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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED BIOCF PLUS INITIATIVE GRANT

IN THE AMOUNT OF US\$20.0 MILLION

TO THE

REPUBLIC OF COLOMBIA

FOR A

SUSTAINABLE LOW-CARBON DEVELOPMENT IN ORINOQUIA REGION PROJECT

February 16, 2018

Environment and Natural Resources Global Practice
Latin America and the Caribbean Region

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CURRENCY EQUIVALENTS
(Exchange Rate Effective February 15, 2018)

Currency Unit = Colombian Pesos (COP)

COP 2,853 = US\$1

US\$0.00035 = COP 1

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

AD	Activity Data
ADR	Rural Development Agency
AFOLU	Agriculture, Forestry, and Other Land Use
AMTEC	Massive Technology Adoption Program
ANT	National Land Agency (<i>Agencia Nacional de Tierras</i>)
APC	Colombian Agency for International Cooperation
APU	Agricultural Production Unit
ART	Agency for the Renewal of the Territories (<i>Agencia de Renovación del Territorio</i>)
BAU	Business-As-Usual
BioCF	BioCarbon Fund
BSM	Benefit Sharing Mechanism
CAR	Regional Autonomous Corporation (<i>Corporación Autónoma Regional</i>)
CIAT	International Center for Tropical Agriculture (<i>Centro Internacional de Agricultura Tropical</i>)
CIF	Forestry Incentive Certificate (<i>Certificado de Incentivo Forestal</i>)
CPF	Country Partnership Framework
CSO	Civil Society Organization
DANE	National Administrative Department of Statistics (<i>Departamento Administrativo Nacional de Estadística</i>)
DNP	National Planning Department (<i>Departamento Nacional de Planeación</i>)
DPL	Development Policy Loan
EF	Emission Factor
EICB and GSB	Integrated Strategy for Deforestation Control and Sustainable Forest Management
ENREDD+	National REDD+ Strategy (<i>Estrategia Nacional de Reducción de Emisiones por Deforestación y Degradación Forestal</i>)
ER	Emission Reduction
ERPA	Emission Reduction Payment Agreement
ESMF	Environment and Social Management Framework
FARC	Revolutionary Armed Forces of Colombia (<i>Fuerzas Armadas Revolucionarias de Colombia</i>)
FCPF	Forest Carbon Partnership Facility

FEDEGAN	Colombian Federation of Cattle Ranchers (<i>Federación Colombiana de Ganaderos</i>)
FINAGRO	Fund for Financing the Agricultural Sector (<i>Fondo para el Financiamiento del Sector Agropecuario</i>)
FM	Financial Management
FPIC	Free Prior and Informed Consultations
FREL	Forest Reference Level
GEF	Global Environment Facility
GHG	Greenhouse Gas
GoC	Government of Colombia
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IDEAM	Institute of Hydrology, Meteorology, and Environmental Studies (<i>Instituto de Hidrología, Meteorología y Estudios Ambientales de Colombia</i>)
IFC	International Finance Corporation
IKM	Information and Knowledge Management
IP	Indigenous Peoples
IPO	Indigenous Peoples Organization
IPPF	Indigenous Peoples Planning Framework
ISFL	Initiative for Sustainable Forest Landscapes
JDI	Joint Declaration of Intent
LAIF	Latin America Investment Facility
M&E	Monitoring and Evaluation
MADR	Ministry of Agriculture and Rural Development (<i>Ministerio de Agricultura y Desarrollo Rural</i>)
MADS	Ministry of Environment and Sustainable Development (<i>Ministerio de Ambiente y Desarrollo Sostenible</i>)
MRV	Monitoring, Reporting, and Verification
NDC	Nationally Determined Contribution
NDP	National Development Plan
NGO	Nongovernmental Organization
NORECCO	Regional Climate Change Committee for Orinoquia (<i>Nodo Regional de Cambio Climático para la Orinoquia</i>)
NPSC	National Project Steering Committee (<i>Comité Directivo Nacional</i>)
OSIL	Orinoquia Sustainable Integrated Landscape
PA	Protected Area
PAAP	Productive Alliances Project (<i>Proyecto apoyo a alianzas productivas</i>)
PDET	Development Program with Territorial Approach (<i>Programa de Desarrollo con Enfoque Territorial</i>)
PDO	Project Development Objective
PES	Payment for Environmental Services
PF	Process Framework
PIU	Project Implementation Unit
PMO	Master Plan of Orinoquia (<i>Plan Maestro para la Orinoquia</i>)
POD	Departmental Development Plan (<i>Planes de Ordenamiento Departamental</i>)
POMCA	Waterbasin Management Plan (<i>Planes de Ordenación y Manejo de Cuencas</i>)

POT	Territorial Development Plan (<i>Planes de Ordenamiento Territorial</i>)
PPP	Public-Private Partnership
PPSD	Project Procurement Strategy for Development
PRICCO	Regional Climate Change Plan for Orinoquia (<i>Plan Regional Integral de Cambio Climático para la Orinoquia</i>)
PTP	Productive Transformation Program
REDD+	Reduce emissions from deforestation and forest degradation
RST	Regional Support Team
SESA	Strategic Environmental and Social Assessment
SIAC	Colombian Environmental Information System (<i>Sistema de Información Ambiental de Colombia</i>)
SINAP	National System of Protected Areas (<i>Sistema Nacional de Areas Protegidas</i>)
SISCLIMA	National Climate Change System (<i>Sistema Nacional de Cambio Climático</i>)
SNIA	National System of Agricultural Innovation
SORT	Systematic Operations Risk-Rating Tool
SPL	Smart Productive Landscapes
SPS	Smart Productive Landscapes
SULU	Sustainable Land Use
TA	Technical Assistance
TFA	Tropical Forest Alliance
ToR	Terms of Reference
UNFCCC	United Nations Framework Convention on Climate Change
UPRA	Unit of Rural Agricultural Planning (<i>Unidad de Planificación Rural Agropecuaria</i>)
USAID	United States Agency for International Development
VA-REM	<i>Visión Amazonia</i> - REDD+ Early Movers
WWF	World Wildlife Fund
ZIDRES	Zones of Interest for Economic and Social Development in Rural Areas (<i>Zonas de Interés de Desarrollo Rural Económico y Social</i>)

Regional Vice President: Jorge Familiar
 Country Director (Acting): Jutta Kern
 Senior Global Practice Director: Karin Erika Kemper
 Practice Manager: Valerie Hickey
 Task Team Leaders: Franka Braun, Luz Berania Diaz Rios

**BASIC INFORMATION**

Is this a regionally tagged project? No	Country(ies)	Financing Instrument Investment Project Financing
<input type="checkbox"/> Situations of Urgent Need of Assistance or Capacity Constraints <input type="checkbox"/> Financial Intermediaries <input type="checkbox"/> Series of Projects		
Approval Date 08-Mar-2018	Closing Date	Environmental Assessment Category B - Partial Assessment
Bank/IFC Collaboration Yes	Joint Level Complementary or Interdependent project requiring active coordination	

Proposed Development Objective(s)

To improve enabling conditions for sustainable and low-carbon landscape planning and management in project targeted areas.

Components

Component Name	Cost (US\$, millions)
Integrated Land- Use Planning and Improved Governance for Deforestation Control	5.90
Sustainable Land- Use Management	6.10
Definition of Emission Reduction Program and Monitoring, Reporting and Verification	6.00
Project Coordination, Management, Monitoring and Evaluation	2.00

Organizations

Borrower : Republic of Colombia



Implementing Agency : Ministry of Agriculture and Rural Development (MADR)
Ministry of Environment and Sustainable Development (MADS)
National Planning Department (DNP)
Instituto de Hidrologia, Meteorologia y Estudios Ambientales (IDEAM)

PROJECT FINANCING DATA (US\$, Millions)

☐ Counterpart Funding ☒ Trust Funds ☐ Parallel Financing

Total Project Cost:
20.00

Total Financing:
20.00
Of Which Bank Financing (IBRD/IDA):
0.00

Financing Gap:
0.00

Financing (in US\$, millions)

Financing Source	Amount
BioCarbon Technical Assistance Trust Fund	20.00
Total	20.00

Expected Disbursements (in US\$, millions)

Fiscal Year	2018	2019	2020	2021	2022
Annual	1.00	7.00	5.00	4.00	3.00
Cumulative	1.00	8.00	13.00	17.00	20.00

INSTITUTIONAL DATA**Practice Area (Lead)**

Environment & Natural Resources



Contributing Practice Areas

Agriculture

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

Yes

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Substantial
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Substantial
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Moderate
9. Other	
10. Overall	● Substantial



COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

Safeguard Policies Triggered by the Project

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

Legal Covenants

Sections and Description

Section I. A. 2. of Schedule 2 to the Grant Agreement

The Recipient, through MADR, shall:

- (a) no later than ninety (90) days after the Effective Date, or such other date as shall be agreed with the World Bank, establish, operate and maintain, throughout Project implementation, a Project Implementing Unit (PIU), within MADR, with staffing, functions and responsibilities satisfactory to the World Bank and set forth in the Project Operational Manual, including, inter alia: (i) staff responsible for all fiduciary aspects of the Project; and (ii) staff responsible for overall planning, coordination and monitoring of Project activities, including technical supervision of Project implementation; provided, however, that the Project coordinator, a procurement specialist, a financial management specialist, and an accountant for the PIU shall be hired no later than sixty (60) days after the Effective Date;



Sections and Description

Section I. A. 2. of Schedule 2 to the Grant Agreement

The Recipient, through MADR, shall:

(b) no later than ninety (90) days after the Effective Date, or such later date as shall be agreed by the World Bank, select and hire a regional support team at the Regional Climate Change Platform for Orinoquia (NORECCO) and a liaison staff in each of the departments of the Recipient within the Project Areas, all with functions, responsibilities, qualifications and in numbers acceptable to the World Bank and described in the Project Operational Manual.

Sections and Description

Section I. A. 3. of Schedule 2 to the Grant Agreement

No later than fort-five (45) days after the Effective Date, or such later date as shall be agreed by the World Bank, the Recipient, through MADR, shall establish and thereafter operate and maintain, throughout Project implementation, a National Project Steering Committee (“NPSC”), which shall include high level representatives of MADR, MADS, IDEAM, DNP and NORECCO, to provide guidance, facilitate decision-making, and oversee Project implementation, with detailed functions, responsibilities, and composition acceptable to the World Bank and described in the Project Operational Manual.

Sections and Description

Section I. A.5. of Schedule 2 to the Grant Agreement

No later than ninety (90) days after the Effective Date, the Recipient, through MADR, shall

- (a) enter into a separate Technical Collaboration Agreement with each other stakeholder responsible for providing technical inputs for the Project, including but not limited to, FINAGRO, CORPOICA, ANT, and CORMACARENA, under terms and conditions acceptable to the World Bank and as further detailed in the Project Operational Manual; and
- (b) exercise its rights and carry out its obligations under the Technical Collaboration Agreements in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate, terminate, waive or fail to enforce the Technical Collaboration Agreements, or any of their respective provisions. In case of any conflict between the provisions of this Agreement and the provisions of the Technical Cooperation Agreements, the provisions of this Agreement shall prevail.

Sections and Description

Section I. A. 7. of Schedule 2 to the Grant Agreement

The Recipient, through MADR, shall:

Not later than ninety (90) days after the Effective Date, or such later date as the World Bank shall agree, develop,



in form and substance acceptable to the World Bank and following the guidelines set forth in the Project Operational Manual, a grievance redress mechanism that encompasses transparent, timely and fair procedures, for the purposes of ensuring that all complaints received related to any activity under the Project are properly and timely addressed.

Sections and Description

Section I.B. of Schedule 2 to the Grant Agreement

The Recipient, through MADR, in coordination with MADS, shall ensure that: (a) the Project activities are carried out in accordance with the ESMF; and (b) the terms of reference for any consultancies related to the technical assistance provided under the Project, shall be acceptable to the World Bank following its review thereof, and, to that end, such terms of reference shall duly incorporate the requirement of the World Bank's Safeguards Policies then in force, as applied to the advice conveyed through such technical assistance.

Conditions

Type Effectiveness	Description Article IV, 4.01 (a) The execution and delivery of the Grant Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary governmental action.
Type Effectiveness	Description Article IV, 4.01 (b) The Interinstitutional Agreement referred to in Section I.A.5 (a) of Schedule 2 to the Grant Agreement has been executed on behalf of the Recipient, through MADR, and MADS, DNP and IDEAM.
Type Effectiveness	Description Article IV, 4.01 (c) The Project Operational Manual has been adopted by MADR.

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Franka Braun	Team Leader(ADM Responsible)	Environment	GEN04
Paola Agostini	Team Leader(ADM Responsible)	Global Lead, Forests, Landscapes and Ecosystems	GENDR



Franka Braun	Team Leader		GEN04
Luz Berania Diaz Rios	Team Leader	Agribusiness	GFA04
Santiago Rene Torres	Procurement Specialist(ADM Responsible)	Procurement	GGOPL
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Ana Maria Gonzalez Velosa	Team Member	Environment	GENGE
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Daniel Radack	Team Member	Carbon Finance	GCCFM
Dora Patricia Andrade	Environmental Safeguards Specialist	Environment Safeguards	GEN04
Elena Segura Labadia	Team Member	Legal	LEGAM
Elsa Coy	Team Member	Admin Support	LCCCO
Erwin De Nys	Team Member	Water	LCC1C
Flor Maritza Martinez Camargo	Team Member	FM	GGOLF
Ivonne Astrid Moreno Horta	Team Member	Land Administration	GSULN
Juan Gonzalo Flores	Team Member	Investment Officer	CM1A7
Marcelo Jorge Fabre	Team Member	Social Development	GSU04
Michelo Nzila	Team Member	Financial	GCCFM
Miguel Fernando Pinedo Palau	Team Member	Agriculture	GFA04
Paola Agostini	Team Member	Environment	GENDR
Pilar Elisa Gonzalez Rodriguez	Team Member	Legal	LEGLE
Ramon Eduardo Niebles Barragan	Team Member	Security	GSDRS
Robert H. Montgomery	Environmental Safeguards Specialist	Environment	GEN04
Sandra Ximena Enciso Gaitan	Team Member	Procurement	GGOPL
Stefano P. Pagiola	Team Member	Environment	GENGE



Tatiana Cristina O. de Abreu Souza	Team Member	Disbursements	WFALA
Extended Team			
Name	Title	Organization	Location



Colombia
Sustainable Low-Carbon Development in Orinoquia region Project

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I. STRATEGIC CONTEXT

A. Country Context

1. **Building the foundations for economic development with low deforestation and sustainable peace is the main policy objective of the Government of Colombia (GoC).** Colombia's National Development Plan (NDP) 2014–2018 proposes transformational changes to achieve the equitable development of rural Colombia. The 2016 peace agreement between the GoC and the Revolutionary Armed Forces of Colombia (*Fuerzas Armadas Revolucionarias de Colombia*, FARC) enables the country to move forward with development priorities, as proposed with the NDP. Achieving low-carbon rural development and reduced deforestation in the context of the ongoing peace process will require addressing rural-urban disparities, unsustainable agricultural production, local-level capacities to manage natural resources (and related conflicts), territorial planning, and land tenure issues. It will also require a democratic opening that allows marginalized sectors (that is, rural, indigenous, and Afro-Colombian communities) to participate in decision-making processes, while also facilitating the economic reintegration of former combatants.

2. **Colombia is one of the world's richest countries in terms of biodiversity and is generously endowed with forests, land, oil, and mineral resources.** Exploitation of natural capital is a key component of Colombia's development agenda. The NDP sets ambitious goals that contribute toward low-carbon rural development, including (a) reducing the current annual deforestation level of 178,000ha in Colombia to 90,000 ha or less by 2018, (b) achieving zero net deforestation in the Colombian Amazon by 2020, (c) bringing 210,000 ha of new area under restoration by 2018 and 700,000 ha more by 2020, and (d) ending loss of natural forest by 2030. Additionally, the Ministry of Agriculture has devised a strategy to increase Colombia's agricultural production, called "Colombia Sows", (in Spanish *Plan Colombia Siembra*), with a goal of increasing cultivated land by 1 million ha by 2018.¹ In addition, Colombia has an ambition to significantly reduce the number of hectares used for cattle pasture (from 39 million ha to 28 million ha). The development agenda is increasingly moving toward a more sustainable one, in part because Colombia is facing critical environmental challenges (such as air and water pollution, ecosystems and forest transformation, biodiversity and habitat loss, and landscape degradation).

3. **The GoC has taken an active role in the fight against climate change and biodiversity loss in international negotiations and public policy formulation.** Moreover, the GoC has expressed its commitment to the Aichi Targets² and Paris Agreement³. As part of its Nationally Determined Contribution (NDC), the GoC has committed to reduce 20 percent of greenhouse gas (GHG) emissions against the business-as-usual (BAU) level and (if provided with international financial support) to reduce emissions by 30 percent by 2030. In this context, the GoC has formulated its climate change policy and has set an

¹ <https://www.minagricultura.gov.co/noticias/Paginas/Colombia-Siembra-llega-al-43-de-su-meta.aspx>

² In decision X/2, the tenth meeting of the Conference of the Parties, held from 18 to 29 October 2010, in Nagoya, Aichi Prefecture, Japan, adopted a revised and updated Strategic Plan for Biodiversity, including the Aichi Biodiversity Targets, for the 2011-2020 period. <https://www.iucn.org/theme/species/our-work/influencing-policy/convention-biological-diversity-cbd/aichi-targets>

³ The Paris Agreement is an international agreement within the United Nations Framework Convention on Climate Change (UNFCCC) dealing with GHG emissions mitigation, adaptation and finance starting in 2020: http://unfccc.int/paris_agreement/items/9485.php



institutional framework to address climate change adaptation and mitigation, the National Climate Change System (SISCLIMA).

4. The GoC is developing a long-term policy on green growth, through the Green Growth Mission, that is preparing the analytical underpinnings of a green growth policy to 2030. The mission includes the following thematic axes: (a) efficient use of resources (water, soil, forests, energy, materials, and waste); (b) new economic opportunities (energy transition, forest economy, and bioeconomy); (c) demand and supply of labor (labor productivity and formalization of the economy); (d) science, technology, and innovation; and (e) harmonization of economic instruments. The World Bank is partially supporting this effort not only through the Second Sustainable Development and Green Growth Development Policy Loan (DPL)(P161642) but also through ASA to the Green Growth Mission, made possible by the Korean Green Growth Trust Fund. Adoption of the new policy is expected by May 2018.

B. Sectoral and Institutional Context

5. **The GoC considers the Orinoquia region to offer promising conditions for implementing the BioCarbon Fund (BioCF) Initiative for Sustainable Forest Landscapes (ISFL).** This region is considered one of the last agricultural frontiers in the world⁴. It offers the opportunity to develop a model of integral rural reform as laid out in the peace agreement and as described in the Master Plan of Orinoquia (PMO), led by the National Planning Department (*Departamento Nacional de Planeación*, DNP).⁵ Because of its frontier character, the region has already undergone significant land-use changes over the past three decades. It is projected that this trend will increase. The GoC's intention is to consolidate the region as the country's center for agribusiness development, while making sure to promote a sustainable development pathway for the Orinoquia region. Thus, the inclusion of the region under ISFL jurisdiction is mainly motivated by the Government's vision to promote approaches for reducing Agriculture, Forestry, and Other Land Use (AFOLU) emissions at landscape scale through sound land-use planning and innovative financial incentives.

6. **For the proposed project, the Orinoquia region refers to four departments: Arauca, Casanare, Meta, and Vichada.** These departments comprise an area of 25 million ha and account for about 34 percent of Colombia's AFOLU GHG emissions. The region is formed by 59 municipalities and is inhabited by 1.37 million people (3.2 percent of the country's total), 32 percent of whom are in rural areas, including 117 indigenous reserves that host 25 ethnic groups.⁶

7. **The departments of Meta, Casanare, Arauca, and Vichada generate 7 percent of the national gross domestic product.** The agricultural sector significantly contributes to the economies of Meta (8 percent), Casanare (10 percent), and Arauca (23 percent), while the economy of Vichada is mainly based on the services sector. The region has 7.2 percent of Colombia's agricultural land. Nonetheless, only 2.2 percent of this land is being used for agricultural purposes. Meanwhile, about 40 percent of the region's

⁴ The Orinoquia region is one of the last undisturbed natural ecosystems in the world, despite the potential for conversion of large areas of land for agricultural production

⁵ The PMO is a DNP-led strategy for the region's economic, sustainable, and inclusive development through the identification, prioritization, and management of strategic projects in coordination with other regional initiatives.

⁶ University of the Andes (2017): "El desarrollo Económico de la Orinoquia", Bogota Colombia:

<https://ceo.uniandes.edu.co/images/Documentos/El%20desarrollo%20econ%C3%B3mico%20de%20la%20Orinoquia.pdf>



land (10.2 million ha) has potential for agriculture, cattle ranching, or forestry.⁷ However, the Orinoquia region is vulnerable to the effects of climate change. Average rise in temperature forecast for the upcoming decades (2050) is expected to be between 1.5°C and 2.3°C, with a 5 percent reduction in rainfall.

8. **Over the last three decades, significant areas of land have been transformed for cultivation.** Current land-use trends show that palm oil has had the greatest increase in plantation area (a total of 360,000ha as of 2010 compared to 18,000 ha in the 1980s)⁸. However, other land-use changes related to forest plantations and agricultural commodities (such as maize, soybean, forage grasses, and rice) have also taken place, especially in the Altillanura (Meta and Vichada). Although this increase in mechanized agriculture and associated infrastructure has occurred in recent years, much of the area has not yet been fully developed, in part due to lack of adequate infrastructure and land tenure insecurity.⁹

9. **Without proper state promotion and enforcement of sustainable development criteria, new large-scale investments in agriculture could increase pressure on terrestrial ecosystems leading to an increase in AFOLU emissions.** Sectoral policies to promote economic and agricultural development and to create conditions for ‘sustainable (and peaceful) development of rural Colombia’ could influence stakeholders’ decisions regarding land use and land cover change. Other scenarios that may alter land-use patterns of over 3 million ha by 2020 relate to the GoC’s plans of increasing biofuel production. Additional pressures to terrestrial ecosystems could arise from land restitutions programs and from programs for reallocating land to former combatants.

10. **Climate change mitigation efforts in the Orinoquia region—particularly those related the agriculture and forestry (AFOLU)—are aligned with peacebuilding priorities.** It is anticipated that the strategies leading to the reduction of AFOLU emissions in the territory will overlap with actions to accomplish agreements related to sustainable rural development laid out in the peace agreement.¹⁰ The FARC had a strong presence in all Orinoquia departments and controlled the territory and its resources for decades. Despite FARC demobilization, multiple armed groups, including the National Liberation Army (*Ejército de Liberación Nacional*), paramilitary groups, and new criminal gangs (*bandas criminales*) still dispute control over the territory and its resources.¹¹ Those groups include various paramilitary groups such as the *Urabeños*, the *Autodefensas Campesinas de Meta y Vichada*, the *Ejército Revolucionario Popular Antisubversivo de Colombia*, and the *Libertadores del Vichada*.

11. **The Orinoquia region is responsible for 16.8 percent of national emissions (corresponding to 34,321 Gg CO₂eq) and the AFOLU sector is the major determinant of the region’s emissions (80.6 percent).** A total of 53 percent of the AFOLU GHG emissions in the Orinoquia region are related to the conversion of forest to pasture lands (deforestation), mostly in Meta department. Over the period 1990–2015 the region lost over 1 million ha of forest, which constituted about 20 percent of national deforestation. The second most important category of emissions is methane from enteric fermentation

⁷ Idem

⁸ WWF Colombia (2014): “Identifying Highly Biodiverse Savannas based on the European Union Renewable Energy Directive (SuLu Map)”, Bogota, Colombia

⁹ An estimated 60 percent of rural land are held without title.

¹⁰ Castro-Nunez, A., O. Mertz, and C. C. Sosa. 2017. “Geographic Overlaps between Priority Areas for Forest Carbon-Storage Efforts and Those for Delivering Peacebuilding Programs: Implications for Policy Design.” *Environmental Research Letters*.

