

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC3097

Date ISDS Prepared/Updated: 15-Apr-2013

Date ISDS Approved/Disclosed: 19-Apr-2013

I. BASIC INFORMATION

A. Basic Project Data

Country:	Andean Countries	Project ID:	P145345
Project Name:	Andes Adaptation to the Impact of Climate Change in Water Resources (P145345)		
Task Team Leader:	Daniel Mira-Salama		
Estimated Appraisal Date:	00-undefined-0000	Estimated Board Date:	12-May-2014
Managing Unit:	LCSEN	Lending Instrument:	Specific Investment Loan
Focal Area:	Multi-focal area		
Sector(s):	General water, sanitation and flood protection sector (36%), General agriculture, fishing and forestry sector (27%), General public administration sector (21%), Water supply (12%), Forestry (4%)		
Theme(s):	Climate change (67%), Biodiversity (33%)		
Financing (In USD Million)			
Total Project Cost:	30.79	Total Bank Financing:	0.00
Total Cofinancing:		Financing Gap:	0.00
Financing Source		Amount	
BORROWER/RECIPIENT		21.10	
Global Environment Facility (GEF)		9.69	
Total		30.79	
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Global Environmental Objective(s)

The project has been designed to tackle the challenge of adaptation to climate change on selected sectors from a technology transfer, knowledge exchange and regional collaboration angle. Based on previous experience in the region, the project will select those technologies and approaches that have

been proved valid elsewhere and try to adapt and replicate them in the other countries, according to the special needs and gaps of each one of them.

Specifically, the proposed objective of this project is to generate tools and knowledge to enable governments to promote resilient management of their water resources through the inclusion of climate change impacts into policy, planning and on the ground investments on selected sectors, and to promote south-south learning, collaboration and technology transfer.

C. Project Description

The GEF SCCF-funded “Regional – Adaptation to the Impact of Rapid Glacier Retreat in the Tropical Andes Project - PRAA” can be considered as the antecessor of this proposed new project. PRAA has been active since 2008, implemented by the Andean Community of Nations on behalf of Bolivia, Ecuador and Peru, and has successfully showcased pilot adaptation projects and strategies. The project is being successful in achieving its objectives, and participating countries have owned and led the process from the beginning. It will be closed during 2013, and is currently being evaluated following GEF’s requirements. However, the magnitude of the climate change problem is large, and PRAA has only started to address the issues, create links and propose some pilot-scale solutions. Given the ever-growing needs of the region to better prepare for climate change impacts, and the positive experience gained with PRAA, these adaptation efforts must continue, and the created knowledge, methodologies and piloted technologies in other regions and areas must be transferred and expanded. The focus of the proposed project is adaptation within the hydrological cycle, and how that relates to critical ecosystems and to livelihoods.

The new proposed project will gather lessons learnt through PRAA in order to better inform nationwide policies and strategies that promote climate change resilience, improved efficiency in the use of resources, and better stewardship of critical ecosystems. It will also build on the work done in Bolivia through the Pilot Project on Climate Resilience.

A proposed structure of the project, which will be revisited and refined during preparation, would be:

Component 1. Generation and exchange of knowledge, technology transfer and institutional strengthening (US\$0.8M GEF SCCF indicative)

This component will, among other things: (i) review the climate projections and techniques used in each country; (ii) promote their exchange and cross-learning; (iii) continue to develop better defined climate change impact modeling on priority sectors; (iv) implement monitoring systems aimed at measuring the effectiveness and sustainability of national and regional adaptation initiatives; and (v) knowledge exchange on climate change adaptation experiences in the region, diffusion of lessons learnt, and studies to understand the replication capacity of those experiences on each participating country.

Component 2. Mainstreaming of climate change considerations into policies, strategies and programs (US\$0.75M GEF SCCF indicative)

This component will be focused on: (i) review and inclusion of climate change variables into national and sectoral policy, ensuring inclusion of best practices and their influence on sectoral development plans; (ii) definition of a methodology useful to ensure the inclusion of climate change concerns during design and implementation of plans, programs and projects at national and sectoral scales; and (iii) contribute to the elaboration of National Adaptation Plans, and their intersection with the objectives and strategies included within the Andean Environmental Agenda.

