

Project Name	Colombia-Andean Region Conservation (@) ... and Sustainable Use of Biodiversity
Region	Latin America and the Caribbean Regional Office
Sector	Environment
Project ID	COGE63317
Borrower(s)	N/A
Implementing Agency	Alexander von Humboldt Research Institute (Instituto de Investigacion de Recursos Biologicos Alexander von Humboldt)
Environment Category	B
Date PID Prepared	November 18, 2000
Projected Appraisal Date	November 27, 2000
Board Date	February 22, 2001

1. Country and Sector Background

Background: Within Colombia, the Andes are biologically the richest biogeographic region, surpassing even the humid lowland forests of Amazonia. The Andes contain 21 distinct ecosystem types (Etter et al., 1999), each of which is remarkably diverse due to great fluctuations in altitude, climate, and geology resulting in geographical isolation, particularly in the valleys and mountainous areas. This has produced very high rates of endemism. Biodiversity in Colombia is still not fully documented. Recently, field surveys in the "Cordillera Oriental" undertaken by the Instituto Alexander von Humboldt (IAvH) indicated that 30% of 400 recorded bird species were new records for this area, 5% were new for the country and one is probably new to science. The Andean region is also the most intervened in Colombia. Two thirds of this area is highly impacted by human activities (about 70% of Colombia's population lives in this region) and some ecosystem types are now very rare. A major cause of biodiversity loss is the advance of the agricultural frontier and associated deforestation and soil erosion. Agricultural and animal husbandry practices, logging activities, as well as inappropriate resource use patterns contribute to greater rural poverty and to biodiversity loss. The loss and degradation of natural habitats has endangered the survival of numerous species1. Invasive species also represent a threat to biodiversity, especially in freshwater ecosystems.

Main Sector Issues: Colombia is generally recognized to be one of the five "megadiverse" nations in the world Mittermeier, 1998). With a total surface area of 1.14 million km², representing about 0.8% of the world's surface area, Colombia is home to about 15% of all known terrestrial species (Table 1). This makes Colombia one of the countries with the highest concentration of species per unit area. The country has the largest number of species of birds and amphibians in the world and ranks high in the number of vascular plants and vertebrates. The country also possesses 18 ecoregions (WWF/World Bank report, 1996), the second highest of any country in Latin America. The most recent ecosystem map of Colombia (Etter, 1998) identifies 65 ecosystem types.

Government Strategy: The National Biodiversity Policy (Ministry of the Environment, 1997) was developed within the context of the Biodiversity Convention - ratified by Colombia through Law 165/94. At the request of the Ministry of the Environment (MMA), IAvH led the preparation of the National Biodiversity Report as well as the National Biodiversity Strategy and Action Plan formulation processes. Both projects were supported by GEF through UNEP. The National Biodiversity Policy and proposed Strategy and Action Plan (1998) concentrate on three lines of action: conservation, equitable and sustainable use, and improved knowledge. In the National Biodiversity Report (1998), the Andean region is identified as the leading regional priority in terms of biodiversity conservation and sustainable use. Subsequently, MMA has established biodiversity conservation in the Andean region as a top environmental priority for the National Development Plan. The proposed National Biodiversity Strategy and Action Plan (1998) is a 25-year plan for implementation of the National Policy using the following strategies: i) promotion of conservation through: a) consolidation of the national system of protected areas; b) slowing the loss of biodiversity; c) restoration of degraded ecosystems, protection of endangered species; and promotion of ex situ conservation; ii) promotion and encouragement of the sustainable and equitable use of biological resources through: a) sustainable management of natural resources; b) development of the economic potential of biodiversity; c) the assessment of the economic value of biodiversity; iii) improvement and complementing the knowledge on biodiversity (both formal and traditional knowledge). The plans and strategies mentioned above were carried out by IAvH using a highly participatory approach. This has allowed IAvH to step into a leading role for mainstreaming biodiversity conservation and sustainable use in Colombia. IAvH has been asked by MMA to support the formulation of policies for regional and local governments and other sectors of society. The current project will be one of the vehicles to support the implementation of some components of the National Biodiversity Action Plan. IAvH will act as the coordinator and manager for project funds which will be executed by different actors. Consistent with the National Biodiversity Strategy and Action Plan, the MMA recently established the National Protected Areas System (NPAS) constituted by the "Sistema de Parques Nacionales Naturales" (SPNN) and protected areas of regional and local character including private reserves and establishes an overall system of coordination and policy guidelines. This SPNN marks a significant change from the traditional restrictive and exclusionary approach that is inherent in Colombian laws that predate the 1991 Constitution. The SPNN focuses on the social dimensions of conservation and seeks to improve the effectiveness of conservation in protected areas by involving local communities that implies a diversity of methods including collaborative management. One of the important objectives of the policy is to contribute to solving conflicts over the occupation and use of protected areas and buffer zones, including those related to the overlapping areas of parks and communally titled lands of indigenous and black communities. Most recently, the MMA developed a "National Strategy for the Conservation of the Andes" (August 1999) that presents a well structured coordinated program approach for the Andes. Biodiversity actions as described above are fully backed-up by the current administration through The National Development Plan ("Plan Nacional de Desarrollo 1999-2002"). Within the Plan, recognition is given to sustainable development and proper management of natural resources and contains a Strategic Plan for the Environment ("Proyecto Colectivo Ambiental") with three main objectives: (i) conservation and restoration of priority areas within strategic eco-regions; (ii) promotion of environmental sustainability of economic sectors; and (iii) promotion of sustainable regional and urban development.