¹¹ Republic of Colombia: Preparation and documentation of a Peace Lens - Guide to the application of a Peace Lens. World Bank Report No: AUS21645



(11 percent), followed by forest degradation (10 percent), land conversions to cropland (7 percent), and nitrous oxide emissions from soil management (7 percent).¹² The main causes of deforestation in the Orinoquia region include expansion of areas for cattle grazing, lack of land-use planning, incentives for sustainable practices, and illicit activities, including the clearing of forests for the planting of coca. This is aggravated by land-use competition regarding legal and illegal uses, particularly in forest frontiers and remote municipalities that are characterized by low institutional presence and control and land tenure uncertainty.

12. **Historical trends in key sources of AFOLU emissions and removal in the Orinoquia region are expected to increase.** BAU preliminary estimates¹³ suggest that by the year 2040 aggregate emissions from deforestation, enteric fermentation, rice cultivation, and managed soils will increase at least 10 percent compared with the historic average (2003–2010). This scenario considers neither the emerging political context (for example, peace agreement between the GoC and the FARC) nor development plans for the Orinoquia region (*Plan Maestro, Colombia Siembra*, and so on). It also does not consider the legislation passed in 2016¹⁴ to facilitate land accumulation for agro-industrial developments, referred to as Zones of Interest for Economic and Social Development in Rural Areas (*Zonas de Interés de Desarrollo Rural Económico y Social, ZIDRES*).¹⁵ A key role to address this will be played by the Regional Climate Change Committee for Orinoquia (NORECCO) created by the GoC and linked to the SISCLIMA.

C. Higher Level Objectives to which the Project Contributes

13. **The proposed operation is consistent with the World Bank Group's corporate commitments as well as the Country Partnership Framework (CPF) for the Republic of Colombia for the period 2016–2021 (Report No. 101552-CO),** discussed by the Executive Directors on April 7, 2016 particularly Pillar 1, which includes the key aim of 'Enhanced Capacity for Natural Resource Management in Target Regions'. This operation also aligns with the cross-cutting theme under the CPF 'Constructing the Peace' by promoting an approach that responds to the dual goal of peace building and environmental sustainability. The project is also aligned with the World Bank Group Forest Action Plan FY2016–20 and its two focus areas: (a) sustainable forestry and (b) forest-smart interventions. Given that the project is expected to deliver results on climate change mitigation in the land use sector, it also aligns with the World Bank Group Climate Change Action Plan (2016). In addition, the project will contribute to the World Bank Group Gender Strategy (FY2016–23) 'Gender Equality, Poverty Reduction, and Inclusive Growth', particularly Pillar 3 that aims to remove barriers to Women's Ownership and Control of Assets. The proposed project also complements a series of World Bank Group-led operations, as indicated in annex 5. Finally, by fostering sustainable rural development, the project is also aligned with the World Bank Group's twin goals of eliminating poverty by 2030 and boosting shared prosperity.

14. **The proposed project aligns with Colombia's development goals defined in the Colombian NDP (2014–2018),** and its green growth strategy. The latter promotes sustainable and low-carbon growth and

¹² Regional Climate Change Plan for the Orinoquia, https://www.corporinoquia.gov.co/files/plan_regional_Noviembre.pdf

¹³ Developed by the International Center for Tropical Agriculture (CIAT) based on historical trends (2003–2008), technical study for preparation of this study, publication forthcoming (2018)

¹⁴ <http://es.presidencia.gov.co/normativa/normativa/LEY%201776%20DEL%2029%20DE%20ENERO%20DE%202016.pdf>

¹⁵ ZIDRES are remote areas, with low population density and limited infrastructure and where agriculture, cattle ranching, or fisheries productive industries can be developed in partnership between large businesses and small and medium producers that do not own land.



aims to protect and ensure the sustainable use of the country's natural capital. The GoC's territorial planning agenda includes reforms (a) to improve land-use planning; and (b) to implement a multipurpose cadastre policy that includes a systematic land tenure inventory and land tenure formalization. The project supports the Government's program to renew Colombia's territorial development plan (*Planes de Ordenamiento Territorial*, POT) and departmental development plan, (*Planes de Ordenamiento Departamental*, POD) by mainstreaming environmental considerations into territorial planning processes. The project also aligns to the REDD+¹⁶ National Strategy, and it will contribute to Colombia's NDC, its commitments under the Bonn Challenge¹⁷, and to the Nationally Determined Contribution (NDC)¹⁸ for the forest and cattle ranching sector.

15. The project contributes toward the sustainable development goals for the Orinoquia region. Specifically, the project contributes to the implementation of the Regional Climate Change Plan for Orinoquia (PRICCO) in Meta, Casanare, Vichada, and Arauca launched in May 2017. The project will consider new studies, such as the Orinoco Macro basin's 'Strategic Water Plan' led by the Humboldt Institute and the 'Third National Communication on Climate Change' carried out by the Institute of Hydrology, Meteorology, and Environmental Studies (*Instituto de Hidrología, Meteorología y Estudios Ambientales de Colombia*, IDEAM). Finally, the project will contribute to the implementation of the PMO, developed by the DNP.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

16. The Project Development Objective (PDO) is 'to improve enabling conditions for sustainable and low-carbon landscape planning and management in Project Targeted Areas'.

B. Project Beneficiaries

17. The project will benefit government institutions at the local, regional, and national levels by enhancing their capacities to create the enabling conditions for sustainable and low-carbon landscape management in prioritized municipalities. Government institutions in charge of land-use planning will benefit from access to key information to support regional planning. They will also benefit from activities aimed at improving capacities to mainstream environmental and climate change considerations into formulation of local- and regional-level policy, land-use planning, and land tenure instruments. Regional Autonomous Corporations (*Corporaciones Autónomas Regionales*, CARs), as well as the regional governments, local municipalities, and other Government institutions participating in NORECCO of the SISCLIMA, will benefit from capacity building to develop land-use planning, policy instruments that contribute to reducing deforestation, and instruments to promote adoption of sustainable and low-carbon landscape management.

¹⁶ Reduce emissions from deforestation and forest degradation and foster conservation, sustainable management of forests, and enhancement of forest carbon stocks.

¹⁷ The Bonn Challenge is a global effort to bring 150 million ha of the world's deforested and degraded land into restoration by 2020, and 350 million ha by 2030: <http://www.bonnchallenge.org/content/challenge>

¹⁸ NDCs are the heart of the Paris Agreement and national strategies to achieve these long-term goals



18. The capacities of the Ministry of Agriculture and Rural Development (*Ministerio de Agricultura y Desarrollo Rural*, MADR), Ministry of Environment and Sustainable Development (*Ministerio de Ambiente y Desarrollo Sostenible*, MADS), IDEAM, and the DNP will be strengthened through key environmental information and improved capacities to develop sectoral strategies, public policies, and programs for reducing AFOLU GHG emissions. IDEAM's capacities to account for emission reductions (ERs) from AFOLU at jurisdictional scale will be enhanced and contribute to implementation of its MRV2030 Strategy.¹⁹ Support to the MADR will enhance low-carbon development impacts on policy and investment interventions. The development of criteria and guidelines for incorporating considerations into the DNP's instruments will contribute to low-carbon development planning at a national scale (beyond the Orinoquia region).

19. Local stakeholders such as indigenous and Afro-Colombian communities, farmers, producers' associations, women's groups, and agribusiness will benefit through participation in land-use planning and capacity-building activities for mainstreaming low-carbon development practices/approaches. In addition, the project will develop TA packages for producers, producer associations, and the private sector to implement climate change mitigation measures and low-carbon production technologies. The project's support to the design and implementation of zero deforestation agreements in the region by private actors will serve as a vehicle for rural development, biodiversity conservation, and ERs, not only benefiting buyers but also producers and local communities. The inhabitants of the four departments will benefit overall from the project's outcomes in terms of securing ecosystem services and from the Government's improved capacities and policies to better manage the region's natural resources and to clarify land tenure.

20. Women will be key beneficiaries of project activities (within Components 1 and 2) that will aim to address existent gender inequalities in terms of access to capacity-building activities and land tenure. Despite the important role of women in agricultural activities, women in the Orinoquia region have less access than men to training, credit, and land.²⁰ The project will address specific gaps as described in Annex 7 and the results framework:

- (a) **Access to agriculture training and assistance.** Based on information provided by the National Administrative Department of Statistics (*Departamento Administrativo Nacional de Estadística*, DANE), only 3.1 percent of the agricultural productive units where the women are the main decision makers receive agricultural TA, while for the units with men as the main decision maker it is 8.5 percent (national average is 4.8 percent and 14.3 percent, respectively). To address the gap, the project will design training modules in sustainable and low-carbon practices that consider gender differentiated roles and the target will be to have at least one module specifically geared toward women.
- (b) **Land tenure.** The Colombian legal framework makes it mandatory to provide the property title to both members if the household is integrated by a couple, even in cases of informal/common law marriage, and special measures should be taken for the property rights formalization of female-headed households. Despite this, in many cases women do not have the necessary documents or

¹⁹ The operation will complement national resources and other programs such as the Joint Declaration of Intent (JDI), Visión Amazonia - REDD+ Early Movers (VA-REM), and potential new sources of funding.

²⁰ FAO 2011. "The State of Food and Agriculture: 2010 – 2011. Women in Agriculture. Closing the Gender Gap for Development." <http://www.fao.org/docrep/013/i2050s/i2050s.pdf>



evidence to prove their status as land owners. In other cases, women do not know their rights. The project will thus incorporate gender considerations in the guidelines and protocols related to the land tenure process.

- (c) **Access to credit.** Credit mechanisms for women in rural areas have been established in the country including a specific mechanism designed by the Fund for Financing the Agricultural Sector (*Fondo para el Financiamiento del Sector Agropecuario*, FINAGRO) in 2015. Women still do not take full advantage of these mechanisms due to lack of knowledge, capacity, or property titles to facilitate credit access. Per a report from the MADR, of the COP 7.2 billion of agricultural credit available, only COP 1.9 billion were concentrated for rural women. The project will provide training regarding access to credit for women.

C. PDO-Level Results Indicators

21. The proposed project's development Indicators for the project include the following:
- Municipalities that as result of the project incorporate sustainable and low-carbon landscape management criteria are incorporated into land planning and land tenure instruments
 - Agricultural policy instruments for promoting the adoption of sustainable and low-carbon landscape management in selected areas are adopted, as a result of the project
 - Emission Reductions Program for the Orinoquia region submitted for decision by the BioCarbon Fund

III. PROJECT DESCRIPTION

22. **The proposed Orinoquia Sustainable Integrated Landscape (OSIL) project is part of a broader program for the region, funded by the BioCF ISFL.** The 'ISFL program' will be implemented in two phases: a Technical Assistance (TA) project and an Emission Reduction (ER) program through the establishment of a performance-based payments mechanism to achieve AFOLU GHG ERs at a regional level.

23. **The proposed project supports the TA phase (four-year period, US\$20.0 million)** that aims to improve the necessary enabling environment and the preparatory activities for the implementation of a results-based program (ER Program). To determine the TA intervention area at the municipal level, five prioritization criteria have been defined: (a) representativeness of the region's institutional, socioeconomic, and biophysical context; (b) representation of the four departments targeted; (c) contribution to the region's AFOLU emissions; (d) presence of deforestation hot spots; (e) incidence of the armed conflict; and (f) ecological integrity and vulnerability to biodiversity loss. The preliminary list of municipalities is (a) Meta: Mapiripan, Puerto Gaitán, Villavicencio or Acacias, and La Macarena or La Uribe; (b) Arauca: Arauquita or Puerto Rondón; (c) Vichada: Puerto Carreño, Primavera, or Santa Rosalia; (d) Casanare: Paz de Ariporo. The final selection of these municipalities will be conducted at the beginning of the proposed project following a participatory process involving regional government and nongovernment institutions.



24. **The Theory of Change for the proposed project is based on an analysis of direct and indirect causes of emissions in the Orinoquia region.** AFOLU emissions in the Orinoquia region²¹ can be divided into two groups: historic emissions and projected emissions. Both, historic and future emissions are due to land-use change and land management practices. The main direct causes of historic emission include deforestation, forest degradation, unsustainable livestock practices, fertilizers, and fires. Projected emissions are due to future deforestation, degradation, conversion of natural habitat, transformation of agriculture cropping systems and agricultural management practices such as fertilizer use, enteric fermentation, and rice cultivation. Underlying causes of AFOLU emissions include lack of land-use planning, weak land tenure and an outdated land cadastre/registry, lack of knowledge regarding low-carbon agriculture technology packages, fertilizer subsidies, and lack of incentives for low-carbon development. To address historic and future projected emissions, the proposed project will follow a two-pronged approach (see annex 4 for more detail).

25. **Given the ongoing peace-building process, the proposed project has also been developed applying the peace lens approach.**²² It builds on documented evidence that strategies for reducing the structural causes of conflict can create the enabling conditions for adoption of sustainable and low-carbon natural resource management, which in turn can contribute to peace building.

A. Project Components

26. The proposed project has four components (see annex 1 for detailed description).

Component 1. Integrated Land-Use Planning and Improved Governance for Deforestation Control (US\$5.9 million)

27. Unplanned developments in the four departments have an important impact on environmental integrity of ecosystems in the Orinoquia region. A clear and comprehensive land-use planning framework that indicates land suitability and climate change scenarios, where agricultural development, extractive activities, and urbanization can occur while guaranteeing a sustainable development of the Orinoquia region is currently absent. This component will support capacity building to strengthen policy and planning instruments considering historic and future drivers of AFOLU GHG emissions and will contribute to improving state presence in areas affected by violence and illicit activities.

Subcomponent 1.1. Mainstreaming environmental considerations into land-use planning instruments and land tenure regularization processes at the regional and local levels in Project Targeted Areas (US\$4.0 million)

28. Under the DNP's coordination, the subcomponent will support consultancy services, TA, and training activities at the regional and local levels to mainstream environmental criteria into land-use planning instruments and conduct land tenure regularization processes. This will contribute to narrowing information gaps, enhance land-use decision making and alignment of planning instruments with national and regional climate change mitigation and adaptation objectives. The subcomponent will specifically finance the following, in prioritized landscapes and municipalities: (a) a status diagnostic in selected

²¹ Approximately 60 percent based on the report conducted in 2017 by the CIAT.

²² Republic of Colombia: Preparation and documentation of a Peace Lens - Guide to the application of a Peace Lens. World Bank Report No: AUS21645



municipalities of the existing land-use planning instruments;²³ (b) training and institutional capacity building related to land-use planning; (c) based on the status diagnostic referred to in (a), strengthening land-use planning instruments through the formulation and analysis of spatial data and/ or the generation of higher resolution maps; (d) TA for the inclusion of key environment variables, data gathering for the multipurpose cadastre, support for inter-operability between the multipurpose cadastre and the Colombian Environmental Information System (*Sistema de Información Ambiental de Colombia*, SIAC), and expanding of the coverage of the multipurpose cadastre; (e) assistance toward systematic land tenure regularization by establishing protocols that include environmental and gender criteria²⁴ in one or two municipalities that are deforestation hot spots; and (f) mainstreaming environmental considerations into plans for future ZIDRES investments, including sustainable environmental standards (such as investments outside of the proposed project's scope).

Subcomponent 1.2: Strengthening capacities for land-use regulation enforcement and deforestation control (US\$1.9 million)

29. This subcomponent, under the responsibility of the Ministry of Environment, will support the implementation of key activities included in Colombia's Integrated Strategy for Deforestation Control and Sustainable Forest Management (*Estrategia Integral para el Control de Deforestación y la Gestión de los Bosques*, EICDGB) in Orinoquia's deforestation hot spots. It will provide TA for (a) supporting the development of a legal forest cluster in the Project Targeted Areas including a sustainable forest management plan, capacity building on forest legality, and a business exchange on sustainably sourced wood products from the region and (b) developing and implementing an action plan for regional coordination on deforestation control in at least two deforestation hot spots in Project-Targeted Areas.

Component 2. Sustainable Land-Use Management (US\$6.1 million)

30. Led by the MADR in close coordination with MADS, Component 2 will generate information, capacities, and incentives to reduce AFOLU GHG emissions from unsustainable land-use and land-use changes. The component will contribute to mitigate historical and expected increases in emissions due to unsustainable and/or GHG-intensive land management practices. Overall, Component 2 activities are oriented toward supporting the identification, validation, and adoption of better agricultural/productive practices by supporting knowledge gaps and strengthening incentives, in alignment with sustainable and low-carbon landscape management objectives and climate change scenarios.

Subcomponent 2.1. Strengthening public/private sector coordination and engagement for targeting low-carbon development goals (US\$1.0 million)

31. This subcomponent will support the future transformation of selected productive landscapes toward a low-carbon development pattern by supporting the identification and validation of better agricultural practices for climate change mitigation and adaptation. It will thus address existing knowledge gaps via participatory research and assessments through existing multistakeholder dialogues/platforms.

²³ Within the territorial planning instruments that will be considered are the POTs (at the municipal level); watershed management plans (*Planes de Ordenación y Manejo de Cuencas*, POMCAs); PODs; Territorial Approach Development Plans (PDET); zoning instruments, and the management plans of PAs. If interventions involve POMCAs, the DNP will coordinate activities with MADS.

²⁴ *Planes de Ordenamiento Social de la Propiedad* led by the ANT.



There are a set of ongoing platforms for dialogue in the region, which have already identified potential practices/technologies for climate change adaptation and mitigation. The subcomponent will further the analyses of costs and trade-offs around identified practices/technologies and will explore complementarities across subsectors (for example, sustainable palm oil-livestock landscapes). Specific activities include (a) addressing information gaps in the identification of climate-smart practices and their prioritization to local/landscape context, (b) cost-benefit analysis of identified practices and technologies, (c) identification of bottlenecks to implementation of the proposed practices and technologies, (d) supporting the establishment of public-private sector agreements to develop green investment portfolios for low-carbon and climate-resilience productive systems in the selected landscapes within the Project-Targeted Areas.

Subcomponent 2.2. Strengthening the capacity of relevant stakeholders for prioritization and implementation of practices, technologies, and approaches aligned with low-carbon and climate-resilience productive activities (US\$3.6 million)

32. Capacity strengthening and training activities will target local institutions, extension agents, producers, agribusiness, and producers' associations or *gremios*. Activities to be supported include (a) piloting training and farmer-extension schemes (face-to-face and potentially virtual) including schemes targeted to facilitate women's participation and address their roles as farmers; (b) piloting a new TA model ('Greening my Farm') for aligning farm-level land-use planning processes with productivity and low-carbon emission objectives; (c) supporting TA programs led by the *gremios* to mainstream low-carbon criteria in agriculture investments; and (d) preparing guidelines and other technical tools for the inclusion of sustainability and low-carbon considerations into planned projects/investment programs (that is, agribusiness projects developed by the ZIDRES program).

Subcomponent 2.3. Designing financing and nonfinancing incentives to promote the adoption of low-carbon and sustainable practices and technologies (US\$1.5 million)

33. The subcomponent will finance consultancy services and TA to develop a portfolio of incentive mechanisms to promote adoption of climate-smart agricultural practices. These incentive mechanisms will be subsequently inserted into local policies and programs such as the Agricultural Credit Policy, the Green Growth National Strategy, Colombia Sustainable Fund, Productive Alliances Project (*Proyecto apoyo a alianzas productivas*, PAAP), and other Government and non-government related programs. Activities to be supported include (a) designing and assessing expansion of green financial products led by FINAGRO,²⁵ (b) designing a Payment for Environmental Services (PES) program to be piloted under the ER Program, (c) designing a 'PAAP + CO2' mechanism with the objective to expand the Rural PAAP in line with carbon neutrality regulations (MADS) to promote low-carbon production for key products/production systems.

²⁵ FINAGRO is a fund that seeks to increase the production and marketing activities of the agricultural and livestock sector. The fund was established on January 22, 1990 as a second-tier bank.



Component 3. Definition of Emission Reduction Program and Monitoring, Reporting, and Verification (US\$6.0 million)

34. Component 3 will finance TA for the preparation of the ER Program for result-based payments (for up to US\$50 million). It will further strengthen institutional capacities and the enabling environment to accomplish BioCF's requirements related to carbon accounting and social and environmental safeguards. The component consists of two main subcomponents.

Subcomponent 3.1. Developing the recipient's capacity for robust monitoring, reporting, accounting, and verification of AFOLU emissions and removals (US\$4.4 million)

35. This subcomponent will be led by IDEAM with the support of MADS and will contribute to the design of a countrywide monitoring, reporting, and verification (MRV) system that enables tracking of Colombia's AFOLU mitigation efforts under its NDC and provides inputs for low-carbon planning. The following activities will be implemented: (a) supporting design of a unified analytical framework to support Colombia's MRV system for AFOLU (considering the specific inputs, outputs, and partners that would be achieved/involved); (b) gathering, processing, and analysis of geospatial- and field-based data including activity data (AD) and emission factors (EFs) for key AFOLU subcategories; (c) development of the jurisdictional emissions baseline that will be used as a benchmark to assess performance of the ER Program and make payments; (d) acquisition of technologies and equipment needed to fulfill the abovementioned activities, also covering the associated training and capacity-building activities

Subcomponent 3.2. Preparation of the OSIL Emission Reductions Program (US\$1.6 million)

36. Under the coordination of MADS and IDEAM, this subcomponent will finance the preparation of the ER Program, in line with the ISFL ER Program requirements. Activities under this subcomponent will also improve the statewide enabling environment to accomplish BioCF requirements for ER payments, particularly: (a) preparation of the ER Program document, including among other things, design of an equitable benefit-sharing arrangement for monetary and non-monetary benefits of the ER Program; (b) design and implementation of a participatory and inclusive consultation and stakeholder information process; (c) preparation of a land and resource tenure assessment in the OSIL area; (d) design of the safeguards instruments to be used under the OSIL ER Program; and (f) establishment and operation of a knowledge-sharing mechanism.

Component 4. Project Coordination, Management, Monitoring, and Evaluation (US\$2.0 million)

37. This component will finance training, travels, consultants, and operational costs to strengthen the institutional and implementation arrangements for the project's day-to-day operations, including (a) supporting the Project Implementation Unit (PIU) under the MADR, as well as coordination with other agencies involved in project implementation; (b) supporting the regional support teams (RSTs) based in the Orinoquia departments; (c) project supervision, monitoring and evaluation (M&E); (e) establishment and supervision of the feedback and grievance redress mechanism; (f) communication and information sharing of project results; and, (g) fiduciary costs associated with the project (including external audits).

B. Project Cost and Financing



Project Components	Project Cost	IBRD or IDA Financing	Trust Funds	Counterpart Funding
1. Integrated Land-Use Planning and Improved Governance for Deforestation Control	5,900,000	0	5,900,000	—
2. Sustainable Land-Use Management	6,100,000	0	6,100,000	—
3. Definition of Emission Reduction Program and Monitoring, Reporting, and Verification	6,000,000	0	6,000,000	—
4. Project Coordination, Management, Monitoring, and Evaluation	2,000,000	—	2,000,000	—
Total Costs	20,000,000	0	20,000,000	—
Total Project Costs	20,000,000			
Front End Fees	0			
Total Financing Required	20,000,000			

C. Lessons Learned and Reflected in the Project Design

38. The project design has incorporated multiple lessons based on experiences both in Colombia and other countries. The lessons have also been complemented by the technical studies conducted during project preparation. Some of the lessons include the following: (a) as part of the enabling environment, there must be high-level support from relevant sector line ministries, sectoral bureaus, and technical teams; (b) preparing and piloting ER programs requires strong and continuous communication activities; (c) results-based payments for ER demand large amounts of capacity development; (d) continuous Steering Committee meetings where decision makers coordinate implementation modalities for cross-sectoral activities are crucial; (e) using existing structures of the Government facilitates the agencies' commitment and buy-in; (f) alignment of the OSIL's activities with current national and regional strategies is a key factor for success; (g) successful payment of performance-based financing cannot materialize in a vacuum; it is critical to provide upfront funds to mobilize work on the local and statewide enabling environment; (h) teams should ensure that any mistrust with the beneficiaries based on ethnic, social, religious, gender, or other considerations, is addressed throughout the proposed project.

39. The proposed project incorporates lessons from environmental projects implemented in post-conflict settings. Project design was guided by analysis and expertise on the Colombian case and particularly the region's current political vulnerability. The project was thus designed with conflict sensitivity understood as the 'awareness of the causes of historical, actual, or potential conflict, and the likelihood of further conflict and its severity; and the capacity to work with all parties to reduce conflict and/or minimize the risk of further conflict'.²⁶ For instance, when promoting land-use planning, the TA will consider that restricting access to land and forests could create conditions for further violence if implemented in contexts where root causes of conflict are linked to land and forests resources.

