



# Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 19-Jun-2019 | Report No: PIDA26824

**BASIC INFORMATION****A. Basic Project Data**

Country Colombia	Project ID P167830	Project Name Orinoquia Integrated Sustainable Landscapes	Parent Project ID (if any)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 10-Jun-2019	Estimated Board Date 08-Aug-2019	Practice Area (Lead) Environment & Natural Resources
Financing Instrument Investment Project Financing	Borrower(s) Ministerio de Medio Ambiente y Desarrollo Sostenible (MADS)	Implementing Agency World Wildlife Fund Colombia	GEF Focal Area Biodiversity

## Proposed Development Objective(s)

To promote representation of Orinoquia wetlands and savanna lands in land-use planning instruments and biodiversity connectivity in selected project areas.

## Components

Effective integration of environmental considerations at appropriate scales in territorial and sector planning  
Landscape management for connectivity and resilience in priority biodiversity and ecosystem services areas  
Project management, communications, monitoring and implementation arrangements

**PROJECT FINANCING DATA (US\$, Millions)****SUMMARY**

<b>Total Project Cost</b>	36.59
<b>Total Financing</b>	36.59
<b>of which IBRD/IDA</b>	0.00
<b>Financing Gap</b>	0.00

**DETAILS****Non-World Bank Group Financing**

Counterpart Funding	10.09
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Borrower/Recipient	2.03
National Government	0.20
Local Sources of Borrowing Country	0.51
Non-Government Organization (NGO) of Borrowing Country	7.35
Trust Funds	26.50
Global Environment Facility (GEF)	6.50
BioCFplus Initiative for Sustainable Forest Landscapes	20.00

Environmental and Social Risk Classification

Moderate

Decision

The review did authorize the team to appraise and negotiate

Other Decision (as needed)

**B. Introduction and Context**

Country Context

**1. Over the past decade, Colombia has maintained historically high growth rates,** supported by sound macroeconomic policies, trade integration and favorable external conditions. Significant structural reforms since the early 1990s, combined with important trade agreements, have led to a modernization of the economy. Prudent macroeconomic management has also helped to improve resilience. As a result, the Colombian economy maintained an average Gross Domestic Product (GDP) growth of 4.8 percent in the past decade, more than 1 percentage point above the average of the three previous decades (3.5 percent).<sup>1</sup>

**2. Colombia’s progress in reducing poverty has been remarkable.** Over the 2002-2017 period, extreme poverty almost halved from 17.7 percent to 7.4 percent, while moderate poverty fell from 49.7 percent to 26.9 percent. This reduction was driven by rural areas where poverty incidence fell by 2.6pp from

<sup>1</sup> The World Bank Group (2015): Colombia Systematic Country Diagnostic (SCD); [http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/07/01/090224b082fc8bd3/1\\_0/Rendered/PDF/Colombia000Systematic0country0diagnostic.pdf](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2015/07/01/090224b082fc8bd3/1_0/Rendered/PDF/Colombia000Systematic0country0diagnostic.pdf), p.86



38.6 percent to 36.0 percent between 2016 and 2017. Colombia has achieved a significant decrease in its official Multidimensional Poverty Index (MPI)—down from 49 percent in 2003 to 17.8 percent in 2016.

**3. Colombia's natural capital is abundant.** The country is characterized by a diverse geography, a variety of landscapes and ecosystems, and considerable renewable and non-renewable resources. Hosting close to the 10 percent of the planet's biodiversity, Colombia ranks second among the countries containing the greatest biodiversity in the world<sup>2</sup>, with almost 62,829 species registered.<sup>34</sup> A sustainable growth model that ensures the protection of the country's natural capital base, prevents externalities associated to the costs of its degradation, contributes to competitiveness, and prevents the impacts of natural disasters and climate change has been gradually embedded into Colombia's policy process.