2. Objectives

Project development objective.

The project's development objective is to increase conservation, knowledge, and

sustainable use of globally important biodiversity of the Colombian Andes (the tropical Andes is considered by many to rank first in the list of biodiversity hotspots). The project launches, in the Andes, Colombia's National Biodiversity Policy and Proposed Action Plan that has been prepared in the framework of the Convention on Biological Diversity.

Specifically, the project will:

- * support the development of a more representative, effective, and viable Andean protected area system;
- * identify conservation opportunities in rural landscapes, develop and promote management tools for biodiversity conservation;
- * expand, organize, and disseminate the knowledge base on biodiversity in the Andes to a wide audience of stakeholders and policy makers, and implement monitoring tools; and, promote inter-sectoral strategies to address some root causes of biodiversity loss in the Andes.

3. Rationale for Bank's Involvement

The World Bank has supported a natural resources management project (Loan 3692 Natural Resources Management). This US\$ 65 million project (US\$ 39 million lent by the Bank, US\$ 7.10 million from the Netherlands and the rest from the government), started in 1994 and is expected to close in December 2000. Its main objective is to develop policies and mechanisms that would help arrest the ongoing degradation of natural renewable resources in Colombia. The main components include: (i) support for the development of a national forest policy and of a strategy for natural resource management in the Chocó Region, including actions such as ecological zoning; the establishment of an environmental monitoring system for four ongoing forest use projects; and titling and demarcation of indigenous reserves and of Afro-Colombian communities; (ii) in the western Highlands, protection and rehabilitation of selected watersheds; (iii) investments in the improved management of national parks and buffer zones; (iv) strengthening of programs and institutions for forestry/environmental education, training, research and pilot projects; and, (v) the strengthening of the regional park system through a Dutch grant. Experience and lessons learned will prove of great use to the current project.

The MMA developed a "National Strategy for the Conservation of the Andes" in August 99 that presents a well structured coordinated program approach for the Andes. This document describes the rationale, complementarity, linkages and thematic and geographic differences among all the different GEF investments in the Andes region. This document is an evidence of cooperation and coordination between the Implementing Agencies and the Colombian Government.

Due to the range of GEF biodiversity initiatives in Colombia the GoC with IAs collaboration has taken important steps to define a coherent program approach in order to optimize resource allocation, ensure synergies and complementarities within the GEF biodiversity window and maintain overall coherency with national priorities, policies and plans.