²⁶ World Bank Group. 2016. "Conflict-Sensitive Project Design and Implementation." FCV NOTE SERIES #6.



IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

40. **The lead implementation agency for this project will be the MADR** in charge of formulating policies and managing plans, programs, and projects for the agricultural, fishing, and rural development sectors. The funds flow, disbursement, accounting, and procurement will be managed within the MADR. For coordination and implementation of project activities, an inter-institutional agreement will be signed between the MADR and three main partners: the MADS, in charge of formulating, implementing, and orienting environmental policy; the administrative agency DNP in charge of defining, recommending, and promoting public and economic policy; and, IDEAM, in charge of developing and running the MRV system. No flow of funds will occur outside of MADR to other agencies involved in implementation. Particularly, the implementation responsibilities are as follows: Subcomponent 1.1 will be coordinated by DNP; Subcomponent 1.2 by MADS; Component 2 will be conducted jointly by the MADR and MADS; and MADS together with IDEAM will be responsible for the implementation of Component 3. Additional agreements will be signed with technical entities supporting project activities.

41. **The PIU** will be housed in the MADR, in its Innovation and Technological Development directorate of the Vice Ministry of Agriculture Affairs. It will include a team of technical experts that support the line ministries (the MADR, MADS/IDEAM, DNP) in implementing project activities and a team of administrative staff under the overall guidance of a technical coordinator. The PIU will be in charge of executing the annual work plan and budget (approved by the National Project Steering Committee) and overall technical supervision of project implementation. The core staff of the PIU, including a PIU coordinator, a financial specialist, an accountant, and a procurement specialist, will be hired within 60 days of grant effectiveness through a competitive process led by the MADR staff familiar with World Bank Group procurement rules, the rest of the PIU will be hired within first three months of grant effectiveness through the same competitive process.

42. **The National Project Steering Committee (*Comité Directivo Nacional, NPSC*)** will ensure proper coordination and decision making of a project that involves a number of different sectors at national and regional levels and provide guidance, decision making on implementation, and oversight. It will comprise the Vice Minister for Agricultural Affairs (MADR), the Vice Minister of MADS, the Director of IDEAM, and the Sub-director of the DNP or their delegates, and the chair of NORECCO. The NPSC will be set up and operational after 45 days of grant effectiveness.

43. **RSTs.** No later than 90 days after grant effectiveness, an RST—technical and administrative—for the project-related activities will be hired and located with the entity chairing NORECCO (this rotates between CORMACARENA and CORPORINOQUIA)²⁷. Additional staff will be in the departments, in the offices of departmental governments (*Gobernaciones*).

²⁷NORECCO involves national entities (MADS, the MADR, DNP, IDEAM), regional entities and government agencies, regional environmental authorities (CARs) - CORMACARENA and CORPORINOQUIA, municipalities, civil society organizations (CSOs), Indigenous Peoples Organizations (IPOs), as well as productive sectors and the private sector.



B. Results Monitoring and Evaluation

44. The OSIL ER Program will be supported by a solid monitoring, learning, and evaluation system. The M&E system will (a) monitor project implementation (activities, processes, inputs, and outputs) to track progress (targets versus actual achievement) based on the Results Framework developed for the project; (b) measure final outcome; (c) support expansion of a robust system to monitor, verify, and report ERs, that is, to create conditions for successful implementation of the ER Program; (d) provide timely and accurate information to management for decision making; (e) create a platform for communication of results of the proposed project and benefits generated for target beneficiaries and stakeholders; (f) develop a reporting method to meet the World Bank's routine reporting requirements; and (g) generate data and information for the midterm review and the project completion report.

45. Project performance and results will be reported on a semiannual basis to the NPSC and the World Bank according to legal agreements. In addition, third-party international independent verification of ERs required for future carbon payments will be undertaken and made public after each monitoring and verification event the project undertakes.

46. An M&E officer (based in the PIU and with proven experience in M&E) and M&E assistants (based in region) will be responsible for collecting data, compiling, analyzing, and reporting at the national, regional, departmental, and municipal levels. The proposed project will also adopt a participatory M&E approach involving communities in the monitoring process. Even though experience at M&E exists in the institutions due to the implementation of other projects, training will be provided to national and regional M&E teams to strengthen their capacities to conduct M&E.

C. Sustainability

47. The sustainability and potential for scaling up of the OSIL program is found in the long-term financial and nonfinancial benefits that will be achieved as a result of the project activities.

- (a) **Improvements in the enabling environment** (such as institutional, technical, and implementation capacity and the regulatory framework for sustainable management of forests) will sustain beyond the project's lifespan.
- (b) **The selection of targeted municipalities** followed criteria that allowed to identify the areas where a right mix of interventions will be possible and where they are scalable.
- (c) **Participatory land-use planning that includes** environmental and climate change considerations will be a tool for short-, medium-, and long-term decision making regarding all involved sectors.
- (d) **Land tenure regularization** will unlock existing barriers for long-term investments in the land.
- (e) **The ownership and implementation of the program across** Government institutions will make sustainable resource management practices an integral part of national land-use planning and development efforts. The current support from the highest level of



Government to climate change and biodiversity investments is key to the program's sustainability.

- (f) **Involvement of the private sector** will contribute to the sustainability of land-use planning that is mutually beneficial to the private sector actors and the local communities.
- (g) **Financial incentives** in the form of payment for environmental services, agricultural enterprises and value chain development, and potential payments for ERs will be designed aiming to be implemented beyond the project's duration.
- (h) **Sustainability of the TA** will be complemented with national and international cofinancing and by the results-based carbon payment operation for verified ERs. The BioCF grant supports both a regional (NORECCO) and a National Steering Committee to allow for funding coordination. In addition, the ER payments could be used primarily to ensure sustainability of land-use interventions and to scale up action in targeted landscapes.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

48. The overall level of risk for the proposed project is Substantial. The Political and Governance risk comprises the upcoming political transition (Presidential elections in 2018), the evolution of the peace process, and the presence of multiple armed groups that, despite FARC demobilization, still dispute control over the territory and its resources. To mitigate these risks, the proposed project will build local social capital and involve a wide range of stakeholders from the local communities, civil society, private sector, and municipal governments and actors across the central government. The technical design risk is related to the preparation of a results-based payment project. The success of such a project will depend, among other things, on the effectiveness of policies and interventions supported through this proposed project in tackling ERs on a large, geographical scale. This risk is mitigated by commissioning thorough technical analysis on drivers of land-use changes, trend analysis, and mitigation options to inform the design of the proposed interventions (for both the TA and the ER phase). The institutional capacity risk is Substantial because of institutional complexity and significant coordination needs at the central and regional levels, to be led by the MADR. This risk is mitigated through (a) the signing of an inter-institutional agreement laying out roles and responsibilities of each partner entity (described in detail in the Operational Manual), (b) the creation of the National Project Steering Committee with representation of decision makers of all four national entities involved in project implementation (the MADR, MADS, DNP, IDEAM) and regional representation, and (c) the hiring of technical experts leading on project components whose role will include the coordination with the responsible line ministry/entity. An in-depth assessment of the effectiveness of the institutional arrangements will be done after the first year of implementation and gaps will be addressed as required. Very close implementation support by the World Bank during the first year of implementation will also help to mitigate risks. Finally, the fiduciary risk is also deemed Substantial because of the following: (a) currently the MADR does not have the staff required to fully support the financial aspects, (b) lack of an approved budget for the first year of implementation, and (c) the complexity of implementation arrangements that requires important interactions with different government institutions at the local, regional, and national levels. As part of the financial management (FM) assessment, the World Bank has agreed with the MADR on the following mitigation measures: (a) a



fiduciary team will be hired at the MADR; (b) the MADR shall ensure budget allocation for first year of implementation through a special budget incorporation process with the Colombian Agency for International Cooperation (APC); (c) the MADR, MADS, DNP, IDEAM will adopt an Operational Manual with clear roles and responsibilities of the participating entities in the program; (d) the MADR will produce unaudited interim financial reports as established in the Project Operational Manual.

49. VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

50. **Project development impact.** The proposed project will improve the enabling conditions for sustainable and low-carbon landscape management in targeted areas of the Orinoquia region. Through a multisectoral landscape approach, the proposed project will contribute to improvements in national MRV capacities for the AFOLU sector, land- and water-use planning and institutional capacity building, improvement in enabling conditions and incentives for sustainable and climate-smart productive systems, and the tools for a future ER program.

51. **Rationale for public sector financing.** The OSIL aims to improve land and water management to improve livelihoods and living conditions, and reduce GHG emissions from land-use change and deforestation. These results are primarily global public goods with substantial benefits accruing to Colombia and its citizens. Public financing is justified for this purpose. The GoC has demonstrated commitment to promote green growth in the Orinoquia region considering the urgent need to move toward systems that are resilient to the risks of climate change (see annex 6). Mainstreaming environmental considerations into the existing productive goals for the region and the peace process is vital for the sustainable economic and social well-being of the region.

52. **The World Bank's comparative advantage and value added.** The World Bank Group has considerable experience working with the GoC on policy and regulatory issues and project implementation and a long involvement in the natural resources sector. The World Bank is currently supporting a range of related agriculture, forestry, land administration, and green growth projects, which include, among other things, support to the GoC Green Growth Mission and exchanges with the Republic of Korea and France, Advisory Services and Analytics on forest economy supported through PROFOR and the BioCF, the Forest Carbon Partnership Facility (FCPF) support to developing a national REDD+ Strategy (*Estrategia Nacional de Reducción de Emisiones por Deforestación y Degradación Forestal*, ENREDD+). For this project, a multisector task team has been assisting the GoC during preparation and will do so for implementation. In addition to the work in Colombia, the World Bank has extensive experience in natural resources management and large climate finance operations funded through land-use and REDD+ climate funds, such as the FCPF and the BioCF. This proposed project will not undertake any specific economic analysis as it focuses on institutional strengthening and capacity building to design and implement land-use plans and support studies that will lead to low-carbon activities.

B. Technical

53. The proposed project's technical design is based on basic principles and lessons as well as technical experience and expertise from similar projects in Colombia and other regions of the world and the studies conducted during the project's preparation. The proposed project will also build on the



processes and measures defined under the ENREDD+—namely the technical protocols for understanding and tackling the causes and agents of deforestation, the development of approaches for complying with the UNFCCC safeguards, Colombia’s MRV system development, and the definition of REDD+ measures and actions, their possible risks, benefits, and applicable safeguards.²⁸ In addition, the prioritization of intervention areas is based on sound technical criteria and on existing studies and analyses. Finally, the GoC has proven technical capacity and experience in the development of similar programs including those involving the PA system and sustainable productive systems.

54. **Climate change co-benefits.** Given the project components, this TA will generate 100 percent climate change mitigation co-benefits. Each of the project components aligns with activities included in the Multilateral Development Banks Climate Finance methodology.²⁹ Particularly, Component 1 matches the eligible activity ‘National, sectoral, or territorial mitigation policies/planning’ under category ‘9.1 Support to national regional or local policy, through technical assistance’; Component 2 aligns with the eligible activity ‘National, sectoral or territorial mitigation action plan/institutions’ under category 9.1; and Component 3 matches the eligible activity ‘Systems for monitoring the emissions of GHGs’ under category 9.1.

C. Financial Management

55. **An FM assessment of the MADR was carried out in accordance with the World Bank Group’s Investment Project Financing OP/BP 10.00.** In this assessment, the following FM issues were identified: (a) the MADR does not have the staff required to support the financial aspects, (b) lack of an approved budget for the first year of implementation, and (c) the complexity of implementation arrangements that requires important interactions with different government institutions at the local, regional, and national levels. However, the MADR, as the implementing agency, has experience executing World Bank-financed projects, such as the Productive Partnership Project (Loan IBRD 7484). The MADR has general capacity to manage the FM aspects of the project, including managing of flow of funds, budgeting, accounting, and reporting, through ‘SIIF’ which is the FM information system of the Colombian government institutions. The entity (a) has sound internal control and risk procedures, (b) has financial policies and procedures in place, and (c) is audited by the Office of the Comptroller General of Colombia.

56. The assessment has concluded that to ensure that adequate FM arrangements are in place for project implementation, important mitigation measures must be required, including: (a) a fiduciary team hired at the MADR, (b) the MADR shall ensure budget allocation during the proposed project, (c) approved and adopted Operational Manual with clear roles and responsibilities of participating entities in the program, and (d) unaudited interim financial reports are agreed and incorporated in the Project Operational Manual. Additionally, close supervision and coordination is required during implementation of project activities.

D. Procurement

²⁸ Colombia REDD+ Mid-Term Progress Report to the FCPF, Readiness Fund. January 2017.

²⁹ http://www.eib.org/attachments/documents/joint_mdb_report_on_climate_finance_2015.pdf.



57. **Procurement arrangements.** Procurement will be conducted according to the World Bank Group's Procurement Regulations for IPF Borrowers, issued in July 2016, for the supply of goods and consulting services.

58. **Procurement capacity assessment.** A procurement capacity assessment concluded that the MADR has adequate experience and capacity to implement procurement activities. However, the recruitment of a procurement specialist is required for the project implementation. Considering the participation of multiple actors and entities in this proposed project, the Operational Manual will include clear roles and responsibilities (see annex 2 for further details).

E. Social (including Safeguards)

59. The proposed project is expected to have positive social impacts on the lives of indigenous populations and local communities. In its design, it built on a number of participatory processes (outlined in the Environmental and Social Management Framework [ESMF]) related to the proposed project and occurring in the Orinoquia region, including (a) the Strategic Environmental and Social Assessment (SESA) process for the Orinoquia region supported by the FCPF Readiness Grant (P155978), (b) the development of the PRICCO, and (c) the development of the PMO led by the DNP.

60. **An ESMF** has been prepared by the Recipient and consulted in October 2016. It has been disclosed on the Bank's website on September 1, 2017 and on MADR website on October 6, 2017. This instrument contains the principles, guidelines, and procedures to avoid/minimize risks and negative impacts and to promote the social and environmental benefits of implementing this TA program. The ESMF incorporates procedures for consultations with relevant stakeholder groups, as well as environmental and social impact screening criteria, consistent with the operational safeguard policies of the World Bank. The ESMF will be implemented by the PIU, housed in the MADR. Social and environmental safeguards specialists to be hired as PIU staff will ensure environmental and social criteria, as laid out in the ESMF, and will be applied throughout the formulation, design, and implementation of TA activities. To ensure that safeguards requirements for the ER Program will be met, draft terms of reference (ToR) for an ER Program ESMF, Indigenous Peoples Planning Framework (IPPF), and Process Framework (PF) are included as annexes to the ESMF.

61. The following Social Safeguards Policies will apply: Indigenous Peoples OP/BP 4.10, and Involuntary Resettlement OP/BP 4.12.

62. **Indigenous Peoples OP/BP 4.10.** The policy has been triggered to ensure that activities supported by the TA will be consistent with the policy. To this end, the ESMF includes guidelines and criteria that are based on an IPPF and that are to be applied to the TA activities funded by this proposed project. For further details on how this policy is addressed, please refer to Annex 2.

63. **Involuntary Resettlement OP/BP 4.12.** Land acquisition leading to involuntary resettlement will not occur under this proposed project. Also, because no direct investments will be financed, proposed project activities will not directly lead to restriction of access to natural resources. Triggering this policy is to ensure that activities supported by the TA will be consistent with this policy. For further details on how this policy is addressed please refer to Annex 2.



64. **The proposed project will consider gender aspects during implementation and undertake a socially inclusive approach**—It is expected that both men and women will have equal opportunities to access, participate in, contribute to, and henceforth benefit from various activities under the project (see Annex 7). The proposed project will particularly address gender inequalities in terms of access to capacity building, land-use planning, access to financing, and tenure rights. The proposed project will be aligned with the current World Bank Group Gender Strategy³⁰ and particularly contribute to the strategy's Pillar 3 by removing barriers to Women's Ownership and Control of Assets. The proposed project will also be aligned with the guidelines from the MADR's Rural Women Directorate (*Dirección de la Mujer Rural* created in December 2015), which is responsible for the design, formulation, and evaluation of gender-informed programs.

65. **A grievance redress mechanism (GRM)** will be set up in the PIU to address any potential conflicts or disputes involving project beneficiaries or stakeholders throughout project implementation. The design of the GRM will benefit significantly from the progress made on designing a national GRM for the ENREDD+, supported by the FCPF Readiness Grant. For more details on this GRM, refer to Annex 2.

66. Regarding citizen engagement, the proposed project will benefit from the results supported by the FCPF to establish citizen engagement mechanisms in each of the project's departments. At subnational and community levels, through the communication program and the safeguards instruments, beneficiaries will be able to engage in the design and implementation of the local interventions. The project will (a) promote inclusiveness and sustainability as key implementation principles;; (b) implement a communication strategy to communicate OSIL's goals and clarify existing doubts such as those arising from expectations on what the proposed project does and does not finance; (c) support participatory approaches and extensive local consultations for designing land-use plans, strategies, and forest and land management practices; and (d) build on NORECCO as a multistakeholder and inclusive platform.

F. Environment (including Safeguards)

67. The proposed project is classified as 'Category B' for environmental safeguard purposes. Activities funded through this proposed project seek to protect critical natural habitats, promote low-carbon practices, and support environmentally sound governance (institutions, zoning, action plans, dialogue) for the entire area. Significant environmental impacts are not expected. Please refer to Annex 2 for more details.

Borrowers Institutional Capacity for Safeguard Policies

68. The GoC and the World Bank Group have been closely collaborating on a variety of environmental issues, ranging from urban environmental management to biodiversity conservation in forest ecosystems.

³⁰ World Bank Group. 2015. "World Bank Group Gender Strategy (FY2016–23): Gender Equality, Poverty Reduction, and Inclusive Growth."



Both MADS and the MADR have institutional capacity and a proven track record in implementing the World Bank's environmental and social safeguard policies. For greater detail, please refer to Annex 2.

69. **G. Other Safeguard Policies (if applicable)** Not applicable

H. World Bank Grievance Redress

70. Communities and individuals who believe that they are adversely affected by a WBG supported project may submit complaints to existing project-level grievance redress mechanisms or the WBG's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WBG's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WBG non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

Project Development Objectives

To improve enabling conditions for sustainable and low-carbon landscape planning and management in project targeted areas.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Municipalities that as result of the project incorporate sustainable and low-carbon landscape management criteria into land planning and land tenure instruments		Number	0.00	7.00	Annual	Review of ordinances and agreements from departments, municipalities and watershed councils	DNP / MADS /UPRA
Description: This indicator measures the number of municipalities (and its corresponding hectares) that as result of the project incorporate sustainable and low-carbon landscape management criteria into land planning and land tenure instruments. These criteria (including information systems, land use policies, legislation and other regulations). Some of the instruments available are: POTs (municipalities), PODs (Departments) and/POMCAs (Basins). This indicator aligns with ISFL output 1.1 (total land area brought under sustainable management plan). Total potential land area covered by the instruments will be 4,637,500 ha.							
Name: Agricultural policy instruments for promoting		Number	0.00	4.00	Annual	Records of institutional programs implemented in	MADR



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
the adoption of sustainable and low-carbon landscape management in selected areas are adopted, as a result of the project						the region that apply the policy instrument.	
<p>Description: This indicator measures the number of agricultural policy instruments that support sustainable and low carbon landscape management criteria. Agricultural policy Instruments refers to financial and non-financial instruments such as PES, credit lines, matching grant programs (e.g. productive alliances), low-carbon technical assistance packages, etc. These instruments will be adopted in selected areas which could be municipalities, watersheds or prioritized landscapes. Adoption implies that the instrument developed by the Project is being incorporated as part of an institutional program/strategy. This indicator is aligned with ISFL output 1.5 (reforms in forest and land use policy, legislation, or other regulations as a result of ISFL support).</p>							
Name: Emission Reductions Program for the Orinoquia region submitted for decision by the BioCarbon Fund		Yes/No	N	Y	Annual	Review of submission letter to the BioCF including the ER document. Review of minutes and proceedings of stakeholder engagement and dialogues to consult and agree on the ER Program	PIU
<p>Description: This indicator refers to the document that details the ER-Program and will be prepared under the leadership of MADR, MADS and IDEAM. It will include the ER-Program operational and financial plans. The document will provide details on the specific actions that would lead to emissions reductions, the prioritized geographic areas, the reference level, and the specific implementation arrangements. It is expected to be ready by Year 2. The submission of the document indicates that all the tools, mechanisms and strategies (including the AFOLU MRV system for the Orinoquia Region, Benefit sharing mechanism, the jurisdictional emissions baseline, safeguards systems, among others) have been designed and validated. Note that the submission is not linked to the international independent verification.</p>							



Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: 1.1. Municipal Land Tenure Plans that take account of environmental and gender criteria		Number	0.00	1.00	Annual	ANT IT system / ANT records	ANT / MADR
<p>Description: This indicator will measure application of the protocol for mainstreaming sustainable and low-carbon landscape management in Municipal Land Tenure Plans (Plan de Ordenamiento social de la propiedad) in a selected municipality. The protocol, will foster the compliance with land use regulations as a prerequisite to land tenure regularization, and it will also contain the measures to protect women's land rights and to provide property titles to both genders, even in cases of informal/common law marriage. This intermediate indicator is linked to PDO 1.</p>							
Name: 1.2. Technical guidelines to integrate sustainable and low-carbon landscape management criteria in ZIDRES regulations adopted by MADR		Number	0.00	1.00	Annual	Project records / administrative act	ANT / MADR
<p>Description: This indicator will measure the design and subsequent adoption of the technical guidelines to integrate sustainable and low-carbon landscape management criteria into ZIDRES policy. The criteria for environmentally responsible investments will embrace: climate change, greenhouse gas (GHG) emissions, resource depletion, including water and waste pollution and deforestation. The technical guidelines will include a baseline inventory of natural resources of the areas under ZIDRES, and the required monitoring and evaluation to assess the status of these resources. This intermediate indicator is linked to PDO indicator 1 and aligns with ISFL output 1.5 (reforms in forest and land use policy, legislation, or other regulations as a result of ISFL support).</p>							
Name: 1.3. Technical guidelines for the interoperability of the		Number	0.00	1.00	Annual	Project records / administrative act	DNP/ MADS



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
National Environmental System (SIAC) and the National Multipurpose Cadaster System, adopted by MADS and IDEAM							
<p>Description: This indicator will measure the design and subsequent adoption of the technical guidelines for the interoperability of the National Environmental System (SIAC) with the National Multipurpose Cadaster System. Achieving the interoperability will help promote sustainable landscape management by providing and making information accessible regarding the existing land tenure rights, environmental restrictions and land use regulations for the different parcels. This intermediate indicator is linked to PDO 1 and aligns with ISFL output 1.5 (reforms in forest and land use policy, legislation, or other regulations as a result of ISFL support).</p>							
Name: 1.4. Environmental Zoning finalized in two project priority municipalities		Hectare(Ha)	0.00	931800.00	Annual	Review of environmental zoning and supporting documents	PIU M&E team
<p>Description: This indicator measures the project's contribution to the implementation of point 1.1.10 of the Peace agreement: "Closing of the agricultural frontier and protection of reserve zones". It is anticipated that as result of the Peace agreement some rural areas will become more accessible for agriculture and new productive investments. In order to prevent or effectively manage land use competitions that could lead to conflict and/or unsustainable management, the agreement includes the delimitation of the agricultural frontier and the identification of areas of special environmental interest that require protection and conservation, while promoting sustainable income generating alternatives for the inhabitants of such lands. The project will support the zoning process for the Orinoquia. The indicators measure the number of hectares that have been incorporated in the zoning process and the target includes hectares in 2 PDET municipalities prioritized. This intermediate indicator is linked to PDO indicator 1 and aligns with ISFL output 1.1 (total land area brought under sustainable management plans).</p>							
Name: 1.5. Development Programs with Territorial Approach (PDETs) with environmental criteria		Number	0.00	3.00	Annual	Project records	PIU M&E team