**4. To address environmental costs and the depletion of natural capital, the Government of Colombia (GoC) is consolidating efforts to position the country's natural wealth as a source of sustainable development, economic growth and social inclusion.** As stated above, Colombia is generously endowed with forests, water, biodiversity and mineral resources. The exploitation of its natural capital (mainly oil and non-renewables mining, as well as lands, savannas and forests) has been and continues to be a crucial part of the country's economic development. Sustainable management of its natural capital and the reversion of the current depletion rate have become a key priority, expressed in the National Council for Economic and Social Policy (CONPES) 3934 of 2018, which sets out a long-term green growth vision.

**5. Colombia is a signatory to the Convention on Biological Diversity (CBD) and is committed to permanently reviewing its public policies and adopting measures for the protection of its biological diversity,** for contributing effectively to the fulfillment of the Aichi Targets to reduce the rates of biodiversity loss and of its ecosystem services<sup>5</sup>. In response to this commitment, the Ministry of Environment and Sustainable Development (MADS) in a participatory process formulated in 2012 the National Policy for the Integral Management of Biodiversity and its Ecosystem Services (PNGIBSE). The PNGIBSE seeks to maintain and improve the resilience of socio-ecological systems, at the national, regional, local and cross-border levels.

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<sup>2</sup> Convention on biological diversity. (n.d.).

<sup>3</sup> <http://www.gbif.org/analytics/country/CO/about>

<sup>4</sup> On average, between 1995 and 2014, 15 percent of the country's total wealth is based on its natural capital. This is similar to the contribution of natural capital to the region's wealth (17 percent) but considerably higher than for OECD countries (3 percent).

<sup>5</sup> <https://www.oecd.org/environment/country-reviews/Colombia%20Highlights%20spanish%20web.pdf>



**6. The Government of Colombia has taken on a proactive role in climate change and biodiversity policies.** The GoC at the Conference of the Parties CoP-21 in Paris committed to zero net deforestation in the Amazon by 2020, to end the loss of natural forests by 2030, and to taking 10 concrete adaptation and mitigation measures including, by 2020, increasing land and marine protected areas (PA) to 17% and 10%, respectively, to integrate the under-represented and the most threatened ecosystems. To support this, a MADS, National Natural Parks of Colombia (PNN), Wildlife Conservation Society (WCS), World Wildlife Fund (WWF), among other partners created the initiative Heritage Colombia (HECO) to support the establishment of new and stable financing mechanisms for new and existing PAs.

**7. Colombia joined the Organization for Economic Cooperation and Development (OECD) in May 2018.** As part of the OECD accession process,<sup>6</sup> 45 recommendations were made regarding the need for institutional, political and legal reforms and adjustments regarding environment and biodiversity. These adjustments have been considered under the National Biodiversity Strategy and Action Plan (PAB) and the Comprehensive Strategy for Control of Deforestation and Forest Management (EICDGB). In addition, Colombia adheres to the Bonn Challenge and the OECD's Green Growth Statement, committing to restoration of one million hectares of degraded land by 2030.

**8. Colombia faces great challenges in terms of biodiversity conservation in the post-conflict context.** The Peace Agreement reached by the GoC and the then Revolutionary Armed Forces of Colombia (FARC), approved by Congress in November 2016, emphasizes the importance of environmental governance, given that environmentally vulnerable areas are found in many of the areas where the armed conflict has historically existed. Among the fundamental aspects of the Agreement, point 1 "Comprehensive Rural Reform" (RRI) seeks to lay down the foundation for the transformation of rural Colombia through creating the conditions for productive integration and competitiveness in rural areas while ensuring a stabilization of the agricultural frontier<sup>7</sup>. Given that 58 percent of the municipalities where deforestation is highest are also affected by the armed conflict, the activities promoted under the RRI are fully aligned with activities promoting forest and land-use smart investments.

**9. Through Resolution 0261 of 2018, the Ministry of Agriculture and Rural Development (MADR), in coordination with the Ministry of Environment and Sustainable Development (MADS), and with productive sectors, defined Colombia's National Agricultural Frontier.** This frontier definition prohibits any agricultural activity or development in areas that were forest in 2010, and mandates restoration of areas that have been deforested since 2010. It is an indicative, national policy level tool at relatively large scale (1:100,000), which needs to be refined at higher resolution for regional decision-making and to guide investments for rural development. Also, critical ecosystems such as wetlands and highly biodiverse savannah lands are not reflected in this agricultural frontier definition. Therefore, currently, the entire Orinoquia region is defined as being part of the agricultural frontier (i.e. lands are available for productive conversion).