4. Description

The project contains the following components:

1. Conservation Zones and Protected Areas: This component will promote the consolidation of Colombia's National Protected Areas System (NPAS) within the Andean region. The NPAS includes national, regional and local protected areas as well as private reserves. This component will support plans for the Conservation Zones and management activities in priority protected areas.

2. Conservation and Sustainable Use of Biodiversity in Rural Landscapes: The conservation and sustainable use of biodiversity in rural landscapes is a crucial component for an integral biodiversity conservation strategy for the whole Andean region. This is important because some ecosystem types and threatened species are exclusively found in landscapes modified by agricultural practices, near and around the protected areas. This component will among others, support the assessments of conservation opportunities in rural landscapes, develop and disseminate management tools for biodiversity conservation and promote institutional and economic incentives for biodiversity conservation.

3. Knowledge Base for Decision Making, Monitoring and Evaluation: Within the project area, this component would support and expand existing efforts to improve knowledge and monitoring on the different aspects of the regions' biodiversity, its species, ecosystems' fragility and needs for protection.

4. Inter-sectoral Coordination: Under this component, studies and training would be provided to relevant government agencies, and third parties (private sector) to promote the inclusion of biodiversity goals in sector development plans for the Andes.

5. Financing

Financing plan (US\$m): 30.0 million

Local Governments (CARS)	8.0
The Netherlands	4.0
GEF	15.0
Other local	1.0
Other international donors	2.0

6. Implementation

The grant is expected to be implemented in six years, although it has been divided in two phases. The first phase will last 3 years. At the end of the first Phase and during the mid-term review mission, a decision will be made by the Bank whether to enter Phase II. The decision will be based on whether the Targets for triggering the second Phase have been met. The executing agency for the project will be the Instituto Alexander van Humboldt. IAvH's general director will sign the legal agreements with the Bank and other project donors and will act as the official liaison for the project. The IAvH director will give general directives for the project, as well as approve and follow-up on the Annual Operating Plans. For project's matters, the IAvH director will be assisted by: A) IAvH General Assembly in accordance with the Institute's by-laws, this Assembly is composed of 18 members from the Ministry of Environment, the National University of Colombia, Colombia Natural Sciences Foundation (Colciencias), Regional Autonomous Corporations (CARS), Non Government Organizations and Public and Private Universities. It meets once a year and determines the directives and policies of the Institute as well as selects the Annual Fiscal Auditing. For project purposes, the Assembly will oversee the overall auditing of the project to ensure that it is in compliance with the agreement entered with the Bank. B) IAvH Board of Directors in accordance with the Institute's by-laws, the Board of Director has 9 members. This Board is chaired by the Minister of the Environment and includes members of private and public universities, NGOs, CARS and

the Colombian Natural Sciences Foundation (Colciencias). For project purposes, the Board will oversee monitoring and evaluation of the project. It meets several times a year and will be responsible for project follow-up

7. Sustainability

The project will promote integration of biodiversity concerns with other sector policies and it will work towards intersectoral coordination that takes biodiversity and sustainable resource use into consideration. This will help influence the investments of the country, complementing and redirecting resources towards conservation and sustainable use of biodiversity. Joint financial efforts of different sectors to promote conservation and sustainable use will generate a larger positive impact on biodiversity.