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: This indicator measures the project's contribution to prepare local development plans with territorial focus (PDETs: Programa de Desarrollo con Enfoque Territorial). These plans are a key element of the GOC's intervention in the municipalities most severely affected by the armed conflict and are part of the Point 1.2.1 of the Peace Agreement. Environmental criteria to be incorporated into the PDETs will include guidelines for compliance to land use regulations, measures to comply with the established agriculture frontier, and promotion of Payments for Environmental Services. This intermediate indicator is linked to PDO indicator 1. In addition, since this is a policy and legal reform activity, the indicator aligns with the ISFL output 1.5 (reforms in forest and land use policy, legislation, or other regulations as a result of ISFL support).</p>							
Name: 1.6. Inter-institutional protocol for deforestation control in targeted deforestation hotspots developed		Yes/No	N	Y	Annual	Project records	MADS
<p>Description: The indicator measures if the interinstitutional protocol for controlling deforestation in selected areas considered deforestation hotspots are developed with the support of the Project. This intermediate indicator is linked to PDO indicator 1 and aligns with ISFL output 1.5 (reforms in forest and land use policy, legislation, or other regulations as a result of ISFL support).</p>							
Name: 2.1. Guidelines on low-carbon technologies and practices to support extension and technical assistance activities in prioritized landscapes developed and validated		Number	0.00	2.00	Annual	Published technical documents	Corpoica, CIAT, Universities, other.
<p>Description: This indicator will measure the number of guidelines for incorporating low carbon, climate smart and sustainable landscape management criteria in selected agricultural landscapes. Technical guidelines could include specific ones for prioritized productive chains such as cacao, rubber, rice, forest plantation, oil palm, cattle ranching, or other value chains according with the selected landscapes. This intermediate indicator is linked to PDO indicator 2.</p>							



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: 2.2. Farm level training modules in sustainable and low-carbon agricultural practices in selected landscapes developed (with gender considerations)		Number	0.00	5.00	Annual	Project and activity records	PIU
Description: This indicator measures the number of training modules designed and developed to support adoption of sustainable and low carbon development practices. These modules will be based on the in-farm land use planning tools developed. Training modules could include prioritized agricultural value chains such as cacao, rubber, rice, forest plantation, oil palm, cattle ranching, or others according to selected landscapes. At least 1 module will be designed to rural women, through the Rural women directorate in the MADR. (the module will be designed for the Orinoquia region but with the potential to be scaled up to other regions). This intermediate indicator is linked to PDO indicator 2.							
Name: 2.3 Number of land users who have received training (% women)		Number	0.00	5000.00	Annual	Project and activity records	PIU/ MADR/ MADS
Percentage women		Percentage	0.00	25.00			
Description: This indicator measures the number of land users who have received training in sustainable and low carbon land use planning and management. This intermediate indicator is linked to PDO indicator 1 and 2 and ISFL output 1.3							
Name: 2.4. Agreements in key agricultural value chains signed between private and public sector for development of sustainable		Number	0.00	4.00	Annual	Design documents	PIU / MADR / MADS



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
and low-carbon productive systems							
<p>Description: This indicator measures the number of agreements established between the private and public sector as a result of the project. These agreements will result from the multi-sectorial dialogues supported by the project. These agreements can include public – private partnerships, multi-sector agreements and other type of arrangements targeted to promote development of sustainable and low-carbon productive systems. Engagements on the same agreement, memorandum of understanding, or similar documents after the partnership is established will not be counted twice. Agreements can also be specific for prioritized value chains such as cacao, rubber, rice, forest plantation, oil palm, cattle ranching, or others according with the selected landscapes. This intermediate indicator is linked to PDO indicator 2 and ISFL output 3.1 (number of partnerships with the private sector) and output 3.2 (number of partnership with not-for-profit sector).</p>							
Name: 2.5. Financial and non-financial incentive mechanisms to promote adoption of sustainable and low-carbon practices developed under the project		Number	0.00	4.00	Annual	Design documents	PIU / FINAGRO / MADR / MADS
<p>Description: This indicator measures the number of financial and non-financial incentive mechanisms developed as result of project activities and supported by government entities like MADR and MADS to promote the adoption of sustainable and low-carbon practices. Financial and non-financial incentive mechanisms may include credit lines, sustainable productive alliances, payments for ecosystem services schemes and financing tools for sustainable and low carbon productive projects. The project will provide assistance for the development of the mechanisms and training for potential users (including women) of them. This intermediate indicator is linked to PDO indicator 2.</p>							
Name: 3.1. Emissions baselines established and technically reviewed following ISFL methodological requirements		Yes/No	N	Y	Annual	Review against ISFL methodological requirements	PIU / MADS / IDEAM



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: The indicator will measure the development, by IDEAM, of the jurisdictional emissions baseline that will be used as benchmark to assess performance of the ER Program and make payments. This emissions baseline will be technically reviewed following ISFL methodological requirements. This intermediate indicator is linked to PDO indicator 3.</p>							
Name: 3.2. Information system for safeguards for Orinoquia's ER program operational		Yes/No	N	Y	Annual	Review against ISFL methodological requirements	PIU / MADS
<p>Description: The indicator will measure the development of the safeguards instruments to be used under the OSIL Emission Reduction Program. The safeguard instruments will provide information to the project implementation unit to conduct key measures to mitigate/prevent social and environmental impacts as a result of the OSIL program. The instruments will also feed into Colombia's national Safeguards Information System (SiS) supported by ONU-REDD+, which is set up to keep track of the accomplishment of the WB's and UNFCCC's safeguards. This intermediate indicator is linked to PDO indicator 3.</p>							
Name: 3.3. Benefit Sharing Plan (BSP) for ER Program developed in a participatory manner and approved by the Project Steering Committee		Yes/No	N	Y	Annual	Review against ISFL methodological requirements	IDEAM
<p>Description: The indicator will measure the development of the BSP as requested by the ISFL ER Program Requirements. It is expected that the BSP will be developed by year 2. This plan will define how potential result-based payments are shared amongst beneficiaries and stakeholders. This intermediate indicator is linked to PDO indicator 3.</p>							
Name: 3.4 AFOLU MRV system established		Yes/No	N	Y	Annual	Review of standard and custom reports from MRV system	IDEAM



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: The indicator will measure the establishment of the AFOLU MRV system for the Orinoquia which contributes toward the implementation of a country-wide MRV system. The MRV system would need to be in line with international best practices, and allow annually reporting on changes in key AFOLU subcategories and carbon pools. This intermediate indicator is linked to PDO indicator 3.</p>							
Name: 3.5. Grievance Redress Mechanism designed and established		Yes/No	N	Y	Annual	Reports from grievance redress mechanism	PIU
<p>Description: The grievance mechanism will be set up within the project coordination unit to address any potential conflicts or disputes. The objective of the mechanism is twofold: (a) to ensure that requests and complaints brought forward by individuals and communities potentially affected by project activities receive due attention and timely resolution; and (b) to serve as a learning mechanism for the Project to improve performance on an ongoing basis.</p>							

**Target Values****Project Development Objective Indicators**

Indicator Name	Baseline	End Target
Municipalities that as result of the project incorporate sustainable and low-carbon landscape management criteria into land planning and land tenure instruments	0.00	7.00
Agricultural policy instruments for promoting the adoption of sustainable and low-carbon landscape management in selected areas are adopted, as a result of the project	0.00	4.00
Emission Reductions Program for the Orinoquia region submitted for decision by the BioCarbon Fund	N	Y

Intermediate Results Indicators

Indicator Name	Baseline	End Target
1.1. Municipal Land Tenure Plans that take account of environmental and gender criteria	0.00	1.00
1.2. Technical guidelines to integrate sustainable and low-carbon landscape management criteria in ZIDRES regulations adopted by MADR	0.00	1.00
1.3. Technical guidelines for the interoperability of the National Environmental System (SIAC) and the National Multipurpose Cadaster System, adopted by MADS and IDEAM	0.00	1.00
1.4. Environmental Zoning finalized in two project priority municipalities	0.00	931800.00
1.5. Development Programs with Territorial Approach (PDETs) with environmental criteria	0.00	3.00



Indicator Name	Baseline	End Target
1.6. Inter-institutional protocol for deforestation control in targeted deforestation hotspots developed	N	Y
2.1. Guidelines on low-carbon technologies and practices to support extension and technical assistance activities in prioritized landscapes developed and validated	0.00	2.00
2.2. Farm level training modules in sustainable and low-carbon agricultural practices in selected landscapes developed (with gender considerations)	0.00	5.00
2.3 Number of land users who have received training (% women)	0.00	5000.00
Percentage women	0.00	25.00
2.4. Agreements in key agricultural value chains signed between private and public sector for development of sustainable and low-carbon productive systems	0.00	4.00
2.5. Financial and non-financial incentive mechanisms to promote adoption of sustainable and low-carbon practices developed under the project	0.00	4.00
3.1. Emissions baselines established and technically reviewed following ISFL methodological requirements	N	Y
3.2. Information system for safeguards for Orinoquia's ER program operational	N	Y
3.3. Benefit Sharing Plan (BSP) for ER Program developed in a participatory manner and approved by the Project Steering Committee	N	Y
3.4 AFOLU MRV system established	N	Y
3.5. Grievance Redress Mechanism designed and established	N	Y



The World Bank

Sustainable Low-Carbon Development in Orinoquia Region Project (P160680)



ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY: Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

1. **The proposed project is part of the OSIL**, which is supported by the BioCF ISFL. The OSIL incorporates three phases that will jointly contribute toward AFOLU ERs in the Orinoquia region: (a) a preparation phase, which is under implementation; (b) the proposed four-year TA phase, which will improve the enabling environment and preparatory activities for the implementation of a results-based ER program; and (c) the ER phase to receive payments from the BioCF's third tranche (BioCF T3) based on verified AFOLU ER (at the jurisdictional level). Given Colombia's ongoing peace process, the proposed project has been conceptualized using a peace lens and its design is based on the documented evidence that strategies for reducing the structural causes of conflict can create the enabling conditions for adoption of sustainable and low-carbon natural resource management, which in turn can contribute to peacebuilding.³¹
2. **Driver and underlying causes analysis on AFOLU emissions in the Orinoquia region guided the program design.** While forest-cover loss (mainly in southern Meta and Vichada) is currently the main source of AFOLU emissions, it is anticipated that emissions from the agricultural sector (mainly in the foothills and savannas) will increase in the next few years due to unsustainable landscape management and planned agricultural investments. Meanwhile, barriers to addressing these sources of emissions include limited capacities of local institutions and community-based organizations to govern and control natural resources, prevalence of unsustainable production systems, low adoption rates of sustainable production alternatives, lack of access to TA and extension services that incorporate environmental considerations, low availability of financial incentives and markets for sustainable products, and reduced resiliency of natural ecosystems due to ongoing environmental degradation and climate change.
3. **With the proposed project, the enabling conditions for sustainable and low-carbon landscape management will be improved through** (a) capacity building to develop, improve, or enforce, as needed, policy and planning instruments that address the institutional drivers of AFOLU GHG emissions (Component 1), including land tenure instruments; and (b) actions aimed at promoting the adoption of sustainable and low-carbon landscape management (Component 2), including the improvement of TA services and introducing financial and non-financial incentive mechanisms. The proposed project will also support the development of a results-based payment mechanism for reducing AFOLU emissions in the Orinoquia region (the ER Program), as well as the preparation of the necessary tools required by the GoC before it can enter into an Emission Reduction Payment Agreement (ERPA) with the BioCF (Component 3).
4. **During the TA phase, the program will focus on prioritized municipalities of the Orinoquia region.** Five prioritization criteria were defined during project preparation: (a) representativeness of the region's institutional, socioeconomic, and biophysical context (as detailed in box 1); (b) representation of

³¹ Castro-Nunez, A., Mertz, O., Quintero, M. (2016) Propensity of farmers to conserve forest within REDD+ projects in areas affected by armed-conflict. Forest Policy and Economics 66, 22-30.



the four departments targeted in the region³²; (c) contribution to the region's AFOLU emissions (as defined by IDEAM); (d) presence of deforestation hot spots; (e) incidence of armed conflict (as defined by the DNP)³³; and (f) ecological integrity and vulnerability to biodiversity loss (as defined by the World Wildlife Fund [WWF]). Based on these criteria, a preliminary selection includes the following municipalities: (a) Meta: Mapiripan, Puerto Gaitán, Villavicencio, or Acacias, and La Macarena or La Uribe; (b) Arauca: Arauquita or Puerto Rondón; (c) Vichada: Puerto Carreño, Primavera, or Santa Rosalia; and (d) Casanare: Paz de Apiporo. The final selection of these municipalities will be conducted at the beginning of the proposed project through a participatory process involving regional government and nongovernment institutions.

5. **The OSIL's TA phase will design and promote 'sustainable, low carbon, and climate smart productive landscapes (hereafter, SPL³⁴)'** tailored to the varied contexts of the Orinoquia region (see box 1). Findings from the TA phase will inform the design of the ER Program. This process will generate lessons and technical inputs for the adjustment or formulation of policy and planning tools, incentives, technical instruments, and monitoring systems to be scaled-up in other areas of the Orinoquia region during the ER phase.

Box 1. Three-Part Classification of Municipalities in the Orinoquia Region in Accordance with Socioeconomic, Institutional, and Biophysical Factors

A 'landscape approach' for reducing AFOLU GHG emissions requires consideration of the factors that drive emissions. The proposed project recognizes contextual differences in the region's municipalities and operationalizes this approach by designing SPL, based on a classification of these municipalities. The classification is undertaken based on factors that were selected as part of a participatory process involving government and nongovernment institutions: socioeconomic, institutional, and biophysical. As a result of this analysis, three 'cluster' profiles were identified:

Cluster/'Grupo' 1 municipalities are generally located in the foothills, are located close to markets, have comparatively better social and institutional conditions, have relatively larger percentages of land converted to cattle pasture, and have (on average) less than 1 percent of land under conservation or collective territories.

Cluster/'Grupo' 2 municipalities are generally located in the savanna biome, are far from markets, have low social and institutional conditions, have a small percent of land converted to cattle pasture, and have (on average) about 2 percent of land under conservation or under collective territories.

Cluster/'Grupo' 3 municipalities are mostly located where the savanna biome meets the forest biome, are farther from markets, have lower social and institutional conditions, have higher levels of unsatisfied basic needs, have been historically affected by the armed-conflict, live in areas with high forest-carbon stocks that are threatened by deforestation, and have (on average) 8 percent of land (officially) under conservation or under collective territories (noting that forest exploitation continues irrespectively).

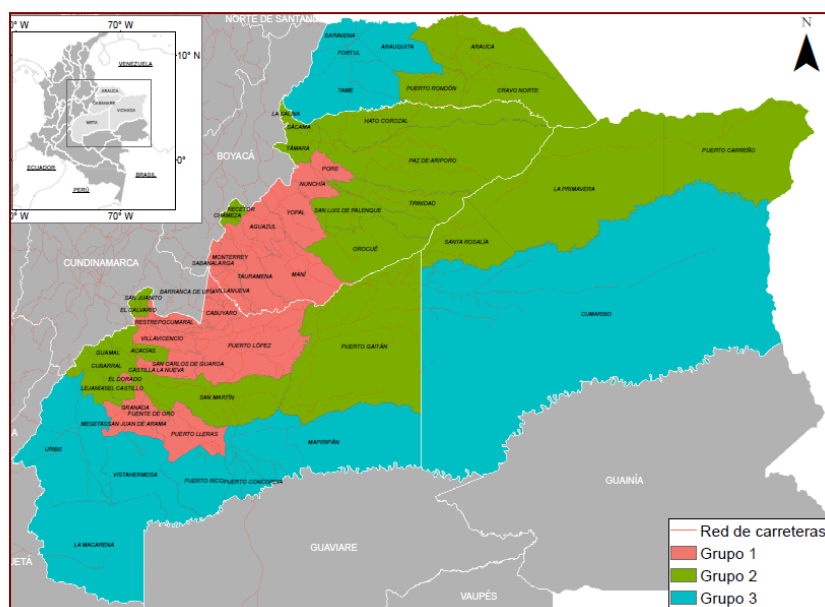
³² The GoC required the political criteria of 'representation' meaning to include actions in municipalities located in each of the region's four departments.

³³ The project will aim to intervene in municipalities with past incidence of armed conflict identified through four criteria: (a) armed conflict variables, (b) presence of illicit crops and other illicit economies, (c) high poverty rates, and (d) institutional and administrative weakness.

³⁴ SPL are defined as integrated interventions in the territory supported by a variety of policy, economic, and technical instruments to achieve, monitor, and report emissions' reductions. Such instruments include policies and planning tools at different spatial scales, technical and institutional capacities, financial and non-financial incentives for promoting sustainable production, conservation strategies, GHG monitoring systems, and land tenure instruments.



Figure 1.1. Municipalities' Classification Defined in Accordance with 14 Socioeconomic, Institutional, and Biophysical Variables (including Three Conflict-Related Variables) and Using a Hierarchical Cluster Analysis (Euclidian Distance)



Project Components

6. The proposed project will be implemented through four components, which are described in detail, as follows.

Component 1. Integrated Land-Use Planning and Improved Governance for Deforestation Control (US\$5.9 million)

7. Unplanned developments in the region have an important impact on environmental integrity of forest, savanna, and wetland ecosystems in the Orinoquia region. A clear and comprehensive land-use planning framework that indicates, based on environmental criteria and land suitability, where agricultural development, extractive activities, and urbanization can occur while guaranteeing a sustainable development of the Orinoquia region is currently absent. In addition, it is anticipated that climate change dynamics will increase the region's vulnerability unless a robust and integrated land-use planning system is introduced. To address this problem, this component will support capacity building to strengthen policy and planning instruments addressing historic and future drivers of AFOLU GHG emissions. More specifically, this component will address the current fragmentation of land-use planning instruments and lack of alignment with high-level environmental objectives, lack of accurate up-to-date information and maps on current land-use and potential land uses, lack of environmental criteria for development of land-use plans and land tenure regularization, need for instruments to address trade-offs between land uses and multisectoral interests, and lack of Government enforcement capacity for deforestation control. This component will specifically finance consultancy services to support the mainstreaming of environmental considerations into land-use planning and land tenure processes, and operating costs, training, TA, and goods to support Government control actions proposed under the GoC's



National Strategy for Deforestation Control on selected deforestation ‘hot spots’. The component will also directly contribute to Colombia’s Integrated Rural Reform. Activities funded will contribute to address two barriers for achieving rural development and sustainable peace: inadequate territorial planning and land tenure insecurity. Furthermore, by implementing activities for controlling deforestation hot spots, it is anticipated that the component will also contribute to improving state presence in areas affected by violence and illicit activities, thus reducing illegal land acquisition and land-related conflicts, which are commonly linked to deforestation in the region.³⁵ Proposed activities will be implemented through two subcomponents.

Subcomponent 1.1. Mainstreaming environmental considerations into land-use planning instruments and land tenure regularization processes at the regional and local levels in Project Targeted Areas (US\$ 4.0 million)

8. Under the DNP’s coordination, Subcomponent 1.1 will support (a) land-use planning instruments at the regional and local levels; and (b) land tenure regularization processes. Specifically, the subcomponent will ensure alignment of land-use plans with environmental criteria defined in Government plans and policies. It will finance consultancy services and training for the inclusion of key environmental priorities and policies, such as the delimitation of the agricultural frontier,³⁶ the environmental zoning carried out as part of the peace agreement, regional and national climate change plans (including the national strategy for reducing deforestation, among others) into land-use planning and land regularization processes. To this end, this subcomponent will contribute to narrowing information gaps as well as to the alignment of local-level planning instruments with national and regional land-use policies. The proposed project will particularly finance the following activities:

- (a) **Status diagnostic of land-use planning instruments (POMCA, POD, POT, and Development Programs under with Territorial Approach (*Programa de Desarrollo con Enfoque Territorial*, PDET)).** The diagnostic will analyze the existing land-use planning instruments for the prioritized municipalities to determine the required scope of TA for improving formulation and implementation of land-use planning instruments. The diagnostic will recommend specific TA activities as well as goods and services needed (imagery, higher resolution maps, and spatial data analysis) tailored to each prioritized area, based on a needs assessment. Specifically, the diagnostic will identify the municipalities’ needs to achieve the (i) effective incorporation of environmental criteria; (ii) harmonization of existing planning instruments such as POMCAs, PODs, POTs, and PDETs; and (iii) implementation of actions to strengthen municipalities and departments’ institutional capacities to comply with national and regional land-use management policies and standards.
- (b) **Institutional strengthening of national, regional, and local entities involved with natural resource management in prioritized landscapes.** By providing consultancy services, TA and acquisition of goods such as cartography, maps, among others, the proposed project will strengthen the agencies’ capacities to conduct and implement land-use planning and manage existing trade-offs between land-use and multisectoral interests. Agencies that will

³⁵ Estrategia Integral de Control de la Deforestación: Actualización de cifras de monitoreo de bosques 2016. MADS-IDEAM, 2017.

³⁶ An activity which is the responsibility of Unit of Rural Agricultural Planning (*Unidad de Planificación Rural Agropecuaria*, UPRA) within the MADR.



benefit from this activity are the (i) UPRA,³⁷ (ii) CARs,³⁸ (iii) planning offices in the municipal and departmental governments, and (iv) civil society natural reserve network.

- (c) **Strengthening land-use planning instruments based on the diagnostic, including the mainstreaming of environmental criteria into territorial and local planning instruments³⁹ in prioritized landscapes.** Based on the diagnostic, in targeted municipalities, the proposed project will support the formulation of a land-use plans (POT) and the inclusion of key environmental and gender criteria into land-use planning processes, concurring with national and regional land-use policies, as well as with conservation and adaptation and mitigation climate change strategies, including the national strategy for reducing deforestation, PRICCO, and the national adaptation plan. Key topics to mainstream in planning instruments include land-use changes (current and future/projected), land availability and suitability, water quality and availability and risk exposure, biodiversity and ecosystem services, CO₂ emissions, carbon storage, future impacts of climate change, and recommendations regarding sustainable landscape management practices. In case of existing gaps in land planning instruments related with environmental information at local scale, the proposed project will support spatial data analysis and/or the generation of higher resolution maps. The proposed project will also support the environmental zoning process established to delineate the agricultural frontier. The information gathered will support multistakeholder dialogue platforms at the landscape-level (supported under Component 2) and will promote synergies with ongoing monitoring conservation-related initiatives (aligned with MRV activities under Component 3).
- (d) **TA for the inclusion of key environmental variables and data-gathering for the multipurpose cadastre at the national and regional levels, supporting interoperability between the multipurpose cadastre and the environmental information system, and expanding the coverage of the multipurpose cadastre.** The GoC's is currently establishing a reformed land administration system and developing a multipurpose cadastre. This includes the necessary regulations, protocols, strategies, and plans, as well as institutional strengthening. The proposed project will expand coverage of the multipurpose cadastre, will update property information within the cadastre-registry system, and (wherever feasible) will support the regularization of property rights in selected municipalities. The BioCF-funded project will offer TA and south-south exchanges to support the inclusion of key environment variables/datasets and data-gathering on environment considerations for the multipurpose cadastre.⁴⁰ The assistance will emphasize the alignment and coordination

³⁷ National entity under the MADR.

³⁸ Territorial Environmental Authority.

³⁹ Within the territorial planning instruments that may be considered are the: POTs (at the municipal level); POMCAs; PODs; PDETs; and the management plans of PAs.

⁴⁰ There is no cadastral record for 26 percent of the total Colombian rural land, and 66.5 percent of the plots for which cadastral information exists have information that is outdated by five years or more. The current state of the property cadastre represents a key constraint to integrated territorial development. The modernization of the cadastre system attempts to: (a) adequately characterize the physical conditions of the territory under a systematized and standard methodology, (b) guarantee the full alignment between physical and legal property information, (c) document and record market-related land values to enable functional land markets, and (d) incorporate provisions to ensure technical, financial, and institutional sustainability in the long term.



between the National Multipurpose Cadastre System (*Sistema Único Nacional de Información Catastral Multipropósito*) and the SIAC. The cadastre database to be created will be able to manage robust, accurate, and georeferenced information (for example, tenure, ownership, use, land use, land-use restrictions, and environmental PAs). The current national entity responsible for the cadastre is the Geographic Institute Agustín Codazzi (*Instituto Geográfico Agustín Codazzi*), while the DNP is responsible for setting up the new multipurpose cadastre policy.

