shows the total emissions from all GEI sources in Venezuela wherein the LULUCF sector reaches 192 133 Gg of CO_{2eq} and with an absorption of 14 297 Gg of $CO_{2eq.}$ Within LULUCF the sub-area of greater significance for the CO_{2eq} capture is the "change of biomass in forests and other kind of vegetation" that reaches -40 308 Gg of CO_{2eq}. This value reduces by 21% the sum of total GEI, versus the energy sector which has the greatest proportion of emissions with 143 668 Gg of CO_{2eq} - meaning 74.8% of total GEI (MARN 2004).

Accordingly, the carbon in shrubs, forests and vegetation (40 308 Gg CO_{2eq}) reflects the greatest dynamic for CO2 absorption in Venezuela (IFLA 1999) occupying 82% of the national territory (75 117 666 ha). Due to this, the management of the existent forests including the Forest Reserves covering 11 678 267 ha, constitutes an action with high GEI mitigation potentials, as per the National Communication on Climate Change. In the same document priority is given to the future implementation of "Program of Soil and Water Conservation" and the "integration of principles of sustainable development in policies and programs of the country to revert the lost of natural resources".

The National Strategy for Conservation of Biodiversity (ENCDB) 2010-2020 and its national action plan, is proactive on achieving the goal 17 of the Strategic Plan for Biodiversity for 2015 - from the Action Plan "Aichi" under the UNCBD. Consistent with goal 12 from "Aichi", forest and biodiversity policies mention the need to protect the following threatened forest species which currently cannot be exploited: *Swietenia macrophylla* (Caoba), *Cedrela odorata* (Cedro), *Anacardium excelsum* (Mijao) y *Tabebuiaspectabilis* (Acapro). With regards to threatened and endangered fauna there is a need to develop protection actions for the habitat of the murciélago narigudo (*Lonchorhina fernandezi*), Aguila Arpía (*Harpía harpyja*). Vulnerable species also indicated are Murciélago blanco mayor, Danta, and Caimán del Orinoco (*Crocodylus intermedius*). These species are present in forestry areas in which the project will pay special attention and these species will be used as biodiversity indicators of global importance (see footnote no. 4). Interventions in areas with ecological importance will also be prioritized such as the Cloud Forests, Dry Forests, Coastal Cordillera (Litoral Chain and Interior Chain), mangroves, etc.

Under the objective 1 of ENCBD *Management of information on Biodiversity* the need for generating relevant information on biodiversity is articulated with emphasis on threatened, endemic, and potentially useful species and the need for creation linkages that ensure information flow among information generators, users and decision makers. Component 1 of the proposed project will contribute to this objective. Objective 3 *Strategic areas for Conservation,* section 3.1.5 establishes the following needs: "elaborate, update and implement the plans for Land use planning and regulation governing the use of the Strategic Areas for Conservation, develop a national diagnosis for the state of the strategic areas for conservation, know the impacts of the activities that are potentially degrading the ecosystems, identify any legal gaps in relation to biodiversity conservation, establish programs to recover threatened species, review and design recuperation and restoration plans for degraded ecosystems, create national enterprises of sustainable use of biodiversity, prioritize the creation of new conservation instruments that are socially inclusive involving local communities in territorial planning and management, and promote the economy and rural development from a ecological perspective, rescuing and systematizing the ancestral and traditional knowledge about biodiversity to assure the sovereignty of the people among others. The project is in line with these objectives, in terms of the conservation of forestry ecosystems with an eco-social approach.

Within the National Action Plan Against Desertification – PAN – (MARN 2004) one objective is to generate production alternatives under a sustainable use scheme. Recovery and restoration of degraded areas with special emphasis on watersheds and sub-watersheds are strategic action lines of PAN which component 3 of the proposed project will be contributing to. The PAN also indicates the need to systematize the existing information, update land use plans, and support the formulation of a National Policy for Wetlands and Forests. Among the government programs that are mentioned as important for the implementation of the objectives of the PAN are mentioned the National Forest Inventory and the National Reforestation Program.

The third national report to the Convention of United Nations Convention to Combat Desertification (UNCCD), 2008, it was identified as priority action to focus on forest restoration and generating synergies with the conventions on Biological Diversity (CBD) and Climate Change (UNFCCC) in the Tree Mission interventions. Over 17 initiatives related to sustainable land management (SLM) were identified as well as SFM (Lara and Falcon areas). Moreover, the technical indicators for follow up on the implementation of the PAN includes: "number of reforestations"; number of planted trees; and fenced and reforested area to guard lakes. The production indicators includes: number of species and plants in plant nursery; reforested ha. with agroforestry systems, living fences, riparian forests; and quantity of fuel wood used.