- * Each component of the project will attempt to put in place self-financing mechanisms to recover the initial investment and/or to make the project financially viable in the long term. These mechanisms will include those that generate income for local communities and for public and private organizations involved in biodiversity conservation.
- * The project will design, adapt and promote incentives and other economic instruments for sustainable agricultural production (such as compensation for environmental benefits and services) when appropriate and feasible. Pilot projects will be undertaken in project sites in order to implement and test these instruments.
- * Income generated from service fees and concessions will be used to maintain the protected areas and to promote conservation and sustainable use of biodiversity in areas in and around protected areas.
- * The project will aim at making use of the Clean Development Mechanism once it becomes available.
- * The project will identify barriers to sustainable use of natural resources and will attempt to remove these barriers.
- * The project will promote bio-commerce through facilitating the use of capital funds such as Banco Verde, Latin American Biodiversity Venture Capital fund and Environmental Enterprises Assistance fund. For financing in the medium term, the project will establish a fund to support biodiversity-friendly resource use projects and a fund-raising mechanism that will attempt to channel funds from international sources such as Iniciativa de las Americas, ECOFONDO, Iniciativa de Bosques, Biodiversity Venture Capital Fund, resources from Spain, Germany, the Netherlands as well as the Clean Development Mechanism; national sources such as Fondo Nacional de Regalias (conservation areas and micro-catchments);, regional sources such as municipalities, NGOs and CONIF.
- * The project will contribute to the reduction of uncertainty and costs and implicit risks in sustainable environmental investments and the creation of new markets by providing information, funds, and institutional and technical assistance as well as training and educational programs.
- * The project will encourage the investigation of international markets for new products in agro-forestry and silvicultural systems
- * The participatory nature of the project will ensure social sustainability of project activities. It will also assist the peace process and the efforts to reconstruct of the damaged social fabric in Colombia by creating democratic, decentralized and efficient institutions, generating employment through participatory and alternative agricultural

sector development, and therefore ultimately reducing poverty.

* Institutional sustainability will be further ensured through capacity building in existing institutions that are responsible for or involved in conservation and sustainable use of biodiversity at the national, regional and local levels.

8. Lessons learned from past operations in the country/sector

* Limited Institutional Capacity in the Government

Project resources cannot be tied to inefficient disbursement procedures and project execution should be in the hands of agile and efficient institutions. The project uses an executing agency that would avoid bottlenecks in terms of capacity of implementation and budgetary authority. The implementation and administration responsibilities will be with the executing agency, the IAvH, and no funds will be channeled through the central government's budgetary system.

* Protected Areas/Conservation Approach

Effective biodiversity conservation requires a regional approach. The project seeks a conservation area approach that includes landscape management. Given that parks as islands of conservation are not socially nor ecologically sustainable, the project will establish conservation areas of varying types (IUCN categories I-VI), with sustainable, long-term management plans.

Varied local conditions require a tailored approach to specific protected areas. The project will incorporate local conditions in the design and management activities. With support from the PDF Block B, public participation has contributed to processes appropriate to the local context.

Effective management of conservation areas requires a participatory approach.

Conservation activities will only work in the Colombian sociopolitical context if there is social consensus. Therefore the project seeks participatory management of protected areas. The participation strategies will accommodate local biophysical and socioeconomic particularities, depending on the region and zone.

* Economic Incentives/Development Plans

Biodiversity concerns need to be incorporated to broader political and socio-economic frameworks. The project will assist in a major effort to incorporate biodiversity considerations into sectoral planning. This project, therefore, utilizes economic and other incentives as a conservation strategy, through reciprocal benefits agreements and the generation of local benefits.

* Project Implementation/Monitoring

The project must be flexible during implementation. It needs to be evaluated regularly and adjustments need to be made to the components and strategies. The fact that the project is designed in two phases will provide for this flexibility and possibility of learning from one phase to the next. The participation strategy needs to be one of the most flexible activities

Better efficiency and effectiveness during execution require an adequate monitoring and evaluation system. The project will make efforts in the acquisition and expansion of the knowledge base and development of methodologies for monitoring and to construct appropriate indicators, and, in accordance with similar GEF projects in Colombia, will monitor the application of the national biodiversity policy and the contribution of the projects.

9. Program of Targeted Intervention (PTI) N

10. Environment Aspects (including any public consultation)

Issues There is no major adverse environmental impacts expected as a result of this project. The project is designed to be entirely positive from an environmental standpoint, particularly by promoting conservation and sustainable use of biodiversity. The project was based on a sound biological and environmental analysis of the current opportunities and threats in the Andean Region.

11. Contact Point:

Task Manager
Claudia Sobrevila
The World Bank
1818 H Street, NW
Washington D.C. 20433
Tel (202) 473-5004- Fax(202) 522-3132
Email: csobrevila@worldbank.org

12. For information on other project related documents contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-5454
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>

This PID was processed by the InfoShop during the week ending, January 12, 2001.