- (e) **Assistance toward a systematic land tenure regularization in selected municipalities by establishing protocols that include environmental and gender considerations.** Land tenure issues have been central to the decades of conflict in Colombia. Unclear property rights have led to informal activities (such as illegal mining and illicit crops) and have provided an incentive to land-grabbing and subsequent forest degradation and deforestation. The proposed activity will finance land tenure regularization⁴¹ considering gender criteria in a prioritized municipality that already has the multipurpose cadastral survey and new POTs and PODs developed or being developed. The activity will result in land tenure regularization protocols including gender criteria and environmental considerations targeted to avoid deforestation or other natural ecosystem transformations,⁴² as a requisite to prove land tenure rights on state-owned land-*baldíos*.⁴³ Technical oversight will be provided by the ANT, which is the national entity responsible within the MADR and the respective local authorities. Besides environmental considerations, the proposed project will also provide TA so that land tenure regularization and land tenure plans incorporate gender considerations; that is, the inclusion of measures to protect women's land rights and to provide property titles to both members of the couple, even in cases of informal/common law marriage.
- (f) **Mainstreaming the environmental considerations into plans for future ZIDRES⁴⁴ investments, including sustainable standards.** Established in 2016, the ZIDRES Law allows the conformation of the ZIDRES, in areas isolated from the most significant urban centers, with low population density, high levels of poverty, and inadequate infrastructure for transportation and marketing of products, while having agricultural, livestock, forestry, and/or fishery aptitude. The law offers incentives for private investment in these areas. However, the ZIDRES legal framework does not include criteria for ensuring environmentally responsible investments or technical guidelines to integrate sustainable and low-carbon landscape management. The proposed project will address this gap by supporting the incorporation of environmental considerations into future ZIDRES investments (for example, application of the principles of responsible investments, alignment of investments with zero

⁴¹ *Planes de Ordenamiento Social de la Propiedad* led by the ANT.

⁴² Recently a new legal framework—Decree Law 902 of 2017—has been approved, which removes incentives for forest cover removal as a basis for land titling. The decree establishes that rural land titling policy ought to adopt measures to prevent conflict between the vocation of land and its actual use, in alignment with the environmental zoning and regulations, determined by land use plans, POTs.

⁴³ It is estimated that between 50 percent and 70 percent of land in the Orinoquia region is considered to be state-owned (*baldíos*).

⁴⁴ The ZIDRES are special territories, far away from urban areas, with low population density and limited infrastructure and where agriculture, cattle ranching, or fisheries productive industries can be developed in partnership between big businesses and small and medium producers that do not own land.



deforestation agreements, commitment to adoption of low-carbon practices, and participation of small farmers and cooperatives in potentially large-scale investments). According to the law, the ZIDRES areas will be approved and will receive special support subject to presentation of plans that need to include property titles studies, business plans, job creation plans, and so on. The proposed project will seek to ensure that sustainable standards are required within the ZIDRES plans as well as the establishment of enforcement measures for such standards. The standards will build on Colombia's commitments to the Tropical Forest Alliance (TFA). The current national entity responsible for the ZIDRES is the ANT, in coordination with the UPRA; both entities sit under the MADR.

Subcomponent 1.2. Strengthening capacities for land-use regulation enforcement and deforestation control (US\$1.9 million)

9. Subcomponent 1.2 addresses the lack of Government enforcement capacity for deforestation control. Under the coordination of MADS, it will support the implementation of key activities of Colombia's EICB and GSB in the Orinoquia deforestation hot spots. The proposed project aligns with several elements of the five main pillars⁴⁵ included in the EICB and GSB. This subcomponent will specifically support the Monitoring, Control and Surveillance Pillars and two of its three main interventions,⁴⁶ as follows:

- (a) **Supporting the development of a legal forest cluster in the project-targeted area, including the preparation of a sustainable forest management plan, capacity building on forest legality, and a business exchange on sustainable wood products from the region.** The main objective will be to establish a legal forest cluster in the Project Targeted Areas that in turn will contribute to improve legality and law compliance in the Colombian forest sector. This will be achieved through consultancy services for local institutions to develop at least one management plan for sustainable forest management. It also includes capacity-building workshops on forest legality to regional institutions, producers, local communities, and private sector actors, and a business exchange to share information on supply and demand for sustainably sourced wood products from the region.
- (b) **Developing and implementing an action plan for regional coordination and deforestation control in at least two deforestation hot spots in the Project Targeted Areas.** This activity will finance the development of an action plan for regional coordination on deforestation control in identified hot spots in the Project Targeted Areas. The action plan will include unified response protocols to guide coordinated administrative and law enforcement actions to be applied by environmental authorities, the defence sector, military, police, and law enforcement agencies, among others, for effective control of deforestation and degradation generated by illicit activities. This sub-activity will also finance early actions to

⁴⁵ These include (a) Change of Paradigm, for a productive vision of forest adapted to Colombia's regional diversity; (b) Transformation of Forest Economy, promoting intersectoral measures to close the agricultural frontier; (c) Territorial Land-Use Planning, mainstreaming environmental variables; (d) Permanent Control, Monitoring, and Surveillance; and (e) Legal and Financial Instruments to reduce deforestation. See http://www.minambiente.gov.co/images/Estrategia_deforestacion_MInistro_Murillo.pdf.

⁴⁶ The third intervention will be financed under Component 3. This consists of the Strengthening of the National Forest and Carbon Monitoring System managed by IDEAM and its generation of information for decision making.



support the implementation of the interinstitutional protocol to monitor, control, and respond to non-sustainable land uses and degradation processes in forest and non-forest ecosystems, including (a) the development and implementation in at least two selected deforestation hot spots of the response protocol for the Orinoquia region, including necessary information gathered through satellite images, overflights in critical areas, and field validation of deforestation warnings; (b) operational costs (including transport) for control operations conducted by the environmental authorities and defence sector in the two deforestation hot spots; and (c) operational costs of two post-control operations conducted by law enforcement agencies (*Fiscalía General de la Nación*) with additional resources for investigation of illegal deforestation events.

Component 2. Sustainable Land-Use and Management (US\$6.1 million)

10. Led by the MADR in close coordination with MADS, Component 2 aims to generate information, capacities, and incentives to reduce AFOLU GHG emissions derived from unsustainable land-use and from land-use changes. The component will contribute to mitigate historical and expected increases in emissions due to unsustainable and/or GHG-intensive land management practices (for example, excessive fertilizer use, natural savanna burning practices, expansive cattle ranching, tillage, and so on). Overall, Component 2 activities are oriented toward supporting the identification, validation, and adoption of better agricultural/productive practices by supporting knowledge gaps and strengthening incentives (financial and non-financial), in alignment with sustainable and low-carbon landscape management objectives. By designing instruments for promoting low-carbon and climate-resilience productive systems, as well as by enhancing TA programs and coordination between relevant stakeholders, the proposed project will contribute to the understanding of the effective practices and/or technologies that promote climate smart production, and on the options for mainstreaming such practices and technologies in key production systems in the region. This will contribute to reducing the historical disparity between urban and rural areas, one of the structural causes of the Colombian conflict.⁴⁷

11. This component builds on (a) a set of studies initiated during the OSIL pre-TA phase carried out by Climate Focus, the Centre for Orinoquia Studies at the Andes University, CIAT, and IDOM; (b) the GoC-commissioned studies that identified mitigation opportunities and associated plans; and (c) ongoing mitigation efforts in the Orinoquia region's AFOLU sector undertaken by *gremios* (for example, FEDEPALMA, Massive Technology Adoption Program [AMTEC], Colombian Federation of Cattle Ranchers [*Federación Colombiana de Ganaderos*, FEDEGAN]) and internationally or locally funded (see box 2 for further detail of these initiatives). The OSIL pre-TA phase also supported an early engagement with key stakeholders in the region to start building public-private sector consensus on the midterm vision in support of the region's sustainable and low-carbon development.

Box 2. Portfolio of Agricultural Mitigation Opportunities/Approaches in the AFOLU Sector in the Orinoquia Region

In preparation for this project, a BioCF-commissioned prioritization exercise is identifying important productive ER opportunities in the region, particularly around agricultural production, including (a) renewal and better management of improved or introduced pastures; (b) silvo-pastoral systems (intensive, non-intensive, and so on);

⁴⁷ Conpes 3850 Fondo para la Paz.



(c) agroforestry; and (d) adoption of technological packages (AMTEC). Silvo-pastoral and agroforestry systems have been proposed to create buffer zones in areas where land changing patterns include replacing forest with pastures or crops. Furthermore, silvo-pastoral systems are key in promoting landscape connectivity and carbon sequestration. Renewal and better management of improved or introduced pastures combined with silvo-pastoral systems improve GHG balance in cattle ranching activities related to methane from enteric fermentation. AMTEC, mainly applied to the rice sector and other yield-cereal crops, aims at reducing nitrous oxide emissions from soil management and methane emissions from water management. In palm oil, under the Global Environment Facility (GEF) project, a set of sustainable (and climate-smart) production models have been tested. The region now has PRICCO, under which a series of mitigation measures required by the region in the next 20 years have been identified in a participatory manner with local stakeholders. Most of these measures aim to protect natural areas, increase civil society's reserves, improve landscape connectivity, and protect water resources. The MADR has also identified mitigation options for Colombia's AFOLU sector, including livestock (beef and milk), through improved pastures and sustainable practices; rice (AMTEC); palm oil; agroforestry crops (such as cacao and rubber); and land conversion from degraded pastures to palm oil, and forest commercial plantations.⁴⁸

There are a set of ongoing programs, mainly led by the private sector and funded by the international community, that support these emerging mitigation opportunities and on which the project will build-on, such as the Mainstreaming Sustainable Cattle Ranching Project, implemented by FEDEGAN, coordinated by the World Bank, and funded by GEF/UK-BEIS; the Sustainable Palm Oil Landscapes Project, funded by the GEF and implemented by FEDEGAN; and AMTEC, implemented by FEDEARROZ with some of the validation of the technological packages receiving Government support.

12. Component 2 activities will be implemented in selected productive landscapes within prioritized municipalities. In each selected landscape, a set of mitigation opportunities will be identified and prioritized and sectoral instruments (including TA services and financial and non-financial incentives mechanisms) will be aligned to support the mainstreaming of such mitigation options. Potential mitigation opportunities include sustainable and low-carbon practices in agriculture/livestock production (for example, low tillage agriculture, reduction of fertilizer use, and feedstock alternatives to burning practices); conservation of existing forest and natural ecosystems remnants; restoration and landscape connectivity (for example, through silvo-pastoral systems and buffer zones in commercial crops); and support to food security strategies. The component's activities will be implemented through three subcomponents.

Subcomponent 2.1. Strengthening of public/private sector coordination and engagement for targeting low-carbon development goals (US\$1.0 million)

13. This subcomponent will support the future transformation of selected productive landscapes toward a low-carbon development pattern by promoting multisectoral/multistakeholder dialogue around sustainable and low-carbon development priorities in the AFOLU sector. This multistakeholder dialogue will lead toward the identification and prioritization of key actions/activities (including key practices and technologies) to be promoted in the selected landscapes, in alignment with low-carbon development objectives and climate change scenarios. The subcomponent will identify knowledge gaps and will support needed research, particularly around quick-wins (for example, validation of technologies, further assessment of productivity gains associated to specific practices, and so on). It will also finance workshops

⁴⁸ The sowing of new crop areas (commercial forestry, rubber, cocoa, and palm) is assumed to be over pasture areas, and therefore the sowing of these crops will be the alternative that will account for the change in the biomass stock (CIAT, 2017).



and other TA to promote dialogue around broader issues of value chain/subsector competitiveness and green development.

14. Until now, a set of ongoing public and private sector dialogues in the region, which have already identified potential practices/technologies around specific sectors that address both climate change mitigation and adaptation needs, such as AMTEC in rice, silvo-pastoral systems in livestock production promoted under the Mainstreaming Cattle Ranching Program implemented by World Bank Group-FEDEGAN (with funding by the UK-BEIS and the GEF), and palm oil under the Biodiverse Palm Oil Landscapes project, implemented by FEDEPALMA (with funding by the GEF).⁴⁹ The subcomponent will support further analysis of costs and trade-offs (building the business case) around those practices/technological packages and will explore complementarities across subsectors (for example, sustainable palm oil-livestock landscapes). Specific activities include (a) addressing information gaps in the identification of climate-smart practices and their prioritization to the local/landscape context, (b) cost-benefit analysis of those practices and technologies in the local/landscape context, (c) identification of bottlenecks to implementation of the proposed practices and technologies and knowledge gaps, and (d) supporting the establishment of public-private sector agreements to set green investment portfolios for low-carbon and climate-resilience productive systems in selected landscapes within the Project Targeted Areas. Subcomponents 2.2 and 2.3 will focus the subsequent insertion of identified priorities into local policies and programs to push their implementation further. Annex 6 presents the range of initiatives/programs with the potential to contribute to ER targets during the OSIL program's ER phase. Furthermore, the BioCF private window funds to support advisory services, to be implemented by International Finance Corporation (IFC) in partnership with the private sector in the dairy sector, and potentially other value chains, will also contribute to inform subcomponent activities.

15. The prioritization exercise at the landscape level will inform other project activities, such as the support to mainstreaming sustainability criteria into the ZIDRES Law, the definition of opportunities in alignment with the new the PES Law, and other conservation incentives. Furthermore, the identification of priority practices and investments in the selected landscapes will be linked to emerging consultation platforms in the region (see box 3) and with productive-related planning processes, such as those undertaken by the MADR-related agencies and with the support of the UPRA,⁵⁰ as well as those linked to the formulation of the POTs and POMCAs, among others (under Component 1).

⁴⁹ The Biodiverse Palm Oil Landscapes is a project funded by the GEF and implemented by FEDEPALMA and represents the commitment of the private sector to the development of a sustainable palm oil agribusiness sector, narrowing environmental gaps and as a differentiation tool in relation with other palm oil producing countries.

⁵⁰ Such plans include Integral Rural Agricultural Development Plans to be led by the Rural Development Agency (ADR); the Rural Development Programs under a PDET led by the Agency for the Renewal of the Territories (ART), the Social Land Plans led by the ANT, and the Departmental Plans for Productive and Social Land Planning formulated by the Government and 'gremios' under the technical guidance of the UPRA.



Box 3. Relevant Emerging Stakeholder-Based Platforms in the Orinoquia Region

Some of the emerging series of platforms that promote dialogue and consensus building around sustainability and climate change-related issues (with a global and/or national scope of relevance in the Orinoquia region) include the following:

- **The Working Roundtable on Sustainable Territories.** This has a national scope, is led by private-sector organizations (*gremios*) and is coordinated by the Earth Innovation Institute. The implementation of territorial pilots is one of the main activities expected to be undertaken in 2017–2018.
- **The National Roundtable on Sustainable Livestock**, which represents a convergence of public and private sector actors and civil society around the development of a sustainable livestock sector in Colombia. It is led by the MADR, with the Secretariat based in IICA. The Roundtable has recently established a regional chapter in the Meta Department and it is expected that others could be developed in key Orinoquia departments.
- **Technical Agroclimatic Roundtables** (*Mesas Técnicas Agroclimáticas*) led by the MADR, with the institutional support of *gremios*, as well as national and international institutions yet to be established in the Orinoquia departments (4 of the intended 15 have been established at the national level).
- **The TFA**, which is a global public-private partnership (PPP) that brings together business, Government, and civil society. The TFA is committed to reducing, by 2020, tropical deforestation related to key global commodities (including soy, beef, palm oil, paper, and wood pulp). Although the TFA is only emerging in Colombia, with the support of MADS, it has the potential to generate important impacts in the Orinoquia region. Under this initiative, the Zero Deforestation Agreement for Palm Oil at the national level has already been signed (March 2017) and it is expected that new agreements will be signed for commodities of relevance in the Orinoquia region and selected landscapes.

16. At the regional/department level, the Orinoquia Regional Climate Change Node⁵¹ (NORECCO⁵²) will be the coordinating multistakeholder platform for public-private dialogue under this component (providing links to component activities 1 and 2 and ensuring a strong coordination with emerging stakeholder initiatives (see box 3) and the BioCF-funded advisory services by IFC. The proposed project (under Component 4) will strengthen the capacity of NORECCO to play its role.

Subcomponent 2.2. Strengthening the capacity of relevant stakeholders for prioritization and implementation of practices, technologies, and approaches aligned with low-carbon and climate-resilience productive activities (US\$3.6 million)

17. The subcomponent will finance capacity-strengthening of local institutions, extension agents, producers, and producer associations *gremios*. These activities will include the following:

- (a) **Piloting training and farmer-extension schemes.** The subcomponent will finance face-to-face (and potentially virtual) training and extension programs such as field schools and technological brigades (*brigadas tecnológicas*), implemented in partnerships with the private sector/*gremios*.⁵³ The programs to be supported will ensure women's participation

⁵¹ Regional nodes are part of the SISCLIMA and are composed of local governments, research institutes, the private sector, and civil society representatives, as well as disaster risk management local councils.

⁵² NORECCO was established by MADS by Decree 298, 2016 and covers Meta, Casanare, Vichada, and Arauca. It is linked to the National Climate Change Commission.

⁵³ Entities like REDD+ Academy, Corpoica, CIAT, SENA, regional universities, and nongovernmental organizations (NGOs) have the potential to offer these kinds of training services.



and address their roles as farmers. The development of these TA and training programs will be based on lessons learned from World Bank-supported projects, such as the Sustainable Cattle Ranching Project. Furthermore, the subcomponent will work in close coordination with the BioCF-funded advisory services to be implemented by IFC in the dairy sector and potentially also the commercial forest and palm oil sectors. Training and TA activities will be implemented through public-private sector partnerships.

- (b) **Piloting new models for TA—'Greening my Farm.'** This activity will pilot a TA model for aligning farm-level planning processes (*planeación predial participativa*) with productivity, climate resilience, and low-carbon emission objectives. The initial pilots will be undertaken in the selected municipalities and, subsequently, there may be further pilots and scaling-up through other programs. This activity will be designed and implemented in close coordination with producer associations and other relevant public and private actors in the region, through collaborative agreements and contracts for service provision offered by specialized agencies/institutions and individual consultants.⁵⁴
- (c) **Supporting public and/or private sector initiatives to mainstream low-carbon and sustainability criteria in large-scale agriculture investments in the region.** This will imply, for example:
 - (i) Initiatives (led by either the producer associations or public entities) to promote low-carbon development in large-scale agriculture investments and ensuring complementarity with planning instruments developed in Component 1. Activities will include development of guidelines and training for understanding sustainability criteria developed under the ZIDRES Law (under Component 1), and for example, the application of the Farm Cool tool (or other instruments/tools) to assess private sector emissions and mitigation options.⁵⁵
 - (ii) Support to local institutions on addressing regulatory and non-regulatory gaps in relation to low-carbon agriculture production (for example, irrigation legislation). This will include support to regional planning units on applying instruments to monitor the adherence to high standards of business practices by large investors in the selected landscapes (developed under the ZIDRES and promoted in the region).
- (d) **Preparing guidelines and other technical tools for the inclusion of sustainability and low-carbon considerations into plans for future projects/investment programs (such projects/programs outside of the project's scope).**

⁵⁴ In the region, there are a set of private-sector led initiatives that could be supported to achieve scale and impacts, including the AMTEC program (piloted by FEDEARROZ); Sustainable Palm Oil landscapes (funded by the GEF); National Cattle Ranching Project; and other initiatives that have not been piloted (such as jurisdictional certification). In parallel, IFC with funds provided by the BioCF, will support current client companies (and those becoming clients in the near future) in the selected landscapes to develop or expand their programs aimed at developing a low-carbon procurement network of suppliers.

⁵⁵ Opportunities to be explored include encouraging the application of tools (for example, Farm Cool tool) to assess private sector emissions, create a sustainability barometer for priority productive activities, and so on.



Subcomponent 2.3. Designing financing and nonfinancing incentives to promote the adoption of low-carbon and sustainable practices and technologies (US\$1.5 million)

18. Based on existing initiatives (see box 4), this subcomponent will contribute to the design of incentive mechanisms to promote low-carbon development that can be promoted through the National Green Growth Strategy, Colombia Sustainable Fund, PAAP, and other Government and non-government related programs. Activities to be financed include the following:

- (a) **Designing and assessing the expansion of green financial products.** The proposed project will finance consultancy services to help FINAGRO⁵⁶ in the design of new financial products and expansion of existing ones. This will include designing public and private credit lines and other instruments (for example, credit guarantees, mobile banking, green funds, and so on) to support competitiveness and green development (with emphasis on low-carbon development and climate smart production systems). The design will also ensure gender sensitivity.
- (b) **Designing a PES program to be piloted under the OSIL ER Program.** Design of a financial and technical proposal for the application of the new PES regulatory framework within the ER Program. The activity will support an expert consultant to generate a proposal to align the recent regulation on the PES with the ER Program.
- (c) **Designing and evaluating the feasibility of a mechanism to expand the PAAP to promote low-carbon production for the main products/production systems ('PAAP⁵⁷ + CO₂' support scheme).** Considering the MADR's successful experience with the PAAP, the proposed project will support the design of a complementary approach in alignment with the promotion of low-carbon agriculture production in the region for the main commodities/production systems. The approach will look at the technical aspects and modalities for mainstreaming low-carbon criteria, as well as new financial mechanisms to deploy the program in the ER Program phase. This includes compensation programs applicable to extractive and infrastructure companies.

⁵⁶ FINAGRO is a fund which seeks to increase the production and marketing activities of the agricultural and livestock sector. The fund was established on January 22, 1990, as a second-tier bank.

⁵⁷ The PAAP aims at increasing sustainable competitiveness and entrepreneurial development in poor rural communities through alliances established by private sector demand. The PAAP helps to identify and catalyze partnerships between organized producers and buyers, while providing support and TA to implement best practices and ensure compliance with market requirements.



Box 4. Some Existing Proposals and Initiatives for the Design of Financing and Non-Financing Incentives

A series of proposals and ongoing initiatives will serve as reference for the design of financing and non-financing incentives including, among others:

- **Forestry Incentive Certificate (*Certificado de Incentivo Forestal*, CIF)–MADR KfW.** The PES scheme applied for more than 20 years in the coffee region that provides payments for natural forest conservation, protective forest, and commercial forest.
- **Bancasostenible, led by Asobancaria** in the context of Green Protocol is piloting the project for the agricultural sector “Strengthen sustainable financing of the agricultural sector through associative schemes.”
- **CIF+ and incentives for sustainable cattle ranching in flooded savannas** proposed by the WWF in the context of the GEF Project ‘Institutional and Policy Strengthening to Increase the Conservation of Biodiversity in Private Lands in Colombia’, focused on the departments of Casanare and Vichada, and are managed by the Colombian Interinstitutional Group of Private Tools for Conservation, G5.
- **Incentives in the agricultural sector and its impact on the control of deforestation**, in the context of ENREDD with the support of German Agency for Technical Cooperation (*Deutsche Gesellschaft für Technische Zusammenarbeit*, GIZ) and the WWF summarizes the current proposals and opportunities to strengthen agricultural and environmental incentives to control deforestation.

Component 3. Definition of Emission Reduction Program and Monitoring, Reporting, and Verification (US\$6.0 million)

19. Under the coordination of MADS and IDEAM, this component will finance TA for the definition, establishment, and operationalization of the ER Program to be supported within the OSIL program and through the result-based payments (for an envelope currently estimated at US\$50 million). Colombia has made progress in building its capacities to develop accurate national- and department-level GHG emissions inventories (which include the AFOLU sector) and jurisdictional forest reference levels (FRELs).⁵⁸ Similarly, Colombia has experience in developing REDD+ result-based programs at the jurisdictional scale, such as the VA-REM program. The proposed project will build on these achievements and further strengthen institutional capacities and the enabling environment to accomplish BioCF’s requirements⁵⁹ related to carbon accounting and social and environmental safeguards. This will be of key importance, given that accounting for ERs from AFOLU on a jurisdictional scale have not been yet tested in Colombia. Therefore, the country will need substantial capacity building in terms of data requirements (resolution, temporal extent) to account for ERs following the approach adopted by the BioCF’s ISFL. The proposed

⁵⁸ Based on these capacities, IDEAM led the development of both the biennial update report (submitted in 2015 to the UNFCCC) and the FREL (developed for accounting GHG emissions reductions) achieved in the Colombian Amazon.