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<sup>6</sup> <https://www.oecd.org/environment/country-reviews/Colombia%20Highlights%20spanish%20web.pdf>

<sup>7</sup> Agricultural frontier is defined as "the limit of the rural land that separates the areas where agricultural activities are allowed, of the protected areas, those of special ecological importance, and the other areas in which agricultural activities are excluded by law or regulations", (Unidad Rural de Planificación Agropecuaria UPRA, 2018).



**10. Colombian legislation (Decree 3600 of 2007) mandates that municipalities prepare and include the Ecological Main Structure (EMS) as a key the network of spaces and ecological corridors that sustain and connect biodiversity and ecological processes throughout the territory. It is constituted by natural (primary forests, savannas, deserts, rivers, lakes, *paramos*) and seminatural habitats (secondary forests, plantations, etc.) that are interconnected physically and functionally, and through species of flora and fauna. The main objectives for its inclusion into the Land Management Plans (POTs) is to sustain ecological processes, to guarantee landscape connectivity<sup>8</sup>, and to balance environmental services offer throughout the territory in correspondence with population and demand.**

### Sectoral and Institutional Context

**11. The Orinoquia region has a large diversity of ecosystems, including:** the area of the Andean Piedmont, the extensive tropical dry savannas, the seasonal flooded savannas and the transition areas with the Amazon biome. The Orinoco Region hosts 250 species of mammals, including 26 threatened species. It is also home to 1,300 species of birds, 1,000 types of fish, as well as 17,420 species of flowering plants<sup>9</sup>; 35 percent of the Orinoquia region species are endemic to the region. The region is additionally characterized by its wealth of water resources and wetlands that represent 34 percent of the country's total. It is also part of the Orinoco macro basin, considered the third largest river system in the world<sup>10</sup>. The region exhibits high vulnerability to climate change: the average temperature increases for the coming decades (2050) is expected to be between 1.5 - 2.3 °C, with a +/- 5 percent reduction in precipitation<sup>11</sup>.

**12. For the proposed operation, the Orinoquia region is defined as comprising four departments:** Arauca, Casanare, Meta and Vichada. These departments cover an area of 25.3 million hectares, are comprised of 59 municipalities and inhabited by 1.37 million people (3.2 percent of the country's total), 32 percent of which are in rural areas, including 12 ethnic groups<sup>12</sup>. These departments generate 7 percent of the national GDP. The Region holds 7.2 percent of the agricultural lands of Colombia. 37.1 percent of the region has suitable soils for agricultural production, including agriculture, forestry or agroforestry, and livestock activities<sup>13</sup>.

**13. The Orinoquia Region is affected by severe levels of loss of ecosystem services associated with water resources.** Hydrological analysis on water yield, allow to infer that the Orinoco Region is a watershed where greatest amount of water runs off, but little is stored, having only certain specific zones where the characteristics of the soils and aquatic ecosystems allow fulfilling the function of water retention<sup>14</sup>. Risk

<sup>8</sup> A principal ecological concept defined (by Ament 2014) as "the degree to which regional landscapes, encompassing a variety of natural, semi-natural, and developed land cover types, are conducive to wildlife movement and to sustain ecological processes."

<sup>9</sup> Lasso, C., J.S. Usma, F. Trujillo & A. Rial (Eds.). 2010. Biodiversity of the Orinoco Basin: scientific bases for the identification of priority areas for the conservation and sustainable use of biodiversity. Humboldt Institute, WWF Colombia, Omacha Foundation, La Salle Foundation and Institute of Orinoquia Studies (National University of Colombia). Bogota D.C., Colombia 609p.

<sup>10</sup> WWF-Colombia 2017. Colombia Viva: a megadiverse country for the future. Report 2017. Cali: WWF-Colombia.