In addition the present project is consistent with the following national policies:

a) Conservation Policy for Forestry Resources in Venezuela which sustains the strategic guidelines of the environmental policy, established in the Constitution of the Bolivarian Republic of Venezuela (Articles 127 to 129)

b) National Plan for territorial planning, which is governed by the following principles: the land use planning and conservation of the forest ecosystems, the acknowledgement of the different uses and functions of the forest, the valuation of forests as an important part of the national economy.

c) The Government's Patria Program 2013-2019, specially referring to the Fifth Historic Goal on contributing to the conservation of life in the planet and the salvation of the human species, and the national and strategic objectives such as 5.1 "To build and promote the economic productive eco-socialist model, based on an harmonic relationship between humankind and nature, that ensures the rational, optimal, and sustainable use and exploitation natural resources, respecting the processes and nature cycles" and mainly with the objective 5.4.2 "To design a National Mitigation Plan, that covers the productive sectors that are the producers of the greenhouse gasses, as a national voluntary contribution to the efforts for saving the planet. Such plan must promote the transformation of the productive sectors at national level".

B.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities

The proposed project seeks social recognition of the multifunctional value that forests provide, not only in terms of wood and non-wood goods, but mainly in terms of ecosystem services (forestry carbon sequestration, biodiversity conservation, regulation of the water cycle and water quality, soil conservation). The proposal integrates the strategic areas of Climate Change (CCM), Biodiversity (BD), Soil Degradation (LD) and Sustainable Forestry Management (SFM/REDD+), under a multifocal approach.

In relation to the CCM strategy, the project will support objective 5: *To promote conservation and enhancement of carbon stocks through sustainable management of land use, land-use change, and forestry.* Component 1 of the proposed project will strengthen the capacity to generate precise and reliable information for the decision making regarding the land use planning and forestry management. The improved information will facilitate the increase in carbon benefits and provide enough precision in data to create national MRV standards for GEI reduction benefits from projects reducing deforestation and forest degradation. Furthermore, the complemented NFI will provide improved data for the GEI inventory. Component 2 will strengthen the human operational and technical capacities to be able to implement forest planning and management instruments and SFM practices incrementing the carbon and other GEI benefits from forest ecosystems. To sustain the adoption of good practices of LULUCF and MFS, by adding value to forest products from forest under SFM, criteria and indicators for a national SFM certification will be defined, including criteria and indicators in line with national standards for REDD and MRV (developed under component 1). Component 3 will invest in restoration and recuperation of forests, increasing carbon sequestration and avoiding forestry GEI emissions.

Under GEF BD Strategy, the project will support objective 2: *Mainstream Biodiversity Conservation and Sustainable Use into Production Landscapes, Seascapes and Sectors.* The component 1 of the proposed project will improve the knowledge and valuation of biodiversity associated with forest ecosystem to sustain the integration of its conservation and sustainable use in SFM at management unit level. For this en the

component will provide technical assistance for: the recollection of information and elaboration of lists and thematic maps of forest species and related flora and fauna (endemic, threatened, exotic) in pilot management units with the participation of local actors; the preparation of guidelines for the study and definition of zoning in management units according to the state and needs of conservation of biodiversity and forest ecosystems; the establishment of a data base of goods, services and products from biodiversity and forest ecosystems (including forest reserves) and their multiple use by local communities. Component 2 will strengthen the human operational and technical capacities to be able to implement forest planning and management instruments and SFM practices increasing the benefits of habitat for species with importance for the global biodiversity in forest ecosystems. To sustain the adoption of good SFM practices by adding value to forest products from forests under SFM, criteria and indicators for a national SFM certification will be defined including criteria and indicators for conservation of biodiversity and forest eco-systemic services under pressure. Component 3 will invest in restoration and recuperation of forests with native species, including threatened species, applying strategies that will privilege the biodiversity such as "Analog Forestry". This investment will increase the habitat for forest flora and fauna, which are currently under pressure due to deforestation and forest degradation processes. This will result in stabilizing or increasing populations of critically threaten species.