⁵⁹ The consideration of the ISFL’s GHG inventory requirements described above led to the discussion of how improvements could be made to support the program. The following areas were identified as important to satisfy ISFL requirements: (a) improve land-use change analysis, particularly within the ‘grasslands remaining grassland’ category to capture changes that affect GHG gas flows and stocks; (b) estimate SOC for each land-use category by additional field inventory and by using digital soil modeling to bring land-use change subcategories up to Tier 2; (c) improve evaluation of forest degradation and regeneration, by estimating additional carbon pools and constructing a 10-year historical baseline; (d) use ongoing developments with the RUMINANT model to improve estimates of methane emissions from enteric fermentation; the most important improvement will come from estimating the effects of forage quality on animal digestion; and (e) improve GHG estimates for manure management through representative surveys and fieldwork, to improved methods to Tier 2 and construct a 10-year historical baseline.



project will support the preparation of the necessary tools, assessments, and systems to allow the GoC to enter into an ER Purchase Agreement with the BioCF. The component includes two main subcomponents.

Subcomponent 3.1. Developing the recipient's capacity for robust monitoring, reporting, accounting, and verification of AFOLU emissions and removals (US\$4.4 million)

20. This subcomponent will be led by IDEAM⁶⁰ with MADS support. In conjunction with other funding sources such as VA-REM and the JDI with Norway, Germany, and the United Kingdom, the intervention will support the implementation of the First Phase (2017–2020) of Colombia's MRV2030 Strategy for the AFOLU sector. Besides the delivery of the information elements needed to roll out the ER stages of the OSIL program, this subcomponent will contribute to setting the foundations of a country-wide, sustainable system that (a) supports and allows tracking of Colombia's mitigation efforts under the Paris Agreement; and (b) provides robust inputs for climate-resilient, low-carbon planning at various scales. The following activities will be implemented:

- (a) **Developing MRV-AFOLU system blueprints.** This activity will support the conceptual design and assessment of technical, technological, and legal requirements, and options of a unified analytical framework to support Colombia's MRV system for AFOLU. Technical dialogues to design and operate a comprehensive AFOLU MRV system as well as operation agreements between IDEAM and selected partners will be planned for and achieved under this activity. Inputs on carbon accounting required to prepare the Program's ER document will also be financed under this subcomponent.
- (b) **Filling gaps and enhancing data quality.** The activity includes gathering, processing, and analyzing geospatial and field-based data. The activity will focus on the development/improvement of activity data and emissions factors for key AFOLU subcategories, as well as on the development of data needed for monitoring relevant carbon pools. Improvements for the Orinoquia region will be made to allow the OSIL program to progress in a relatively short timespan, while fostering continuous MRV improvement, following Intergovernmental Panel on Climate Change and UNFCCC guidance. The implementation of modelling approaches to assess and identify landscape mitigation scenarios will also be included in this activity.
- (c) **Development of the jurisdictional emissions baseline.** This activity will finance the development, by IDEAM, of the jurisdictional emissions baseline that will be used as a benchmark to assess performance of the ER Program and make payments.
- (d) **Technological improvement and divulgation.** This activity will finance the acquisition of technologies and equipment needed to fulfill the abovementioned activities, covering also the associated training and capacity-building activities. This may include high resolution satellite imagery, cloud processing/storage capacity, specialized software and hardware,

⁶⁰ IDEAM houses the Colombian forest monitoring system and has developed the FREL for Colombia, that has been approved by the UNFCCC.



fieldwork equipment, training workshops, and development and publication of training materials.

Subcomponent 3.2. Preparation of the OSIL Emissions Reductions Program (US\$1.6 million)

21. This subcomponent will finance the preparation of the ER Program document, in line with the ISFL ER Program requirements. Activities under this subcomponent will also improve the statewide enabling environment to accomplish BioCF requirements for ER payments, targeting the following⁶¹:

- (a) **Preparation of the ER Program Document, including the design of a benefit sharing mechanism (BSM).**⁶² This activity will finance the preparation of the ER Program document. This document will detail the ER Program, its operational and financial plans, and the tools for ensuring compliance with BioCF requirements such as the reference level that will be used as benchmark to assess performance of the ER Program.
- (b) **Consultation and stakeholder information.** The activity will support the development/implementation of a participatory and inclusive consultation and stakeholder information process in all four Orinoquia departments. This activity aims at supporting the Colombian Government to strengthen community and stakeholder relationships during the preparation of the ER Program. It will involve designing a consultation and information plan as well as a mechanism for receiving and responding to feedback during early phases of the ER Program. Feedback from consultations will inform (i) the BSM, (ii) safeguards framework, (iii) safeguard instruments, (iv) land-use strategies and forest and land management practices, and (v) the ER Program document.
- (c) **Land and resource tenure assessment.** The preparation of the ER Program Document will include a land and resource tenure assessment in the OSIL area. The assessment will include land and resource tenure rights, ownership of ERs, areas subject to significant conflicts or disputes, and any potential impact of the ISFL ER Program on existing land and resource tenure in the OSIL area.
- (d) **Development of the safeguard instruments to be used under the Recipient's OSIL ER Program.** This activity will support the development of safeguards instruments to be used under the OSIL ER Program. The safeguard instruments will also feed into Colombia's national Safeguards Information System supported by ONU-REDD+, which is set up to monitor the World Bank Group's and UNFCCC's safeguards compliance. The activity will result in an ESMF and other safeguard instruments that will be identified for the ER Program. The ESMF designed for the ER Program will build on the ESMF developed for the TA phase and the SESA process, both supported with FCPF resources. This component will also support a communications strategy.

⁶¹ Activities under this subcomponent will rely on and be linked to tools and capacities already in place in Colombia, such as those being developing as part of the REDD+ Readiness Program for reporting on the accomplishing of safeguards, and for sharing of benefits.

⁶² The BSM is a requirement to finalize and sign the ERPA, which arise from the need to create the institutional arrangements and policy instruments to distribute the benefits and costs of implementing the ER Program.



- (e) **Establishing a knowledge exchange mechanism.** The activity will support the establishment and operation of the OSIL mechanism for sharing lessons and experiences to (i) help identify opportunities and challenges related to the implementation of programs for reducing emissions at the jurisdictional scale; (ii) foster learning and facilitate the preparation/implementation of programs within the BioCF ISFL; and (iii) help improve methodological approaches for accounting for ERs from AFOLU for result-based payments (following a Comprehensive Landscape Methodological Approach). For instance, south-south exchange of lessons and experiences with jurisdiction-wide climate-smart land-use programs would facilitate the preparation/implementation of the OSIL program. The implementation of the mechanism will begin in year 1 and will operate over the program's life.

Component 4. Project Coordination, Management, Monitoring and Evaluation (US\$2.0 million)

22. This component will strengthen the implementation arrangements for coordination, management, M&E, and communication in connection with the implementation of the proposed project at the national and regional levels. It will finance training, travels, consultants, FM (including audits), and operational costs to strengthen the institutional and implementation arrangements for the project's day-to-day operation, including (a) the PIU within the MADR, including coordination with other agencies involved in project implementation, (b) the RST based in the Project Targeted Areas, (c) project supervision and M&E; (d) establishment and supervision of the grievance redress mechanism; (e) communication and information sharing for the project; and (f) supporting the fiduciary functions for the project, including external audits.



ANNEX 2: IMPLEMENTATION ARRANGEMENTS

COUNTRY: Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

Project Institutional and Implementation Arrangements

1. The implementation agency for this project will be the MADR, whose main function is to formulate politics for the development of the agricultural, fishing, and rural development sectors; and to manage the formulation of plans, programs, and projects needed to develop these sectors, specially the rural areas of the country. The funds flow, disbursement, and accounting will be managed by the MADR. The implementation model contains four main features: (a) the technical leadership and project management through the PIU housed in the MADR; (b) a Steering Committee that provides high-level, multisectoral coordination between the three ministries and regional entities; and (c) regional implementation arrangements. No funds will flow outside of MADR to to other agencies involved in Project implementation. The Operational Manual will also provide further details on the interinstitutional coordination for project implementation.

2. The project implementation will be led by the PIU which will be located in the Innovation and Technological Development Directorate of the Vice Ministry of Agriculture Affairs of the MADR. The PIU will have strong links to the two main partners: the national executive MADS, in charge of formulating, implementing, and orienting environmental policy to ensure the sustainable development of the country; and the administrative agency DNP, whose mission is to define and promote the establishment of a strategic vision of the country in the social, economic, and environmental sectors through the design, orientation, and evaluation of public policies, the management and allocation of public investment, the definition of frameworks for the performance of the private sector, and the realization of Government plans, programs, and projects. An interinstitutional agreement will be signed between the MADR, MADS/IDEAM, and the DNP to ensure close coordination and the implementation of program activities that fall under each ministry's or entity's responsibility. Particularly, the implementation responsibilities are as follows: Subcomponent 1.1 will be coordinated by the DNP, Subcomponent 1.2 by MADS, Component 2 will be conducted jointly by the MADR and MADS, and Component 3 will be implemented by MADS/IDEAM.

3. These lead entities will be technically supported by affiliated agencies, as follows:

- In the case of the MADR,
 - The UPRA⁶³ and ANT⁶⁴ will play an important role in the implementation of Component 1;

⁶³ The UPRA has the objective of guiding policies related to agricultural land use of the territory and the establishment of criteria and instruments that promote an efficient use of the land for rural development and with a territorial approach.

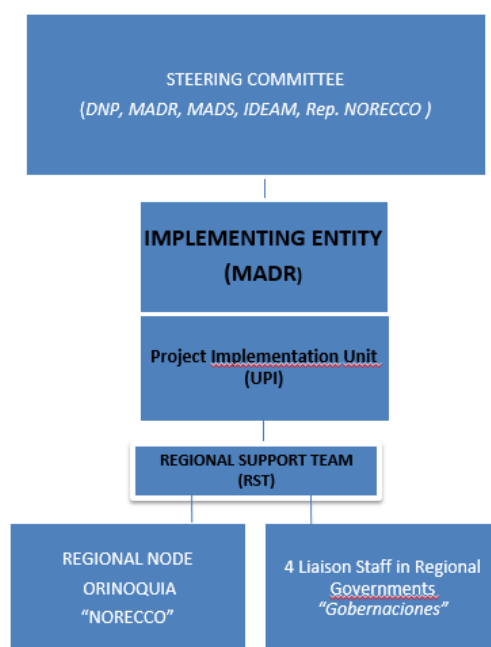
⁶⁴ As part of the MADR, the ANT is in charge of implementing the policies related to the social planning of rural property, managing access to productive land, ensuring legal security over land, enforcing fulfilment of property social use, and administering state-owned rural properties. The ANT supports large-scale formalization of land rights in rural areas and increases access to land for the rural poor/vulnerable through access-to-land programs.



- FINAGRO⁶⁵ will be technically supporting the project's Component 2.
- In case of MADS,
 - IDEAM⁶⁶ will lead and guide several activities involved in Component 3 including the MRV system and the FRELs. The CARs will collaborate and guide most of the project's activities being the main regional environmental authorities. The CARs are part of the national environmental system and as such, their actions are guided by MADS which leads the system.

4. Figure 2.1. is a graphic depiction of the institutional arrangements.

Figure 2.1. Institutional Arrangements



5. **The PIU** will be housed in the Innovation and Technological Development Directorate, of the MADR and include a team of technical experts that support the line ministries (the MADR, MADS/IDEAM, DNP) in design and implementation of project activities, and a team of administrative staff under the overall guidance of a technical coordinator. The PIU will be in charge of executing the annual work plan and the budget (approved by the National Project Steering Committee), procurement, FM, and overall technical supervision of project implementation. The PIU team includes a technical coordinator, three technical experts 'component coordinators' (land-use planning and governance expert⁶⁷; sustainable

⁶⁵ FINAGRO supports Colombia's rural development with financing instruments that promote investments. This second-tier bank affiliated to the MADR will participate in Subcomponent 2.3.

⁶⁶ IDEAM also serves as the Colombian Institute of Meteorology and studies the climate of Colombia. IDEAM houses the Colombian forest monitoring system. IDEAM developed the only FREL in the country: 'Forest Reference Emission Level for Deforestation in the Colombian Amazon Biome' which has been approved by the UNFCCC.

⁶⁷ Liaison with the DNP/MADS.



land-use management expert⁶⁸; MRV/REDD+ expert⁶⁹), a social specialist, an environmental specialist responsible for environmental safeguard compliance, a communication specialist, an M&E specialist, a financial management specialist, a procurement specialist, an accountant, a financial analyst, and an administrative support. This team will be selected through a competitive process within the first three months after grant effectiveness. A core PIU team, including the PIU coordinator, a procurement specialist, a financial specialist, and an accountant will be hired after 60 days of grant effectiveness; the rest of the PIU team after 90 days of grant effectiveness. The PIU will report to the National Project Steering Committee.

6. **The RST** will be part of the PIU and will be based in the Orinoquia region. It will strengthen NORECCO and regional institutions in each department where the program will be implemented. The RST will be hired and located with the entity chairing NORECCO (this rotates between CORMACARENA and CORPORINOQUIA). The team will consist of (a) a specialist in low-carbon agro-productive and forestry systems, (b) a specialist in land-use planning, (c) an MRV+ REDD+ specialist, (d) an investment program specialist, and (e) administrative support. Additionally, four liaison staff will be hired and located in the offices of the departmental governments (*Gobernaciones*). The RST will oversee and monitor implementation of all project activities in the region that will be subcontracted to national and international NGOs/partners. In addition to serving as the project's representatives in the region, they will be in charge at the departmental level of coordination as well as the collection, processing, and reporting of M&E data.

7. **The technical coordinator of the PIU** will be responsible for overall institutional, national, and regional coordination, technical and administrative coordination with support from the component leaders. The coordinator will be responsible for the preparation of all technical documents and ToR for procurement (with the support of the procurement specialist), M&E (through the M&E specialist), social and environmental monitoring, and safeguards compliance (through the social and safeguard specialist). The technical coordination as well as the technical and support team staff will be selected through a competitive selection process in line with World Bank procurement rules led by the MADR and approved by the National Project Steering Committee.

8. **NPSC.** To ensure proper coordination and decision making of a project that involves a number of different sectors at the national and regional levels, an NPSC will be established, within 45 days after grant effectiveness, to provide guidance, decision making on implementation, and oversight. It will comprise the Vice Minister for Agricultural Affairs (MADR), the Vice Minister of MADS, the Director of IDEAM, the Director of APC, and the Sub-Director of the DNP, or their delegates, and the chair of NORECCO. The NPSC will meet at least twice a year and will have the following main functions and responsibilities: (a) advise the project on strategic directions and support activities to be provided, (b) approve the project annual work plan and budget and ensure that they are aligned with the project's development objective; (c) ensure the effective collaboration and cooperation between all key stakeholders, including at the regional level; and (d) review the PIU Implementation Progress Reports and advise on the effectiveness of ongoing activities and any adjustments that need to be made to the annual work plan. The NPSC will also organize at least one annual meeting with donor representatives to ensure adequate coordination of environment

⁶⁸ Liaison with the MADR.

⁶⁹ Liaison with MADS.



and rural sector development activities. The tenure of the NPSC will be four years, consistent with the project implementation period.

9. **Regional network for climate change.** At the subnational level, the regional climate change committees (*nodos regionales de cambio climático*) carry out climate change related planning, such as the preparation of the Intersectoral Climate Change Plans (*Planes Intersectoriales de Cambio Climático*). NORECCO involves national entities (MADS, the MADR, DNP, IDEAM), regional entities,⁷⁰ CARs-CORMACARENA and CORPORINOQUIA, CSOs, IPOs, as well as productive sectors and the private sector.⁷¹ The climate change committees aim at building capacity at the subnational level so that climate-resilient planning can become integrated in the regional and municipal planning processes. This platform will be key for consultation, dissemination, and outreach processes and will be at the center of the regional-level institutional arrangement for the program's implementation.

Financial Management

10. **An FM Assessment of the MADR was carried out in accordance with the World Bank's OP/BP 10.00** for the implementation of the sustainable Low-Carbon Development in Orinoquia Region Project. The MADR, as implementing agency, has experience executing Bank-financed projects, such as the Productive Partnership Project financed by loan IBRD 7484. The MADR has the general capacity to manage the FM aspects of the project, including managing the flow of funds, budgeting, accounting, and reporting, through 'SIIF' which is the FM information system of the Colombian government institutions. The entity (a) has sound internal control and risk procedures, (b) has financial policies and procedures in place, and (c) is audited by the Office of the Comptroller General of Colombia. However, in the assessment, some FM issues which are risky for the project were identified: (a) the MADR does not have the staff required to support the financial aspects, (b) lack of an approved budget for the first year of implementation, and (c) the complexity of implementation arrangements which requires important interactions with different government institutions at the local, regional, and national levels. As a result, at entry, the overall FM-assessed risks for the project are rated Substantial.

11. The assessment has concluded that to ensure that adequate FM arrangements are in place for project implementation, important mitigation measures must be required, including (a) a fiduciary team had been hired at the MADR, (b) the MADR shall ensure budget allocation during the project, (c) approved and adopted Operational Manual with clear roles and responsibilities of participating entities in the program, and (d) unaudited interim financial reports are agreed and incorporated in the project's Operational Manual. Additionally, close supervision and coordination is required during implementation of project activities.

Table 2.1. FM Action Plan

Description of Action/Condition	By When
The project Operational Manual has been adopted by the MADR in a manner satisfactory to the World Bank.	By effectiveness

⁷⁰ Departments and municipalities are represented in NORECCO. Their participation will be key to support readiness and implementation at the high level.

⁷¹ The private sector, with a strong representation in NORECCO, will play an important role in scaling up at the regional level low-carbon and climate-resilience productive activities, which will be prioritized and designed through the TA.



Fiduciary team has been hired/appointed at the MADR.	A core team has been hired and appointed. Not later than 60 days after the effectiveness date, the MADR shall ensure that all the PIU is fully staffed with the fiduciary professionals set forth in the project Operational Manual.
The MADR shall ensure budget allocation process for the first year of project implementation.	The MADR shall ensure budget allocation during the life of the project. No legal requirement is necessary. The budget process shall be included in the project Operational Manual.
Unaudited interim financial reports are agreed and incorporated in the project Operational Manual	Incorporation in the Operational Manual

12. **FM action plan and FM-related conditions.** The action plan agreed upon as a result of the assessment is described in table 2.1.

13. **Staffing arrangements.** Despite the MADR having a strong financial area, with procedures and policies in place, there are not sufficient staff to cover the project's financial operations. As a result, it is required to hire a financial specialist and an accountant for the project's execution, as core staff for the project. The MADR will guarantee to keep qualified financial staff at all times.

14. **Budgeting arrangements.** The MADR, as the executing entity, will be responsible for preparing and monitoring the annual operating plan and the respective budget. The MADR shall ensure budget allocation during the project. The budget, and any modifications made to it, will be recorded and monitored by the MADR through the SIIF information system. The procurement processes will be the responsibility of the MADR, and project payments will be processed and recorded by the MADR through the SIIF information systems.

15. **Accounting and financial reporting.** Budget and project accounting will be integrated within the SIIF information system—a system where budgeting, accounting, and treasury modules are interfaced. The proposed project will be recorded with a specific cost center and will capture and report budget and accounting information by component and subcomponent according to the project needs. The MADR will be responsible for preparing project financial reports and disbursement requests, submitted to the World Bank Group on the basis of Statements of Expenditures.

16. **The MADR shall retain all records (contracts, orders, invoices, bills, receipts, and other documents),** evidencing expenditures under their respective parts of the project until at least the later of (a) one year after the World Bank Group has received the audited financial statements covering the period during which the last withdrawal from the loan account was made; and (b) two years after the closing date. The MADR shall enable the World Bank Group's representatives to examine such records.

17. **Project operating costs.** The proposed project will finance operational costs to strengthen the institutional and implementation arrangements for the project operation, including among others, (a) operation of the PIU under the MADR (with team members from other implementing agencies); (b) the RST based in the Orinoquia departments (c) project supervision and M&E; (d) supervision of implementation of benefit-sharing plans; (e) supervision of the feedback and grievance redress mechanism; (f) communication and information sharing for the project; (g) financial costs; and (h) other operating costs that support the project, as defined in the Operational Manual.



18. **Retroactive financing.** Retroactive financing will be available for this proposed project up to an aggregate amount not exceeding US\$ 4,000,000 for payments made for eligible expenditures before the date of Grant Agreement but not more than 12 months before such date.

19. **External audit arrangements.** The project's annual financial statements will be audited by a private firm under ToR acceptable to the World Bank Group with an interim review to conduct onsite visits to the project within the first nine months of the period being audited. Each audit of the financial statements shall cover the period of one fiscal year of the recipient. The project's annual audited financial statements will be submitted to the World Bank Group no later than six months after the end of each audited period.

20. **Access to information.** According to the access to information policy for the World Bank Group-financed operations, the borrower will disclose the audited project financial statements on the UNGRD's website. Following the World Bank's formal receipt of these statements from the Recipient, the World Bank will make them available to the public.

21. **Implementation support and supervision strategy.** The World Bank (PRMM-LCR) will monitor all the FM action plans to ensure successful implementation and that the deadlines are met; and it could update the FM-assessed risk for the project. Additionally, during project implementation, semiannual FM supervisions will be conducted, and periodic unaudited interim financial reports and the annual external audit reports will be reviewed.

Disbursements

22. **Disbursement arrangements.** The disbursement of proposed project funds will be processed in accordance with World Bank's procedures as stipulated in the Grant Agreement and Disbursement Letter. Withdrawal applications and necessary supporting documentation will be submitted to the World Bank electronically through the Client Connection website. The proposed disbursement arrangements are summarized in tables 2.2 and 2.3:

Table 2.2. Disbursement Arrangements

Disbursement Method	Advance and Reimbursement
Type of Designated Account	Pooled using the sequencing of funds described in the Disbursement Letter, section - Other Disbursement Instructions
Frequency of documentation	Quarterly
Currency of Designated Account	US\$
Financial Institution at which Designated Account will be opened	<i>Banco de la Republica</i> (Central Bank)
Supporting documentation	Statements of Expenditures
Minimum value of applications	For reimbursement is US\$500,000
Designated Account ceiling	US\$4,000,000



Table 2.3. Disbursement Categories

Category	Amount of Portion A of the Grant-TF A6377 Allocated (US\$)	Amount of Portion B of the Grant-TF A6376 Allocated (US\$)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, consulting services, training and operating costs under the project	1,350,000	18,650,000	100%
TOTAL AMOUNT	1,350,000	18,650,000	20,000,000

23. **Other disbursement instructions.** The use of a pooled Designated Account requires the sequencing in the use of funds of the 'BioCfplus Initiative'. Therefore, the following order shall apply to disbursements out of the pooled Designated Account: (1) Grant No. TF A6377, funded by the United States of America, and (2) Grant No. TF A6376, funded by the Federal Republic of Germany.

Procurement

24. **Procurement will be conducted according to the World Bank Group's Procurement Regulations for IPF Borrowers**, issued in July 2016, for the supply of goods, consultants, and services. **A Procurement Capacity Assessment** was carried out on the MADR in July 2017 as the implementation agency of the project and sole responsible agency for the procurement activities for project implementation. The analysis concluded that the MADR has experience in dealing with projects funded by the World Bank and procurement activities. However, considering the complexity of the activities and the large number of actors and entities participating in the project, as technical partners, a dedicated and experienced procurement specialist should be hired to support the project's implementation. The Operational Manual shall include clear roles and responsibilities for each one.

25. **Procurement arrangements.** The client, with the support of the World Bank, has prepared the Project Procurement Strategy for Development (PPSD) and has identified the appropriate selection methods, market approach, and type of review by the World Bank, as follows:

- **Goods** will be procured following Request for Bids, Request for Quotations, and Direct Selection methods. Under the open international competitive procurement approach, the World Bank's standard procurement documents will apply. When approaching the national market, the procurement documents will be agreed with the World Bank.
- **Consulting services** will be procured following Quality- and Cost-Based Selection, Fixed-Budget-Based Selection, Least-Cost-Based Selection, Quality-Based Selection, Selection Based on Consultant's Qualifications, Direct Selection, and Individual Consultants' methods. Under the international market approach, the World Bank's Request for Proposals standard document will apply. When approaching the national market, the procurement documents will be agreed with the World Bank



Risk Mitigation Plan

Table 2.4. Procurement Improvement Action Plan

Risks - Areas for Improvement	Mitigation Actions	Responsible	When
A PPSD and a project Procurement Plan for the first 18 months of project implementation.	A comprehensive PPSD and a detailed Procurement Plan has been prepared by the project.	MADR	Completed
Responsibilities related to the procurement activities	The Project Operational Manual will include a clear definition of the processes, roles, and responsibilities of the staff related to the implementation of the procurement activities and its supervision (both within the ministry and the partner agencies at the central and regional levels).	MADR	By effectiveness
Lack of experienced staff in procurement.	A procurement specialist with ToR acceptable to the World Bank shall be hired by the MADR.	MADR	As agreed in the Procurement Plan

26. **The overall project risk for procurement is Substantial**, considering the implementation arrangements complexity for the proposed project at the central and regional levels.