<sup>11</sup> <http://modelos.ideam.gov.co/media/dynamic/escenarios/escenarios-de-cambio-climatico-2015.pdf>

<sup>12</sup> <https://colombiapatrimoniocultural.wordpress.com/region-orinoquia/>

<sup>13</sup> <https://noticias.igac.gov.co/es/contenido/el-159-de-la-orinoquia-tiene-suelos-aptos-para-soportar-la-presencia-del-ganado>

<sup>14</sup> [http://www.minambiente.gov.co/images/GestionIntegraldelRecursoHidrico/pdf/macrocuencas/Macrocuenca\\_Orinoco/SINTESIS\\_REJ\\_IaVH\\_PEMO\\_FASES\\_III\\_y\\_IV\\_FINAL.pdf](http://www.minambiente.gov.co/images/GestionIntegraldelRecursoHidrico/pdf/macrocuencas/Macrocuenca_Orinoco/SINTESIS_REJ_IaVH_PEMO_FASES_III_y_IV_FINAL.pdf)



analysis on ecosystem services loss show that highest risks related to overuse and poor management of soils by productive activities, are in soils with limited capacity of water retention.

**14. Between 2008 and 2014, 176,385 hectares of land in the region have been transformed into crops (a 47 percent increase).** The changes are related to the conversion of natural ecosystems, especially savannas and forests, to give way to crops and pastures, mainly in the department of Meta in the piedmont and mountainous landscapes. During the 1990-2015 period, the region lost more than 1 million hectares of forests equal to 20 percent of national deforestation during this period. There have also been changes in the land use related to commercial forest plantations and agricultural products (such as corn, soybeans, forage grasses and rice), replacing the natural savannas of Meta and Vichada High Plains (*Altilanura*), while other plantations such as oil palm and rice over recent years are affecting the floodplains of the department of Casanare, one of the largest wetland systems in the country.

**15. The main indirect causes of land conversion in the Orinoquia Region include weak sectoral and land use planning, and the underrepresentation of highly biodiverse ecosystems in the National and Regional Systems of Protected Areas (SINAP- SIRAP).** This is aggravated by low presence of national authorities, and a road infrastructure disconnected from the country's primary network. Additional pressures for terrestrial ecosystems could arise from demographic pressures related to land restitution programs, programs for land allocation to ex-combatants, and plans and objectives for increased agricultural development in the region (e.g. Agricultural Frontier, Zones of Interest for Rural, Economic and Social Development (ZIDRES), the Orinoquia Master Plan, Colombia Siembra, etc.). Therefore, ecosystems such as the savannas of the *Altilanura*, floodplain savannas and wetlands that are currently not reflected in the national system of protected areas, are highly threatened.

**16. In addition to opportunities for sustainable agricultural development, the region has significant opportunities to unlock a nature-based economy building on its rich biodiversity and ecosystem services.** Despite Colombia being a country rich in biodiversity, there is a need to promote development of products and services based on the sustainable use of biodiversity and residual biomass<sup>15</sup> for the diversification of the national economy, the creation of new jobs, and the implementation of Colombia's green growth policy in the territories<sup>16</sup>. This is due to limited research and development in biotechnology, associated limited capacity in developing new, biodiversity-based products, and institutional difficulties in positioning and opening new biodiversity markets.

**17. Biodiversity conservation strategies in the Orinoquia Region are affected by the ongoing conflict and will be aligned with the priorities of consolidation of peace.** The FARC had a strong presence in all departments of the Orinoquia Region and controlled the territory and its resources for decades. Despite the FARC's transition from a military movement to a political party, multiple armed groups, including the National Liberation Army (ELN), and other criminal groups still vie for control of the territory and its

<sup>15</sup> Considering the NPD's definition of Bio economy as "A strategy of economic growth based on bio economy is one in which biodiversity and residual biomass are managed efficiently and sustainably to generate new products, processes and value-added services, based on knowledge and innovation, that allow leveraging growth, development and progress in the regions of Colombia: <https://www.dnp.gov.co/Crecimiento-Verde/Documents/ejes-tematicos/Bioeconomia/informe%201/1-REPORT%20BIOECONOMY%20FASE%201%20FINAL%2024012018.pdf>

<sup>16</sup> idem



resources. This makes imperative the alignment of the project interventions with strategies for peace consolidation.