The project will contribute to the below Aichi targets and indicators:

Aichi Biodiversity Target	**Related Project Outcomes**	**Selected Aichi Indicators**
Component 1:		
Target 19 - By 2020, knowledge, the science base and technologies relating to biodiversity, its values, functioning, status and trends, and the consequences of its loss, are improved, widely shared and transferred, and applied.	Expected outcome 1.1 Improved capacity for national forest monitoring and evaluation, covering 4,465,909 ha of forest based on: a) complementing the National Forest Inventory; b) strengthening the processing of geo-spatial and socio-economic information; and c) participatory monitoring of forest coverage.	Trends in coverage of comprehensive policy-relevant sub-global assessments including related capacity-building and knowledge transfer, plus trends in uptake into policy (B)
Target 2: By 2020, at the latest, biodiversity values have been integrated into national and local development and poverty reduction strategies and planning processes and are being incorporated into national accounting, as appropriate, and reporting systems	Expected outcome 1.2: Knowledge and valuation of forest related biodiversity integrated in improved forest management at local forest unit scale. Indicator: measures for forest biodiversity conservation applied in forest management plans for at least two local units covering 274,511 ha.	Trends in integration of biodiversity and ecosystem values into sectoral and development policies (C)
Component 2:		
Target 7: By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity	Expected outcome 2.1: Community stakeholders and national and local governments involved in forest management through new participatory management tools, covering at least 166.634 ha of forests. Indicator: Four (4) annual operational plans for forest planning and management with an ecosystem and sustainable livelihood approach covering 11,000 approximately.	Trends in area of forest, agricultural and aquaculture ecosystems under sustainable management (B) (decision VII/30 and VIII/15)
Target 3: By 2020, at the latest, incentives, including subsidies, harmful to biodiversity are eliminated, phased out or reformed in order to minimize or avoid negative impacts, and positive incentives for the conservation and sustainable use of biodiversity are developed and applied, consistent and in harmony with the Convention and other relevant international obligations, taking into account national socio economic conditions.	Expected outcome 2.2: National SFM Certification Program designed and under initial implementation	Trends in identification, assessment and establishment and strengthening of incentives that reward positive contribution to biodiversity and ecosystem services and penalize adverse impacts (C)
Component 3:		
Target 14 - By 2020, ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the	3.1 Technical and institutional capacities for restoration of forest and forest lands applying SFM/SLM practices strengthened through the development of national restoration guidelines for: a) very dry tropical spiny forest; b) mangroves; and c) forests and forest lands important for water	Trends in delivery of multiple ecosystem services (B)

communities, and the poor and vulnerable.		
Target 15: By 2020, ecosystem resilience and the contribution of biodiversity to carbon stocks has been enhanced, through conservation and restoration, including restoration of at least 15 per cent of degraded ecosystems, thereby contributing to climate change mitigation and adaptation and to combating desertification.	Expected outcome 3.2: Restoration and regeneration of 3000 ha of forests through SFM/SLM strategies under an ecosystem approach prioritizing the multi-functionality of forests and resulting in: a) stabilized populations of endangered forest species of global importance; b) sequestration of 2,607,341 tonnes of CO2eq; and c) land degradation processes detained in 3000 ha. Indicator: Model for forest restoration through SFM/SLM on-the-ground tested (i.e. 700 ha with agroforestry, 800 ha with analog forestry, 1500 ha with reforestation, etc.).	Status and trends in extent and condition of habitats that provide carbon storage (A)

Within the LD strategy, the project will support its objective 2: *Forest Landscapes: Generate sustainable flows of forest ecosystem services in drylands, including sustaining livelihoods of forest dependant people.* Component 2 of the proposed project will strengthen human operational and technical capacities to be able to implement forest planning and management instruments and SFM practices increasing the benefits of conservation of soil resources, rehabilitation of degraded lands, and a sustainable flow of forest ecosystem services. To sustain the adoption of good SFM practices by adding value to forest products from forests under SFM, criteria and indicators for a national SFM certification will be defined including criteria and indicators for conservation of forest cover in arid areas sensitive to land degradation processes. Component 3 will invest in restoration and recuperation of forests in arid and semiarid areas affected by land degradation and desertification. This investment will reverse degradation processes and increase land productivity in agroforestry and provide socio-environmental benefits for local people. Moreover, the management of degraded forests will reduce pressure on primary forests and is therefore expected to reduce deforestation and land degradation, and increase carbon sequestration during tree growth.