Environmental and Social (including safeguards)

27. The proposed project is expected to have positive social impacts on the lives of indigenous populations and local communities. In its design, it built on a number of participatory processes (outlined in the ESMF) related to the proposed project and occurring in the Orinoquia region, including (a) the SESA process for the Orinoquia region, supported by the FCPF Readiness Grant (P155978), the development of the PRICCO), and the development of the PMO, led by the DNP.

28. An ESMF has been prepared and consulted in October 2016. It has been published on the World Bank website on October 1, 2017 and on the MADR website on October 6, 2017. This instrument contains the principles, guidelines, and procedures for avoiding/minimizing negative risks/impacts and promoting the social and environmental benefits of implementing this TA program. The ESMF incorporates procedures for ongoing consultation with relevant stakeholder groups, as well environmental and social impact screening criteria, consistent with the operational safeguard policies of the World Bank to anticipate any negative impacts and establish appropriate mitigation measures. The ESMF will be implemented by the PIU, housed in MADS. Social and environmental safeguards specialists to be hired as the PIU staff will ensure environmental and social criteria, as laid out in the ESMF, will be applied throughout the formulation, design, and implementation of TA activities. To ensure that safeguards requirements for the ER Program will be met, draft ToR for an ER Program ESMF, IPPF, and PF are included as annexes to the ESMF.

29. The following social safeguards policies will apply: Indigenous Peoples OP/BP 4.10 and Involuntary Resettlement OP/BP 4.12.



30. **Indigenous Peoples OP/BP 4.10.** The policy has been triggered to ensure that activities supported by the TA will be consistent with the policy. To this end, the ESMF includes guidelines and criteria that are based on an IPPF and that are to be applied to the TA activities funded by this proposed project. These include (a) processes for identification of IP that form part of the project-affected populations and consultation processes with the groups including rules on the FPIC when applicable, (b) legal framework and instruments for the protection of individual and collective rights of indigenous communities and peoples, (c) land tenure regulations for indigenous territories, (d) identification of potential risks associated with TA activities, and (e) recognizing and respecting customs and avoiding any type of discrimination.

31. **Involuntary Resettlement OP/BP 4.12.** Land acquisition leading to involuntary resettlement will not occur under this proposed project. Also, because no direct investments will be financed, the project activities will not directly lead to restriction of access to natural resources. This policy is triggered to ensure that the activities supported by the TA will be consistent with this policy. To this end, the ESMF includes PF guidelines and procedures that allow to manage impacts that could result from TA activities. This could occur for example in the context of designing conservation-focused instruments such as the PES that could lead to restriction of access to natural resources if piloted under the ER Program. Also, annexed to the ESMF are ToR for the development of the land tenure regularization plans (social property management plans) that will be supported under Component 1 of the TA program.

32. The proposed project will consider gender aspects during implementation and undertake a socially inclusive approach—one in which vulnerable or traditionally excluded social groups are treated as partners in the planning, operation of funds, and the deployment of support for various activities (see annex 7). It is expected that both men and women will have equal opportunities to access, participate in, contribute to, and henceforth benefit from the various activities under the proposed project. The proposed project will particularly address gender inequalities in terms of access to capacity building, land-use planning, access to financing, and tenure rights. The proposed project will be aligned with the current World Bank Group Gender Strategy⁷² and particularly contribute to the strategy's Pillar 3 by removing barriers to Women's Ownership and Control of Assets. The proposed project will also be aligned with the guidelines from the MADR's Rural Women Directorate (*Dirección de la Mujer Rural* created in December 2015) which is responsible for the design, formulation, and evaluation of gender-informed programs.

33. Besides the World Bank Group established mechanism with the GRS, indicated in the Section VI. H, a GRM will be set up in the PIU to address any potential conflicts or disputes involving project beneficiaries or stakeholders throughout project implementation. The design of the GRM will benefit significantly from the progress made on designing a national GRM under the ENREDD+, supported by the FCPF Readiness Grant. This GRM is developed by the consultancy company IKM. This work has advanced (a) mapping of Colombian institutions that have GRM in place as well as an assessment of their applicability to REDD+ related complaints and information requests; (b) analysis of specific requirements for IP, afro-Colombians, women, youth, and small producers; and (c) proposals for culturally adequate conflict resolution mechanisms. The project GRM will build on these findings and include the following components: (a) registry of complaints/grievances, (b) confirmation of receipt of complaint/request, (c) designation of institution that should address the request/complaint, (d) proposal and response of how

⁷² World Bank Group. 2015. "World Bank Group Gender Strategy (FY2016–23): Gender Equality, Poverty Reduction, and Inclusive Growth."



to address/ resolve the request/complaint, (e) follow up, and (f) a conflict resolution mechanism, if required. The GRM is intended to be of easy and open access and lodge complaints and requests through several channels, including person-to-person contact, telephone communication, e-mail communication, and through the project website.

34. Regarding citizen engagement, the project will benefit from the results supported by the FCPF to establish citizen engagement mechanisms in each of the project's departments. At subnational and community levels, through the communication program and the safeguards instruments, beneficiaries will be able to engage in the design and implementation of the local interventions. The proposed project will (a) promote inclusiveness and sustainability as key implementation principles; (b) implement a communication strategy to communicate the OSIL's goals and clarify existing doubts such as those arising from expectations on what the proposed project does and does not finance; (c) support participatory approaches and extensive local consultations for designing land-use plans, strategies, and forest and land management practices; (d) build on NORECCO as a multistakeholder and inclusive platform.

35. The proposed project is classified as 'Category B' for environmental safeguard purposes. Activities funded through this project seek to protect critical natural habitats, promote low-carbon practices, and support environmentally sound governance (institutions, zoning, action plans, dialogue) for the entire area. Significant environmental impacts are not expected. The proposed project is rather expected to generate positive and long-lasting social, economic and environmental benefits. As previously described, deforestation is a threat to Colombia's natural capital, including biodiversity and ecosystem services. The TA activities endeavor to promote activities that reduce deforestation. The following environmental safeguard policies are triggered: Environmental Assessment (OP/BP 4.01), Natural Habitats (OP/BP 4.04), Forests (OP/BP 4.36), Pest Management (OP 4.09), and Physical Cultural Resources (OP/BP 4.11). An ESMF has been prepared for the proposed project and was subject to public consultation and disclosure locally, before project appraisal. Specific consultations for the safeguards instruments were held in October 2017. The ESMF was disclosed on the World Bank's website on October 1, 2017, as well as in country on the websites of the MADR on October 6, 2017.

Borrowers Institutional Capacity for Safeguard Policies

36. The GoC and the World Bank Group have been closely collaborating on a variety of environmental issues, ranging from urban environmental management to biodiversity conservation in forest ecosystems. Both MADS and the MADR have institutional capacity and a proven track record in implementing the World Bank's environmental and social safeguard policies. MADS has a technically strong team at the national level, working on REDD+ issues. This team has solid experience regarding engagement with a broad range of stakeholders, including IP, local communities, afro-Colombian peoples, small producers, and others. Through the FCPF program, this team was trained during 2015–2016 by the World Bank on safeguards issues and in SESA processes. The proposed program will build on existing systems put in place under other WBG operations. In addition, the work on safeguards will build on the regional and national information developed as well as the consultation processes conducted during the past years related to rural development, land-use planning, and environmental sustainability for the Orinoquia region. The PIU will be responsible for implementing the ESMF and monitoring compliance. It will have designated safeguards specialists to do so and will liaise with MADS ENREDD+ safeguards team when carrying out participatory processes.



Monitoring and Evaluation

37. The OSIL will be supported by a solid monitoring, learning, and evaluation system. The M&E system will (a) monitor project implementation (activities, processes, inputs, and outputs) to track progress (targets versus actual achievement) based on the results framework developed for the proposed project; (b) measure final outcome; (c) support expansion of a robust system to monitor, verify, and report ERs, that is, to create conditions for successful implementation of the ER Program; (d) provide timely and accurate information to management for decision making; (e) create a mechanism for communication of results of the project and benefits generated for target beneficiaries and stakeholders; (f) develop a reporting method to meet the World Bank's routine reporting requirements; and (g) generate data and information for the midterm review and the project completion report.

38. The project's performance and results will be reported, on an annual basis, to the project Technical Unit and the GoC, and on a semi-annual basis, to the World Bank according to legal agreements. In addition, international independent verification of ERs required for future carbon payments will be undertaken and made public after each monitoring and verification event the project undertakes.

39. An M&E officer (based in the PIU and with proven experience in M&E) and M&E assistants (based in region) will be responsible for collecting data, compiling, analyzing, and reporting at the national, regional, departmental and municipal levels. The project will also adopt a participatory M&E approach. Even though experience at M&E exists in the institutions due to the implementation of other projects, training will be provided to the national and regional M&E teams to strengthen their capacities to conduct M&E.



ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY: Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

1. Implementation support for the proposed project will focus on the functions and activities typically monitored by World Bank task teams during supervision, including monitoring of technical activities, management functions (administration, FM, and procurement), and compliance with safeguards policies. In addition, special attention will be directed to ensuring the timely implementation of the risk mitigation measures identified in the Systematic Operations Risk-Rating Tool (SORT) matrix. The implementation support strategy is flexible and is likely to be amended during implementation in response to the evolving needs of the project, including changes in the institutional context.

Strategy and Approach for Implementation Support

2. The Implementation Support Strategy includes the following main elements.

3. **Timely support.** World Bank implementation support will begin immediately after the BioCF approval to help the borrower achieve effectiveness on time (this will involve formally establishing the PIU and recruiting key staff, and signing agreements with co-implementing partners/agencies). The frequency of supervision missions may be higher at the beginning of implementation (possibly up to three per year) to closely monitor the launch of the project and decrease to the usual two missions per year after the project reaches a good implementation pace.

4. **Continuously strengthening capacities.** The MADR has in the past, successfully implemented World Bank-funded operations; the case of the Rural Alliances Projects (closed in 2014) is the most emblematic one. Yet, although some of the capacities installed during the implementation of this project remain, other key capacities have been lost, so the MADR will need to be supported in varying capacities. World Bank operations, fiduciary, and safeguards trainings will be provided early on to staff in the PIU. In addition to carrying out their usual implementation support functions, the World Bank fiduciary and safeguards specialists will be available to provide close support and detailed, hands-on guidance to their counterparts during the initial months following effectiveness.

5. **Continuously assessing the effectiveness of implementation arrangements.** The relationship between the World Bank and the project-executing entities is expected to be strengthened during implementation, and the governance risk associated with these partner relations is Moderate. However, there are some risks related to the implementation agencies, specifically in terms of effective coordination within the national implementing agencies, and between them and the local/regional institutions. Additionally, some of the activities involved are relatively challenging, especially those aimed at supporting coordinating platforms at the regional level for the prioritization of investments and approaches at the landscape level, which will depend on the establishment of new relationships with relevant partners. Also, the definition of the ER Program will require higher levels of coordination with ongoing programs/projects. Therefore, special attention would be given by the World Bank to continuously assessing the effectiveness of coordinating arrangements. An in-depth review of such arrangements will be carried out at the end of the first year of implementation.



6. **Technical support.** The project will support a wide range of activities designed to strengthen the capacity of the implementing agencies. The World Bank task team will include technical specialists with expertise in a range of areas, drawn from within the institution. Technical specialists with expertise in other areas may be recruited externally, as necessary. Field visits will focus on verifying compliance with the policies and procedures spelled out in the Operational Manual, identifying bottlenecks that may be impeding implementation progress, and offering recommendations designed to overcome those bottlenecks.
7. **Capacity.** Strong implementation support will likely be needed while staff of the PIU climb the learning curve. For this reason, the World Bank task team is prepared to schedule additional implementation support missions as needed during the first year of implementation.
8. **Fiduciary aspects.** The World Bank fiduciary specialists will provide early procurement support to the PIU. The World Bank procurement specialist and World Bank FM specialist assigned to the project are both based in Colombia, so in addition to joining regular PIU meetings, they can work to avoid initial delays in submitting withdrawal applications, performing FM activities, processing procurement requests, and so on. The AOPs and annual Procurement Plans will allow the executing agencies to plan the use of funds based on actual opportunities and needs. An audit of annual project financial statements will be conducted by an independent auditing firm and in accordance with ToR acceptable to the World Bank.
9. **Safeguard compliance.** Considering the highly technical nature of the project, associated safeguard risks are not expected to be significant, but nevertheless would be managed properly, particularly ensuring that the safeguard instruments to support the ER phase are properly designed. Environmental and social safeguards reviews will be carried out as part of every implementation support mission, that is, twice per year on average. The World Bank environmental and social safeguards specialists will backstop the project consultants by reviewing the documents produced and providing additional on-the-job capacity building to the staff of the PIU.
10. **M&E.** The dedicated M&E team in the PIU will be responsible for developing, putting in place, and maintaining the project's decentralized M&E system, which will systematically collect information needed to track progress achieved against the PDO, generate financial information, and document compliance with safeguards policies. Information generated by the M&E systems, complemented by information emerging at the time of the midterm review, will be used to adjust operational procedures and make any necessary mid-course corrections to the project implementation modalities.

Implementation Support Plan and Resource Requirements

11. The main focal areas of projected implementation support activities are summarized in the following tables, including required skills. Implementation support is expected to be particularly intense during the first 12 months. Implementation support missions will be reduced from three to two in the years following the first year, although support provided by country office-based members of the task team will remain.



Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First 12 months	<p>Project establishment</p> <p>Establishing fiduciary systems</p> <p>Communications strategy development and implementation</p> <p>Environmental and social aspects in place</p> <p>Establishment of committees/units and project council (and ad hoc working groups as needed)</p> <p>Establishment of cooperation agreements with partners, and so on</p> <p>Setting-up M&E system.</p>	<p>Task Team Leader, Environmental Specialist, Agribusiness/Agriculture Specialist, Procurement Specialist, Social Specialist (Peace lens), FM Specialist, Climate Finance Specialist, PES Specialist, Carbon Measurement Specialist, Communications Specialist</p>	20 staff weeks	—
13–60 months	<p>Program implementation</p> <p>Communication activities</p> <p>Monitoring</p> <p>Reporting</p>	<p>Task Team Leader, Environmental Specialist, Agribusiness/Agriculture Specialist, Procurement Specialist, Social Specialist (Peace lens), FM Specialist, Climate Finance Specialist, PES Specialist, Carbon Measurement Specialist, Communications Specialist</p>	60 staff weeks	—
Other				

**Skills Mix Required**

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Safeguards (social, IP, and environment; other safeguards per project documents)	World Bank supervision will require 8 staff weeks for the first fiscal year and 6 staff weeks in subsequent years (mainly senior technical staff)	Two trips per fiscal year	—
Technical expertise enhancement (PA, land-use planning, M&E, knowledge sharing, technical support, communications specialist, security, and so on)	World Bank supervision will require 24 staff weeks for first fiscal year and 18 staff weeks in subsequent years (mainly senior technical staff)	Three trips in first fiscal year and subsequently, two trips per year	—
Institutional capacity strengthening (FM, procurement, disbursement)	8 staff weeks in first fiscal year and 6 staff weeks in subsequent years (mix of junior and senior technical staff)	Two trips per fiscal year	—



ANNEX 4: THEORY OF CHANGE

COUNTRY: Colombia

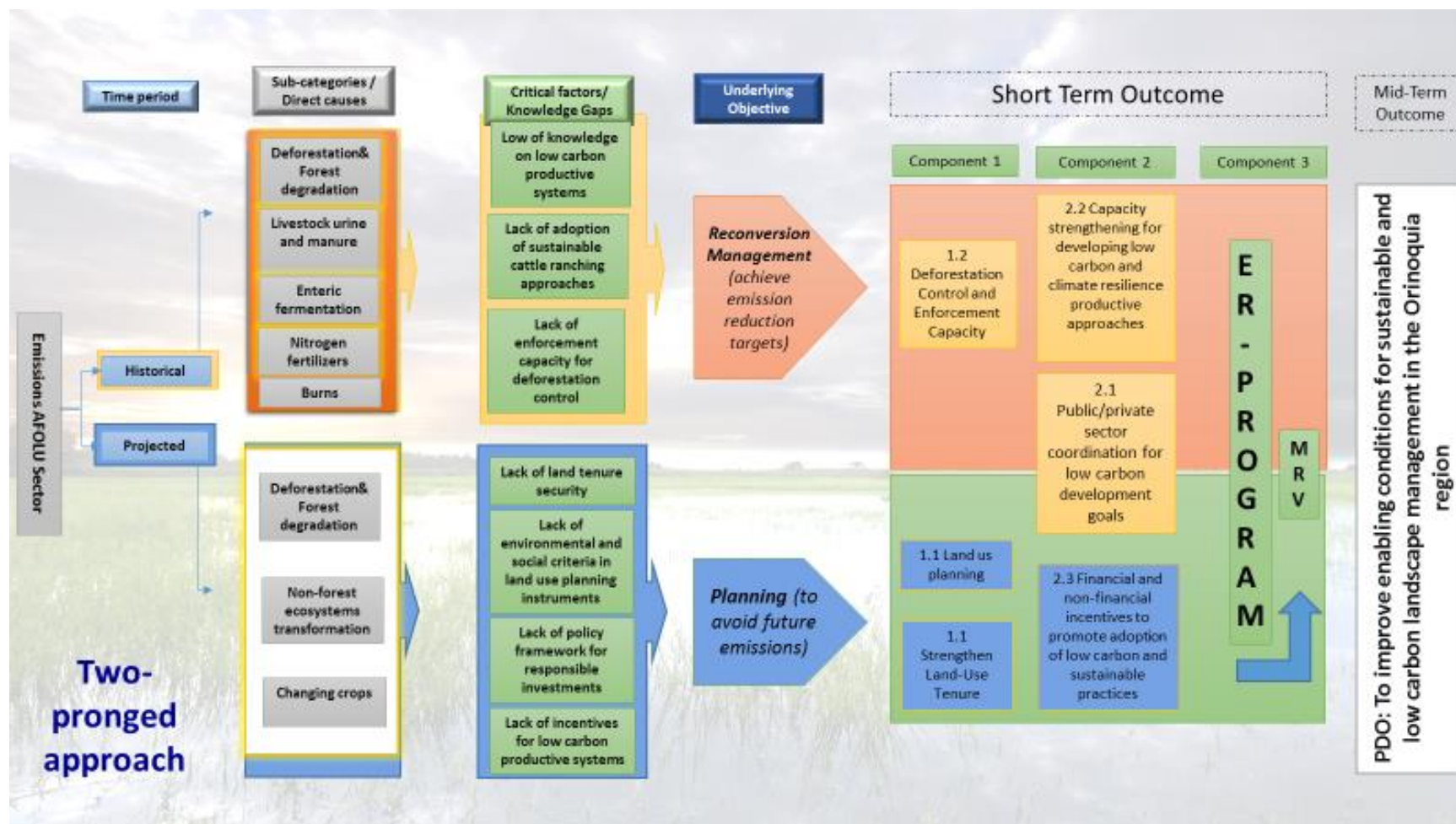
Sustainable Low-Carbon Development in Orinoquia region Project

1. The Theory of Change for the project follows an analysis of direct and indirect causes of emissions in Orinoquia, considering the critical factors that need to be addressed to reverse the situation. These factors are then clustered into components of the project. The logic is the following: AFOLU emissions in the Orinoquia⁷³ should be divided into two groups—historic emissions and projected emissions. Historic emissions are due to land use and land management, while future emissions come from land-use change. The main direct causes of historic emission include deforestation, forest degradation, unsustainable livestock practices, fertilizers, and fires; while projected emissions are due to future deforestation and degradation, conversion of natural habitat, and transformation of agriculture cropping systems. There are many underlying causes/barriers/critical factors that allow all the above direct causes to happen, for example: lack of land-use planning, weak land tenure and outdated land cadastre/ registry, lack of knowledge regarding low carbon agriculture technology packages, fertilizer subsidies, and lack of incentives for low carbon development.
2. Considering this analysis and to address the complexity of historic and future projected emissions, the project will follow a two-pronged approach. Particularly, Component 1 will finance activities to address historic emissions (that is, sustainable land-use and deforestation control measures) as well as future emissions (that is, land-use planning mainstreaming environmental criteria and land tenure regularization). Component 2 will support activities directed to historic emissions (that is, knowledge generation and extension services for low carbon development) and others to projected future emissions (that is, promotion of PPP, policy development, environmental requirements, and incentives). Finally, Component 3 will set up the MRV system and develop the future ER Program.