### C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

To promote representation of Orinoquia wetlands and savanna lands in land-use planning instruments and landscape connectivity in selected project areas.

Key Results

- Key Orinoquia ecosystems defined in land use planning (Yes/No)
- Existing Protected Areas and Key Biodiversity Areas under improved management (ha)
- Area in productive landscapes under 'connectivity agreements' (ha)

### D. Project Description

**18. The project will have interventions in targeted landscapes** based on the “mosaic conservation” approach promoted in Colombia<sup>17</sup>, and with a portfolio of differentiated interventions tailored to the conditions of each project area: (i) Bita Ramsar Site – Tuparro Biosphere Reserve Mosaic (Bita-Tuparro Mosaic - BTM): located in the department of Vichada an area that is characterized by a variety of ecosystems; (ii) Piedemonte Cocuy - Cinaruco Mosaic (Cocuy-Cinaruco Mosaic -CCM): located in the departments of Arauca and Casanare, is considered an important ecological corridor between the highlands of the Andes and the flooded savannas of the Orinoquia. These ecosystems have been exposed to human interventions for the past decades, such as oil exploration and exploitation, agro-industrial development, wetlands’ drainage and diversion. For this reason, interventions in CCM will focus on ecological restoration, supporting transformation of current productive systems into sustainable systems, including cattle ranching and rice crops, and on improving governance in existing protected areas and those to be declared. These interventions are also expected to have a positive impact on the important water regulation functions the region provides.

**Component 1. Effective integration of environmental considerations at appropriate scales in territorial and sector planning (GEF US\$ 1,641,856, co-financing US\$ 7,649,955)**

**19. The lack of up-to-date and accurate information on biodiversity and ecosystem services leads to territorial and municipal land-use planning instruments that do not sufficiently reflect environmental criteria.** A need has been identified to improve ecological representation in land use planning, i.e. to ensure

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<sup>17</sup> A conservation mosaic may be defined as "a network of protected areas and complementary landscapes that include combinations of national parks (i.e. the core conservation areas), production landscapes and collectively-owned ethnic territories (i.e. the surrounding areas)", Caballero, Paula; Battaglini, Emilia; Lagnaoui, Abdelaziz (World Bank, 2015). The main objective of this approach is to ensure that conservation efforts in protected areas consider the social and economic needs of the surrounding areas and communities and the resulting pressure on land usage.



the inclusion of variables such as land cover, key ecosystems, protected areas and forest reserves in land-use plans. A first step to do so, is the preparation of municipalities' EMS so they effectively integrate up to date and accurate biodiversity and ecosystem services information and to update the agricultural frontier definition for the Orinoquia, so it can be adequately reflected in legally binding municipal land-use plans (POT), watershed management plans (POMCA) and "connectivity agreements" (comp. 2) with the productive sector. Component 1 will focus on generation of accurate biodiversity and ecosystem services information at the landscape level (component 1.1) and will finance activities required to guarantee the inclusion of this information into territorial and sector planning processes of the agricultural sectors (comp. 1.2.).

**Subcomponent 1.1 Generation and management of information on biodiversity and ecosystem services for territorial and sector planning (GEF US\$ 1,243,485, co-financing US\$ 5,649,000)**

**20. Regional environmental authorities and territorial entities need to manage information with the appropriate specifications on sustainability, biodiversity, and ecosystem services**, for its integration into territorial planning and integrated landscape management, at regional and local level. This subcomponent, therefore, seeks to strengthen the processes of generation, management and access to information on biodiversity and ecosystem services, in consultation with relevant stakeholders (indigenous peoples, authorities, women, and others).