As for the window SFM/REDD+, the project will assist the achievement of Objective 1: *Reduce pressures on forest resources and generate sustainable flows of forest ecosystem services* and Objective 2: *Strengthen the enabling environment to reduce GHG emissions from deforestation and forest degradation and enhance carbon sinks from LULUCF activities.* As mentioned above component 1 will strengthen the capacity to generate more accurate and reliable information for decision-making in land use planning and forest management. The improved information will facilitate the increase in carbon benefits and provide enough precision in data to create national MRV standards for GEI reduction benefits from projects reducing deforestation and forest degradation. Component 2 will strengthen the human operational and technical capacities to be able to implement forest planning and management instruments and SFM practices increasing the benefits of forest ecosystems (carbon stocks and other greenhouse gases, habitat for global important species, conservation of soil and water, and rehabilitation of degraded lands). To sustain the adoption of good LULUCF and SFM practices by adding value to forest products from forests under SFM, criteria and indicators for a national SFM certification will be defined including criteria and indicators relevant for multiple benefits of CCM, BD and LD, as mentioned above, showing a reduced pressure on forest resources and generation of sustainable flows of forest ecosystem services. Component 3 will invest in restoration and recuperation of forests in arid and semiarid areas affected by land degradation, deforestation and forest degradation. This investment will reverse the degradation processes and increase the forest ecosystem services. Moreover, the management of degraded forests will reduce pressure on primary forests and is therefore expected to reduce deforestation and land degradation, and increase carbon sequestration during tree growth.

B.3 The GEF Agency's comparative advantage for implementing the project

FAO has comparative advantages in projects related to SFM and sustainable management of natural resources related to forestry and agriculture. FAO has supported the GoV in the development of policies and legal regulations for the forest sector, providing relevant technical assistance in the elaboration of policies, training activities, conservation of biodiversity, and strengthening management and conservation of natural resources in the communities. FAO implements forestry projects under several approaches, and will provide its long term experience in implementation of SFM, collaborative watershed management, and ecosystem approaches. Additionally, exchange of information and experience with other FAO projects will be facilitated (e.g. satellite data and methodologies for NFI and establishment of monitoring parcels). Venezuela's current NFI was supported by FAO through a TCP project that created the NFI methodology applied. FAO, together with UNDP and UNEP, is implementing the United Nations collaborative initiative on REDD in member countries

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

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Points endorsement letter(s) with this template. For SGP, use this OFP endorsement letter).

NAME	POSITION	MINISTRY	DATE *(MM/DD/YYYY)*
Lic. Lissett Hernández	General Director, GEF Operational Focal Point	Ministerio del Poder Popular para el Ambiente	04/04/2013

B. GEF AGENCY(IES) CERTIFICATION

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

Agency Coordinator, Agency name	Signature	Date *(MM/DD/YYYY)*	Project Contact Person	Telephone	Email Address
Gustavo Merino TCI-Director Investment Centre Division Technical Cooperation Department FAO Viale delle Terme di Caracalla (00153) Rome, Italy TCI-Director@fao.org		20 June, 2013	Jorge Meza, Regional forestry specialist for RLC Rikke Olivera Natural Resources Specialist, FAO-GEF Programme Officer for LAC and China		Jorge.Meza@FAO.org Rikke.Olivera@FAO.org
Barbara Cooney FAO GEF Coordinator Email: Barbara.Cooney@fao.org Tel: +3906 5705 5478					

including Panama, Colombia, Ecuador, Bolivia and Paraguay in Latin America which will provide important synergies with the proposed project. In addition, FAO is implementing the Forest Farmer initiative, which will promote a better integration of the actions of forestation, reforestation and forests management in family farming. Also at the regional level, FAO is developing a program that promotes the improvement of governance and the forestry control in several countries.

Supervision and technical backstopping for the implementation of the proposed project will be provided by technical and operational staff from the FAO Representation in Venezuela (day-to-day supervision), the FAO Regional Office for the Latin American and Caribbean Region, the FAO Forestry Department and the FAO-GEF Coordination Unit.

FAO will provide co-financing through its technical cooperation project TCP/VEN/3401 and 3301, which are implemented from May 2012 to December 2013, and will deliver inputs and baseline diagnosis supporting the proposed GEF-financed project. The projects support the development of national capacities for the formulation of a National Strategy of Conservation and Forestry Management and the establishment of agroforestry systems and forest plantations intended for multipurpose utilization. The TCP is implemented in collaboration with MPPAMB and will provide USD 136 000 of cash co-financing.

Further, FAO will provide technical backstopping in the forestry and agroforestry sectors (2014 – 2017) through related initiatives as part of the Field Program in FAO Venezuela such as the Community Projects for the implementation of agro-forestry systems in the Ticoporo and Caparo's Forest Reserves (USD 65 000 in cash co-financing and USD 30 000 in In-kind co-financing).