⁷³ Approximately 60 percent based on the report conducted in 2017 by the CIAT



Figure 4.1. Theory of Change





ANNEX 5: WORLD BANK OPERATIONS AND ANALYTICAL AND SECTOR WORK (ASA)

COUNTRY: Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

N o.	Project Name	Objective	Amount (US\$, millions)	Period	Link with the Land-Use Agenda
1	Mainstreaming Sustainable Cattle Ranching (WBG/GEF–INV: P104687)	Promote the adoption of environment-friendly Silvo-pastoral production systems for cattle ranching in Colombia's project areas to improve natural resource management; enhance the provision of environmental services (biodiversity, land, carbon, and water); and raise the productivity in participating farms.	27.70	2010–2018	Lessons learned, including the use of manuals for silvo-pastoral activities
2	Subnational Institutional Strengthening (IBRD–INV–: P123879)	To (a) improve subnational governments' performance in core public management areas; and (b) strengthen the borrower's Central Government's capacity to manage the decentralization and territorial management framework.	70.00	2014–2021	Strengthen capacity of subnational governments on FM, procurement, and fiduciary. The project will be aligned with the territorial management framework.
3	Forest Conservation and Sustainability in the Heart of the Colombian Amazon Project (WBG/GEF–INV: P144271)	Improve governance and promote sustainable land use (SULU) activities to reduce deforestation and conserve biodiversity in the project area (close to 9 million ha)	10.40	2015–2019	One of the Government's five deforestation hot spots focus areas
4	Colombia Territorial Development Policy Loan (IBRD–DPL–P158520) (First of two single-tranche programmatic Development Policy Financing operations)	Support the efforts of the GoC to (a) strengthen institutions for land management and territorial planning; and (b) improve subnational FM and investment prioritization.	800.00	2016–2017	Policies triggered will contribute to the enabling environment toward low carbon development in Colombia



N o.	Project Name	Objective	Amount (US\$, millions)	Period	Link with the Land-Use Agenda
5	Support to Colombia for the Cadastre Reform (IBRD-TA-P160524)	Strengthen the capacity of the GoC to pilot a multipurpose cadastre in several municipalities. Specifically, the GOC has requested the World Bank expertise to review every step of the process of the cadastre pilots, offer advice and global experience, and provide recommendations to improve the process and resolve issues/problems.	0.48	2016-2018	Lessons learned from the pilots. The proposed project will likely share lessons on mainstreaming environmental consideration in the multipurpose cadastre.
6	Agriculture Insurance for Small Farmers (P161549) ASA	Support the efforts of the GoC to design an agriculture insurance product to cover small farmers against extreme adverse production shocks.	0.20	—	The insurance that is being designed will have the possibility of providing coverage to the national, departmental, or local entity in charge of serving a specific group of rural producers when catastrophic events originated by the climate. The insurance could be applied to the agencies participating in the project.
7	Colombia FCPF REDD Readiness (P120899)	Support a participatory and inclusive process with key stakeholders for the preparation of Colombia's REDD+ strategy.	3.60	In preparation	The FCPF supports the readiness phase of the low-carbon development in the country. It will finance specific activities that will directly benefit the Orinoquia ISFL initiative and the formulation of Vision Pacifico.
8	Second Green Growth and Sustainable Development DPL (IBRD-DPL- P161642)	Continues to support the overarching Green Growth Strategy through (a) establishing a set of policy and institutional measures for green growth in transport, energy, environmental health, and disaster risk management; and (b) improving environmental quality by reducing particulate matter (PM2.5) in the air, strengthening regulatory instruments for reducing water pollution, and increasing capacity for solid waste disposal and enhancing waste recycling.	500.00	In preparation	The new tranche will include triggers involving new regulations and environmental considerations (for example, on the ZIDRES Law)
9	Plan PAZcifico	—	—	In	Coordinated exchange of knowledge



The World Bank

Sustainable Low-Carbon Development in Orinoquia Region Project (P160680)

N o.	Project Name	Objective	Amount (US\$, millions)	Period	Link with the Land-Use Agenda
				preparation	and lessons learned



ANNEX 6: COMPLEMENTARY OSIL RELATED PROGRAMS IN THE ORINOQUIA REGION

COUNTRY: Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

Table 6.1. Complementary Funding International Cooperation

Name of Project	Finance Institution	Time Frame	Budget (US\$)	Area of Action	Main Objectives	Articulation Points with the BioCF Orinoquia
Supporting the Implementation of a Climate-Smart Rural Landscape	<i>Agence Française de Développement;</i> Latin America Investment Facility (LAIF)	4 years starting 2018	8,000,000	Meta and Vichada Departments	To assist the GoC to perform a policy shift to a more social and greener economy. The specific objectives are (a) to support the Green Growth Strategy to achieve the fundamental aim of reaching peace in Colombia as well as sustainable development; (b) to strengthen the capacities of local authorities and stakeholders in Meta and Vichada in the formulation and development of their planning instruments to develop investment, taking into account climate change impacts and mitigation opportunities; (c) to promote investment in	1. The LAIF project under its Component 2: The Technical Cooperation Program, and Subcomponent 2.3: Support the implementation of a Rural Climate-Smart Landscape (LAIF), will implement actions to strengthen the capacities of local authorities and other stakeholders in Meta and Vichada to formulate their planning instruments, taking into account climate change impacts and mitigation and adaptation opportunities. This activity aims at supporting the formulation/improvement of 7 municipal land-use plans (POT) for 8 municipalities all in the Altillanura. This activity is complementary to the one established in the BioCF in Component 1, Subcomponent 1.1: Mainstreaming environmental considerations into land-use planning instruments and land tenure processes. 2. The Subcomponent 2.3.3: Support to investment in 'climate-smart' activities in agriculture and forestry in Meta – Vichada. These activities need to be articulated to the ones expected in the



Name of Project	Finance Institution	Time Frame	Budget (US\$)	Area of Action	Main Objectives	Articulation Points with the BioCF Orinoquia
					'climate-smart' activities in farming and forestry in the regions of Meta and Vichada through land-use management.	BioCF Component 2: Sustainable Land-Use and Management.
Natural Wealth Program - Riqueza Natural	United States Agency for International Development	2017–2022	18,000,000	Orinoquia region's grasslands and freshwater ecosystems mainly in Casanare and Vichada.	Increase areas under legal protection and strengthen their management and financing by promoting innovative, cost-effective strategies; build local capacity and non-traditional partnerships to conserve biodiversity; generate sustainable income streams linked to conservation and promote best environmental practices in the agriculture sector; engage the private sector and communities to overcome barriers to and create incentives for conservation; and convene conservation coalitions to promote accountable governance and the mainstreaming	<p>The component for the protection of strategic ecosystems through good conservation practices, ecological restoration, and productive activities, to be articulated to the Sustainable Low Carbon Development in Orinoquia Region Project, and the BioCF Component 2: Sustainable Land-Use and Management.</p> <p>The component, foment, and development of economic and financing instruments to incentive green business, to be complementary to the actions taking place under the BioCF Component 2: Subcomponent 2.3: Design of financing and non-financing incentives to promote the adoption of low-carbon and sustainable practices and technologies.</p> <p>And the component, for the incorporation of planning tools, regulations, policies and programs, will complement the actions undertaken in the BioCF Component 1. Integrated</p>



Name of Project	Finance Institution	Time Frame	Budget (US\$)	Area of Action	Main Objectives	Articulation Points with the BioCF Orinoquia
					<p>of biodiversity conservation in land-use and development planning.</p> <p>This project is supporting the second phase of the PMO.</p>	Land-Use Planning and Improved Governance for Deforestation Control.
Vision Amazonia – REDD+ Early Movers	GoC; MADS	2016–2021	Up to 120,000,000 for verified emissions reduction until and including 2017.	Cauca, Amazonas, Putumayo, Caquetá, Vaupés, Guaviare, Guainía, Meta, Vichada Departments	<p>The main objective of VA-REM is to support the financing of REDD, in accordance with the decisions of the UNFCCC and contribute in this way through the conservation of forests with climate protection. The main goal is to reduce emissions from deforestation in the Colombian Amazon region, contributing to the generation of multiple benefits for beneficiaries (for example, local communities and indigenous reserves)</p>	<p>Pillar 3. Agro-environmental Pillar seeks to attack the agricultural drivers of deforestation by increasing the well-being of producers and promoting sustainable practices in productive systems through incentives, instruments, and improved collaboration. The proposed activities involve the productive chains of meat, milk, rubber, cocoa, and coffee, as well as the promotion of productive alliances with producers of other non-timber Amazonian products.</p> <p>As part of this pillar, there is also an agreement to be signed with FINAGRO, for the development of new, and to modified previous green financing instruments. The Incentive to the Sustainable Productive Transfer (<i>Incentivo a la Transferencia Productiva sostenible</i>) is ready for the implementation in the Amazon and Orinoquia regions.</p>



Name of Project	Finance Institution	Time Frame	Budget (US\$)	Area of Action	Main Objectives	Articulation Points with the BioCF Orinoquia
						This pillar and activities are to be articulated with the BioCF components: Component 2: Sustainable Land-Use and Management. VA-REM and the BioCF have an overlapped jurisdiction where activities need to be articulated.
Consolidation of the National System of Protected Areas (<i>Sistema Nacional de Areas Protegidas, SINAP</i>) at a national and regional level. GEF-SINAP	GEF-BID WWF-Colombia (Executing Agency), Natural Parks of Colombia, MADS; and Regional Environmental Authorities.	2017 - for 60 months	4,157,000	Northeast Andes and Orinoquia	Its objective is to consolidate SINAP's management and planning at the national and regional levels through the development of instruments that enhance its management effectiveness to increase ecosystem representativeness and strengthen the participation of regional stakeholders into conservation initiatives along strategic biological corridors and conservation mosaics.	Needs to be articulated with recently approved GEF6 Sustainable Low Carbon Development in Colombia's Orinoquia Region Project (GEF Project ID: 9578).



Name of Project	Finance Institution	Time Frame	Budget (US\$)	Area of Action	Main Objectives	Articulation Points with the BioCF Orinoquia
Land-use changes in savannas and grasslands: policy engagements, land use planning, best management practices—SULU2	WWF Germany Under the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation, Building, and Nuclear Safety	2017–	1,900,000	Orinoquia	To foster climate smart land-use planning and management of savannas and grasslands in the Orinoquia, maintaining carbon, biodiversity, and water regimes, through sustainable agricultural production.	The project components (2 and 3), aim at strengthening local and regional capacities in decision-making processes, through its support to PRICCO implementation and the generation of information for land-use planning, as well as to facilitate the adoption of sustainable models (BMPs) for climate-smart production of livestock (in flooded savanna) and palm oil (RSPO-certified model), through pilot identification of contributions in terms of GHG ER. Articulation with the BioCF components is essential to avoid redundancy and to be rather complementary.

Table 6.2. Complementary Funding GoC – January to December 2017

FINAGRO Resources - US\$						
Department	FAG ^a	ICR ^b	ISA ^c	LEC ^d	CIF ^e	Average Investment Annual Productive Alliances
Arauca	3,422,735	403,497	699	103,714	—	118,454
Casanare	18,984,735	1,594,903	39,845	443,053	988,501	135,742
Meta	25,165,945	2,236,687	101,192	599,143	7,584,007	250,681
Vichada	771,370	156,400	72,563	2,977	19,877,130	0
Total	48,344,787	4,391,489	214,301	1,148,888	28,449,640	504,877

Note: FAG = Agricultural Guarantee Fund (*Fondo Agropecuario de Garantías*); ICR = Incentive for Rural Capitalization (*Incentivo de Capitalización Rural*); ISA = Incentive to Agricultural Insurance (*Incentivo al Seguro Agropecuario*); LEC = Special Credit Line (*Línea Especial de Crédito*).

a. FAG: The purpose of the fund is to serve as a specialized fund to guarantee credits and microcredits aimed at financing projects in the agricultural and rural sector.



- b. ICR is an economic benefit that is given to a person or association that makes a new investment aimed at modernization, competitiveness, and sustainability of agricultural production.
- c. ISA covers the damages caused by natural risks of climatic, geological, and biological origin beyond the control of the policyholder, insured, or beneficiary that affect agricultural activities
- d. LEC is a subsidy at the interest rate to the credits that are made for sowing and maintenance of short-cycle crops, to improve the productivity of these crops.
- e. CIF is a subsidy set by the MADR for the establishment and maintenance of new commercial forest plantations. The certificate is personal and non-negotiable.

Table 6.3. PMO – Budget 2015–2018

Pillar	Total Budget (US\$)
Environment, agro-industry and human development	15,243,272,549
Rural Development and Green Growth	1,663,751,512

Table 6.4. Programs and Projects Identified in the PMO for Agriculture Development

	Programs/Projects	Term	Location	Milestone
Social, environmental, and productive planning of the territory	ZIDRES	Medium, long	Regional	A variety of projects implemented under ZIDRES
	Formal Orinoquia Plan (<i>Plan Orinoquia Formal</i>) (ANT)	Short	Regional	To address land titling requests; wasteland adjudication; and constitution, expansion, and reorganization of indigenous reserves.
	Colombia Siembra	Short	Regional	300,000 ha of agricultural, forest, and silvo-pastoral crops established
	Agricultural PDETs (ADR/ART)	Short, medium	Regional	PDETs implemented in prioritized municipalities
	1. Cacao Program for the Orinoquia	Short, medium	Regional	Basket of projects formulated and implemented during phase 1 of PMO.
	1.1. Establishment of an agroforestry arrangement with cocoa crops as a sustainable productive alternative in the AMEM (Ariari, Meta)	Short	Special Management Area La Macarena (AMEM) Meta	150 ha
	1.2. Rehabilitation of the productive core of cocoa of the Amanaven variety on the banks of the Guaviare River (Guainia)	Short	North Amazon	200 ha



	Programs/Projects	Term	Location	Milestone
	1.3. Establishment of an agroforestry arrangement with cocoa crops as a legal productive alternative in fronts of deforestation (Guaviare)	Short	North Amazon	600 ha
	1.4. Establishment of an agroforestry arrangement with cocoa crops for food security purposes in indigenous communities of the municipality of Mitú (Vaupés)	Short	North Amazonas	30 ha
	1.5. Establishment of an agroforestry arrangement with cocoa crops for the recovery of degraded areas in the Casanare piedmont (Casanare)	Short	Piedmont	1,000 ha (estimated)
	2. Reconversion program for the Orinoquia cattle	Short, medium	Regional	Basket of projects formulated and implemented during phase 1 of PMO.
	2.1. Scaling of the sustainable livestock program in productive areas of the piedmont of Arauca and Casanare	Short	Piedmont	60,000 ha impacted
	2.2. Sustainable adaptation of livestock production systems in fronts of deforestation (Guaviare)	Short	North Amazon	9,600 ha impacted
	2.3. Pilots of livestock production systems for future escalations in the Altillanura (Vichada)	Short, medium	Altillanura	600 ha impacted
Promote rural competitiveness through the provision of goods and services	Enabling the Meta/Orinoco River corridor and the associated road network, within the framework of the Master Plan for Intermodal Transport and Fluvial Master Plan.	Medium, long	Regional	River corridor and road network enabled
	Law project for the regulation of land	Medium, long	Regional	PPPs, irrigation districts. 180,000 ha



	Programs/Projects	Term	Location	Milestone
	adequacy, CONPES ⁷⁴ and PPPs (Law 1508 of 2012) /Irrigation Districts			
	Implementation of the regulatory framework related to mandatory investments of licensed projects and offsets	Short, medium	Regional	Productive arrangements for the recovery of degraded areas in strategic ecosystems
	Implementation of a bill through which the National System of Agricultural Innovation (SNIA) is created	Short, medium	Regional	Implementation of departmental agricultural extension plans within the framework of the SNIA; productive models validated and scaled to the Altillanura, floodplain savanna, and piedmont.
	ESAP and Purdue University Agreement/models for agricultural development planning	Short, medium	Regional	University/ESAP models adjusted and agriculture development planning and decision making
	1. Cocoa program for the Orinoquia	Short, medium	Regional	Consolidated program with the support of the Cacaotero National Council and the PTP Productive Transformation Program; departmental competitiveness agreements implemented; and consolidated institutionality and local network of knowledge
	1.1. Establishment of an agroforestry arrangement with cocoa crops as a sustainable productive alternative in the AMEM (Ariari, Meta)	Short	AMEM Meta	Local productive models validated; comprehensive TA for the benefit of 150 families
	1.2. Rehabilitation of the productive core of cocoa of the Amanaven variety on the banks of the Guaviare River (Guainia)	Short	North Amazon	Local productive models validated; comprehensive TA for the benefit of 200 families
	1.3. Establishment of an agroforestry arrangement with cocoa crops as a legal	Short	North Amazon	Local productive models validated; comprehensive TA for the benefit of 200 families

⁷⁴ Colombia's National Council of Economic and Social Policy (*Consejo Nacional de Política Económica y Social*).



	Programs/Projects	Term	Location	Milestone
	productive alternative in fronts of deforestation (Guaviare)			
	1.4. Establishment of an agroforestry arrangement with cocoa crops for food security purposes in indigenous communities of the municipality of Mitú (Vaupés)	Short	North Amazon	Local productive models validated; comprehensive TA for the benefit of 30 families
	1.5. Establishment of an agroforestry arrangement with cocoa crops for the recovery of degraded areas in the Casanare piedmont (Casanare)	Short	Piedmont	Local productive models validated; comprehensive TA for the benefit of 350 families
	2. Reconversion program for the Orinoquia cattle	Short/medium	Regional	Consolidated program within the Sustainable Livestock Bureau of the Orinoquia; departmental competitiveness agreements implemented; and consolidated local network of knowledge
	2.1. Scaling of the sustainable livestock program in productive areas of the piedmont of Arauca and Casanare	Short	Piedmont	Local productive models validated and scaled; comprehensive TA for the benefit of 1,200 families
	2.2. Sustainable adaptation of livestock production systems in fronts of deforestation (Guaviare)	Short	North Amazon	Local productive models validated and scaled; comprehensive TA for the benefit of 200 families
	2.3. Pilots of livestock production systems for future scaling up in the Altillanura (Vichada)	Short, medium	Altillanura	10 pilots established and validated



ANNEX 7: ACTIONS TO PROMOTE GENDER EQUALITY

COUNTRY : Colombia

Sustainable Low-Carbon Development in Orinoquia region Project

1. It is widely accepted that rural women play a decisive role in agricultural labor and food security, and that they possess important knowledge about the sustainable use of soils, water, seeds, and other related matters. Despite the important role of women in agricultural activities, the conditions under which men and women manage their Agricultural Production Units (APUs) continues to reflect significant gender gaps, which are accentuated under conditions of armed conflict or an illegality. Women have less access than men to loans, training, and land.⁷⁵
2. Based on the information provided by DANE, in Colombia, there are 2.2 million APUs operated by over 2.7 million people who are classified as farmers.⁷⁶ Of these APUs, 22 percent are operated only by women, 52 percent by men, and 11 percent are jointly operated by women and men (15 percent, no response). In the departments where the project will be implemented, the percentage of APUs operated by women is much lower than the national average. The percentages of the UPA with only women as main decision makers for production activities are Meta: 1.3 percent; Casanare: 1.0 percent; Arauca: 0.45 percent; and Vichada: 0.1 percent. The percentage of UPAs where both women and men share the production related decisions are Meta: 2.2 percent; Casanare: 1.7 percent; Vichada: 1.1 percent; and Arauca: 0.8 percent.
3. In terms of TA or advice provided related to agricultural activities, there is also a gender gap; similar to the national average; except for Vichada who has a much lower percentage of the whole population receiving TA and a larger imbalance.

Table 7.1. Percentage of APUs Disaggregated by Sex and who had Received Agricultural TA in 2013⁷⁷

	APUs with only Men Responsible for Production	APUs with only Women Responsible for Production	APUs with Women and Men Responsible for Production
	Received Agriculture TA (2013) (%)	Received Agriculture TA (2013) (%)	Received Agriculture TA (2013) (%)
National	14.30	4.80	4.69
Arauca	8.66	2.88	2.71
Casanare	12.13	5.19	4.79
Meta	11.87	3.74	4.17
Vichada	2.59	0.67	0.95

4. Considering access to land tenure, the Colombian legal framework makes it mandatory to provide the property title to both members if the household is integrated by a couple, even in cases of informal/common law marriage. Also, special measures should be taken for the property rights

⁷⁵ Food and Agriculture Organization. *The State of Food and Agriculture: 2010–2011. Women in Agriculture. Closing the Gender Gap for Development*, <http://www.fao.org/docrep/013/i2050s/i2050s.pdf>.

⁷⁶ People in charge of operating and deciding all the agricultural issues regarding the APU, excluding from this definition those workers with the same responsibilities.

⁷⁷ DANE. 2014. National Agricultural Census. Results of the Third National Agricultural Census (definitive). Departmental annexes, <http://dane.gov.co/files/CensoAgropecuario/entrega-definitiva/Boletin-7-Mujeres-rurales/7-Anexos.xls>.



formalization of female-headed households. Despite such regulations in favor of the defense and protection of women's land rights, in many cases, women do not have the necessary documents or evidence to prove them as land rights holders. In other cases, women do not know their rights.

5. All of these figures point toward a rural environment where men come first and male-oriented decisions are made. Women are secondary and have far fewer resources and means with which to tackle development and income generation than men. To address these gaps, Colombia has made great improvements in terms of regulations and has different gender mechanisms at the national, departmental, and municipal levels. At the national level, the Presidential Office for Women's Equality⁷⁸ is responsible for assisting the Presidency as well as the National Government in designing government policies aimed at promoting equality between women and men and promoting the incorporation of a gender perspective into the creation, management, and monitoring of policies, plans, and programs in public entities at the national and regional levels. Also, within the MADR, guidelines have been established by the MADR's Rural Women Directorate (*Dirección de la Mujer Rural*, created in December 2015) which is responsible for the design, formulation, and evaluation of gender-informed programs that specifically help to address the main challenges faced by rural women in Colombia, namely unequal access to land and land tenure rights recognition, limited access to TA, and financing constraints for rural production.

Project's Contribution to Addressing Gender Gaps

6. Within this context, it is necessary for the project to consider specific actions that drive the closure of these gaps through the active participation of women in decision making, as well as equitable conditions for participation by men and women. The proposed operation will consider gender aspects during implementation and undertake a socially inclusive approach—one in which vulnerable or traditionally excluded social groups are treated as partners in the planning, operation of funds, and the deployment of support for various activities. It is expected that both men and women will have equal opportunities to access, participate in, contribute to, and henceforth, benefit from various activities under the project. This will further improve decision making of women and men over their natural resources.

7. The project will particularly address gender inequalities in terms of access to capacity-building activities and tenure rights, and follow the legal frameworks established by the GoC. The project will be aligned with the World Bank Group Gender Strategy⁷⁹ that recognizes that stronger and better-resourced efforts are needed to address gender inequalities in access to jobs as well as control over and ownership of productive assets. The project's activities will particularly contribute to the strategy's Pillar 3 by removing barriers (capacity-building opportunities and tenure rights) to Women's Ownership and Control of Assets. The project's progress in addressing these barriers will be measured through the Results Framework indicators. In addition, the project will promote participatory M&E to ensure women's participation in measuring their own outcomes.

8. Table 7.2 specifies the different actions that the project will conduct to mainstream gender considerations throughout the project activities. Special attention and evaluation of progress will be given to the following activities: (a) the cadastre and land regularization activities (Component 1) will include socialization and diagnostic activities that will consider appropriate strategies and protocols to mitigate

⁷⁸ *Consejería Presidencial para la Equidad de la Mujer*, www.equidadmujer.gov.co

⁷⁹ World Bank Group. 2015. "World Bank Group Gender Strategy (FY2016–23): Gender Equality, Poverty Reduction, and Inclusive Growth."



and encourage knowledge and awareness of women's land rights and facilitate joint (both husband and wife) titling and registration of property rights, whenever possible; and (b) design training modules in sustainable and low-carbon practices with at least one specifically geared toward women.

Table 7.2.

Activity	Gender Mainstreaming Actions
Component 1. Integrated Land-Use Planning and Improved Governance for Deforestation Control	
Status diagnostic of existing land-use planning instruments	Review the presence of gender considerations within existing land-use planning instruments
Institutional capacity building related to land-use planning	Gender roles to be clearly articulated while undertaking training needs assessment and incorporate in training modules Proactive inclusion of vulnerable population (women/youth) as participants in capacity development activities
Strengthen formulation of land-use planning instruments incorporating environmental criteria	Proactive inclusion of women ⁸⁰ /youth in working groups Incorporation of the perspective of gender and natural resources management in land-use planning instruments
Mainstreaming environmental considerations into the multipurpose cadastre Support local land tenure regularizations through protocols the include environmental and gender considerations	Follow the Colombian legal framework that makes it mandatory to provide the property title to both members of the couple, even in cases of informal/common law marriage, and in addition to it, special measures will be taken for the property rights formalization of female headed households. Proactive inclusion of vulnerable groups (including women) in working groups and committees involved in policy and regulatory reviews Support information system to ensure gender disaggregated data.
Mainstreaming environmental variables for potential ZIDRES investments	Incorporation of the gender considerations within the environmental criteria to incorporate to the ZIDRES regulation
Development of forest clusters for responsible wood production in Colombia	Incorporate gender considerations in the sustainable forest management plan
Development and implementation of an action plan for regional coordination on deforestation control	Proactive inclusion of women in the business exchange on sustainably wood products
Component 2. Sustainable Land-Use Management	
Identification, analysis, and prioritization of climate smart practices	Inclusion of gender criteria in the analysis of climate smart practices; prioritization disaggregated by gender, if differences are identified

⁸⁰ Proactive inclusion of women will contribute to reduce the existent imbalance as men attend similar events in higher proportion than women.



Supporting public and/or private sector agreements to set green investment portfolios	Proactive inclusion of women and other vulnerable groups in working groups and committees involved in the establishment of the agreements
Design, deployment, and piloting of training programs and TA modules	Proactive inclusion of vulnerable population (women/youth) as participants in the design of training programs as well as beneficiaries of such programs and modules Design at least one program geared toward women
Financing and non-financing incentives and products (FINAGRO, PES, 'PAAP + CO2') to promote the adoption of low-carbon and sustainable practices and technologies	Proactive inclusion of women in working groups, committees Gender considerations in assessing potential beneficiaries of these incentives
Component 3. Definition of Emission Reduction Program and Monitoring, Reporting, and Verification	
Developing MRV-AFOLU system blueprints	Include gender considerations for the MRV system
Filling geospatial gaps and enhancing data quality for key AFOLU subcategories (baseline development)	Disaggregate data by gender when possible and relevant
Technological improvement and divulgation	Proactive inclusion of women in divulgation processes
Prepare the ER Program document	Include in the document a gender strategy for the implementation of the ER Program
Consultation and stakeholder information	Proactive inclusion of women participants in related consultation activities Acknowledge gender differences in time availability to attend consultation events Identification of female champions to participate in awareness efforts.
Design an equitable benefit-sharing arrangement for monetary and nonmonetary benefits of the ER Program	Include gender considerations within the equitable arrangement so that it ensures that women and vulnerable populations will have access and share to an equitable portion of the benefits
Design and implementation of safeguards instruments for the ER Program	Incorporate gender considerations in safeguard instruments
Establish knowledge exchange platform	Proactive attention to lessons learned regarding gender roles
Component 4. Project Coordination, Management, and Monitoring and Evaluation	
PIU/RST	Apply gender clause to human resource recruitment, encouraging the applications from women and other vulnerable population candidates and their hiring
Project monitoring	Involve women/youth and women/youth organizations in the project M&E Specific monitoring of gender mainstreaming progress during project implementation Information system to ensure gender disaggregated data



Supervision of the feedback and grievance redress mechanism	Consider gender-balanced participation in the GRM
Communications and information sharing for the project	<p>Proactive inclusion of women and women's organizations in consultations</p> <p>Proactive attention to lessons learned regarding gender roles</p> <p>Gender-sensitive project communications</p>