**Subcomponent 1.2 Integration of biodiversity and ecosystem services considerations in territorial and sector planning (GEF US\$ 398,371, co-financing US\$ 2,000,955)**

**21. Under this sub-component, the project will support the development of important land-use planning instruments and ensure they are informed by data generated in subcomponent 1.1.** To this end, the project will finance the technical and normative process for the definition of the EMS in four municipalities as well as the agricultural frontier definition in the project area. The project will also support the inclusion of the EMS and agricultural frontier definition into the POT of selected municipalities.

**Component 2. Landscape management for connectivity and resilience in priority biodiversity and ecosystem services areas (GEF US\$4,024,217, co-financing US\$ 22,949,865)**

**22. This component is aimed at contributing to the ecological functionality of priority landscapes through their integrated management**, enhancing the resilience and landscape connectivity of critical areas for biodiversity and ecosystem service provision, with emphasis on the maintenance of water regulation, and the restoration of degraded and fragmented landscapes. This component will therefore, i) strengthen management of protected areas, including the declaration of new ones (Subcomponent 2.1), ii) promote sustainable economic activities in production-conservation landscapes (Subcomponent 2.2), iii) and develop financial instruments that incentivize these economic activities (Subcomponent 2.3).

**Subcomponent 2.1 Strengthening management of critically important areas and the Protected Areas System at national, regional and local level (GEF US\$ 1,949,013, co-financing 8,031,251)**

**23. Strengthening the national and regional system of protected areas (SINAP, SIRAP), including support to the process of declaring national protected area "Savannahs and Wetlands of Arauca".** This



area stands out for its biodiversity and cultural characteristics, hosting one of the largest populations of the Orinoquia caiman, the relicts of a tropical dry forest, and savannah ecosystems that are underrepresented in the national protected area system. The project will contribute to the “preparation” phase of the protected area declaration process<sup>18</sup>, by supporting the stakeholder engagement, social dialogue, consultations and participatory processes, with specific attention to indigenous peoples and authorities, and women participation. Further, the project will support complementary conservation initiatives, including formulation and implementation of the management plans of key protected areas in the region, funding measures that improve the performance of PNN park rangers and strengthening the Natural Reserves of the Civil Society (RNSC<sup>19</sup>). Finally, under this subcomponent, the project will support environmental governance, this includes, inter alia, support to consolidation of the Regional Centers for Environmental Dialogue (CRDA)<sup>20</sup> and to the logistics and operation of the Bitá River Basin Water Management Council.

**Subcomponent 2.2 Sustainable management for resilient and connected productive landscapes (GEF US\$ 1,572,100, co-financing US\$7,911,614)**

**24.** Seasonal ecosystems such as the savannahs of Arauca and Casanare, and the *altillanura* savannahs of Vichada, are generally perceived as “vacant” for any type of development or productive intervention, with pressure increasing to transform these ecosystems. This sub-component will therefore support management of biodiversity at the level of producers and agri-business companies through the adoption of an Integrated Landscape Management (ILM) approaches in productive landscapes (i.e. establishment of corridors in private lands). Interventions will include the development of sectoral production-conservation plans for connectivity and resilience (“connectivity agreements”)<sup>21</sup>, jointly with and for adoption by producers, producer associations and companies in productive landscapes.

**25. Additional interventions will focus on capacity-strengthening activities for local stakeholders, with specific attention to women participation, for the formulation and adoption of:** (i) ILM guides for production-conservation approaches validated in the productive rice, forestry, cacao and livestock landscapes, in the prioritized mosaics; (ii) participatory monitoring systems for sustainability and ecosystem services in productive landscapes, with protocols and accountabilities for their implementation at landscape and farm scale.

<sup>18</sup> As stated in the Resolution 1125 of 2015, the declaration of a new protected area in Colombia takes place in three phases: i) The Assessment: initial valuation of the initiative; consolidation of information on social, economic, cultural, and environmental aspects; ii) The Preparation: Identification and description of stakeholders; consultation processes with active participation of interested/affected/benefitted stakeholders; assessment of titling and land tenure; iii) The Declaration: final documentation, including the Administrative Act of the declaration.

<sup>19</sup> The Natural Reserves of the Civil Society-RNSC are one of the conservation strategies of the National System of Protected Areas of Colombia, considered vital in involving private actors in regional conservation processes. The Orinoquia region has 99 protected areas registered before the RUNAP, of those 67 percent are RNSC. The low representativity of the ecosystems of the region in the National System of Protected Areas under the categories of National and Regional Natural Parks, and National Integrated Management Districts (DNMI), have made the RNSC key elements in the preservation, restoration and the sustainable use of biodiversity.

<sup>20</sup> <http://www.minambiente.gov.co/index.php/noticias/4214-arrancan-centros-para-el-dialogo-ambiental-en-colombia>

<sup>22</sup> ITPS is a financial instrument focused on promoting the reconversion of extensive cattle ranching systems in areas of inadequate land-use. It consists of three components, i) the credit/ loan component, ii) the incentives component to ensure the successful implementation of the ITPS in areas of high ecosystem value, where it is required that producers have access to credit with special conditions and where intermediaries need to be able to reduce their risk level, iii) a group of complementary services to accompany the sustainable transformation (e.g. technical assistance), to ensure productivity increase of sustainable systems and to increase ability to service the credit while improving beneficiary living conditions.



**Subcomponent 2.3: Strengthening of financial and non-financial mechanisms for the financial sustainability of the management of areas of importance for biodiversity and ecosystem services (GEF US\$ 503,103, co-financing US\$ 7,007,000)**

26. The lack of financial planning tools and of capacity to apply for financial support (credits, royalty funding programs, incentives) for conservation are one of the technical barriers for the financial sustainability of protected areas and of critical importance for the conservation of biodiversity and ecosystem services in the Orinoquia region. The project will promote the strengthening of capacities to leverage resources for territorial entities, environmental authorities, civil society and producer associations for both, protected area management, and management of sustainable productive systems. The subcomponent seeks to strengthen the HECO financing strategy through the following interventions:

27. **Strengthen territorial authorities' (Corporinoquia, regional Governments, PNN) and local producer access to economic instruments for viable conservation/production opportunities**, through formulation of productive projects to be submitted to the General Royalties System (*Sistema General de Regalias*) and other funding sources for sustainable productive projects. The capacity building will be carried out in partnership with regional academic institutions, and will workshops, diploma courses, virtual courses and customized technical assistance, among others. Gender equality and sensitivities will be considered when designing these training plans.

28. **Support sustainable productive transformation of key value chains**, through the adjustment of a financial instrument for sustainable productive transformation of the floodable savannahs livestock ranching systems in the Cocuy-Cinaruco Mosaic, based on the experience of FINAGRO's Financing Instrument for Sustainable Productive Transformation (ITPS<sup>22</sup>) in areas of high ecosystem value.

29. **Support the development of sustainable productive alternatives based on biodiversity, to progress towards the consolidation of a regional bio-economy portfolio.**

**Component 3. Project management, communications, monitoring and implementation arrangements (GEF US\$ 270,000)**

30. **This component will finance training, travels, consultants and operational costs to strengthen the institutional and implementation arrangements for the project day-to-day operation.** WWF Colombia will be the executing agency, MADS will provide overall technical guidance. The Project Implementation Unit (PIU) will be housed in WWF and MADS. The project will support: i) Operation of the Project Implementation Unit (PIU) that will include technical experts based in the region; ii) Project supervision, monitoring and evaluation; iii) Training and knowledge exchange with other regions and countries; iv) Implementation and

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supervision of the grievance redress mechanism; v) External and internal communication strategy to support the dissemination of project’s results and lessons learned, as well as support for communication plans for local governance: communication tools, publications and information exchange for the project; vi) Financial management, as well as project auditing. The project steering committee will include implementing agencies of the “Sustainable Low-Carbon Development in Orinoquia Region Project” to ensure the overall coordination of the OSIL program.

Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Assessment of Environmental and Social Risks and Impacts

The nature and scale of negative environmental risks and impacts of the project activities are, in principle, expected to vary from moderate to even low, taken the project design is geared to improve the management of high-conservation value landscapes and reduce both environmental risks and adverse direct, indirect and cumulative impacts of rural land use in the Orinoquia region, in Colombia. The project is intended to enhance the available land use planning tools; to strengthen the management of high conservation value areas and their surrounding landscapes; and to promote climate-smart and biodiversity friendly productive practices and landscape governance schemes to prevent and reduce natural habitats conversion and loss of biodiversity and ecosystem services.

It was determined that the Project activities aimed at influencing the territorial and sector planning may eventually exacerbate existing social conflict, particularly among those groups which interests may result directly affected; and that might, to a small degree, generate impacts beyond the actual footprint of the Project (leakage). The Project will be also located in a socially sensitive area, as the Revolutionary Armed Forces of Colombia (FARC) had a strong presence in all departments of the Orinoquia Region and controlled the territory and its resources for decades. Despite its transition from a military movement to a political party, multiple armed groups, including the National Liberation Army (ELN), and other criminal groups still vie for control of the territory and its resources. This put security risks to the people that will participate in Project activities and tasks in the field, such as data gathering for the generation of information on biodiversity and ecosystem services, the construction of infrastructure and other physical investments in areas with low accessibility to support the management of protected areas and the rural productive landscapes (e.g. within the pilots to “promote sustainable economic activities in production and conservation landscapes”).

The Project area location, which limits are rivers forming boundaries with Venezuela, suggest that “OP7.50 – Projects on International Waterways” should be considered. However, this Project activities do not lead to significant use or pollution of the waterways as it will not develop hydroelectric, irrigation, flood control, navigation, drainage, water and sewerage, industrial investments; neither the design or engineering studies of such kind of investments. It will only finance mapping of water catchments and characterization of ecosystem services provided by these catchments.

**Note:** To view the Environmental and Social Risks and Impacts, please refer to the Appraisal Stage ESRS Document.



## E. Implementation

### Institutional and Implementation Arrangements

**31.** The Project will be implemented by WWF-Colombia as executing agency under the supervision of the Ministry of Environment and Sustainable Development.

**32.** An Inter-institutional agreement will be signed between the executing agency (WWF) and national institutions including PNN, Corporinoquia, and MADS regarding the coordination and implementation of project activities that fall under each entity's responsibility. In addition, project interventions to be carried out by competent public entities of a private or mixed nature (research institutes of the National Environmental System -SINA, as well as the attached or linked entities of the MADR), will be formalized through additional agreements (*convenios*). These agreements are implemented through WWF.

**33.** The implementation of this GEF project will be led by the Project Implementation Unit (PIU) housed in MADS and WWF-Colombia. A Project Steering Committee (PSC), including MADS, MADR, WWF, PNN, CORPORINOQUIA, the BioCF coordinator, and the regional Governments, will be established to provide guidance and decision-making regarding implementation and supervision, and to guarantee an adequate inter-institutional coordination among the different sectors at the national and regional levels. The conformation of this PSC is defined in the Project Operations Manual. A regional technical support team will be hired to implement activities and to guarantee constant communication and interaction with local and regional stakeholders. This team will be based in the region (see Annex 1 for more details).

### CONTACT POINT

#### World Bank

Franka Braun  
Sr Natural Resources Mgmt. Spec.

#### Borrower/Client/Recipient

Ministerio de Medio Ambiente y Desarrollo Sostenible (MADS)  
David Olarte  
GEF Focal Point  
dolarte@minambiente.gov.co

#### Implementing Agencies



World Wildlife Fund Colombia  
Ximena Barrera  
Public Policy Director  
xbarrera@wwf.org

**FOR MORE INFORMATION CONTACT**

The World Bank  
1818 H Street, NW  
Washington, D.C. 20433  
Telephone: (202) 473-1000  
Web: <http://www.worldbank.org/projects>

**APPROVAL**

Task Team Leader(s):	Franka Braun
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**Approved By**

Environmental and Social Standards Advisor:		
Practice Manager/Manager:		
Country Director:	Ulrich Zachau	27-Jun-2019