Component 3. Design and implementation of adaptation measures in priority sectors (US\$ 6M SCCF indicative plus 1.24M GEF Biodiversity for Ecuador indicative)

This component will finance both soft and hard climate adaptation investments, and it will include activities at watershed level such as: (i) design and implementation of adaptation measures, on selected sectors, that incorporate technologies and approaches that have proved to work elsewhere and contribute to the increased resilience of the sector (which could include, inter alia, water supply, energy generation, food security, agriculture or biodiversity management);

There will be a specific component for Ecuador, using GEF biodiversity funds, and focused on mainstreaming information on climate change impacts into selected sectoral policy, for sectors that have an impact on the integrity of paramo and montane ecosystems. Detailed information on the rationale and justification for these biodiversity funds is offered in Annex 2. The expected outcome is to achieve more resilience and sustainability on High-Andean ecosystem and biodiversity management in selected production landscapes in Ecuador, through the mainstreaming of anticipated water sector climate change impacts into policy, planning and selected on the ground interventions.

Component 4. Project Management, Monitoring and Evaluation (US\$1M SCCF indicative)

The component will create and strengthen a project executing unit at the “Secretaria General de la Comunidad Andina”, SGCA. The possibility to create national executing teams, with implementation capacity, will be determined during project preparation. It will also provide for the necessary monitoring and evaluation of project tasks.

D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

The specific location of the different investment activities has not been determined yet. However, they will be undertaken in different water basins that can potentially range from higher mountain ecosystems to low land areas, and might also include urban areas among others. The project is likely to target threatened ecosystems, which would require due diligence on safeguard analysis at the time of preparation and/or the preparation of an appropriate safeguards framework. The variety of sectors that play a role at the selected water basins (e.g., agriculture, energy) will determine the type of activities and therefore provide more clarity on the safeguards to be triggered and especially the type and level of instruments required. Nevertheless, this activity can be considered as a follow-up of the Regional Adaptation to the Impacts of Rapid Glacier Retreat in the Tropical Andes (PRAA), and based on that experience, the team has a more clear sense about the safeguards to be triggered, which will however be fully determined during preparation.

In addition and given the nature of the project, the success of any intervention at the water basin level will require the active involvement and participation of the different stakeholders who play a role in the demand and supply of the resource. The project will ensure that an inclusive and comprehensive consultation strategy is implemented. Relevant experience on participatory processes and methodologies has been gained throughout the identification, design and implementation of adaptation activities within the PRAA, experience which has been properly documented and will be used in the preparation and implementation of the proposed project.

E. Borrowers Institutional Capacity for Safeguard Policies

The project will be implemented by SGCA (Andean Community General Secretariat) on behalf of the four beneficiary countries, and will include the active participation of the ministries of environment of Bolivia, Ecuador and Peru, and IDEAM (Institute of Hydrology, Meteorology and Environmental Studies) in Colombia. These have been the main stakeholders for PRAA in the case of Bolivia, Ecuador and Peru, whereas IDEAM was the main stakeholder on the Bank-implemented GEF Integrated National Adaptation Project in Colombia. All these stakeholders have gained direct experience and familiarity with Bank processes and procedures including safeguards.

Based on the experience with PRAA, the main responsibility of safeguards implementation fell on the national technical experts (ETN) hired by the project in each country. ETNs worked within the respective ministry of the environment in each country, facilitating the identification of environmentally sound procedures to be followed in each case. On social safeguards, the participation of some key stakeholders with a vast experience on participatory processes, including indigenous communities, facilitated this task enormously.

Nevertheless, this arrangement where one person –the ETN– had the responsibility to ensure correct safeguards implementation and monitoring, created some challenges (related mostly to the difficulty in prioritizing among the many responsibilities they had, which has led to transferring some oversight to other involved relevant environmental agencies or other professionals within the partner institutions like CARE, who are not necessarily knowledgeable about Bank safeguard policies).

Given that a similar arrangement is foreseen for this project, and to build on the experience of the PRAA, some level of strengthening on safeguards issues will be required. During preparation it will be decided if said strengthening is to be met at SGCA level, at each beneficiary country's level (ETNs, key stakeholders), or both.

Given that safeguards training was given to ETNs halfway through the PRAA project implementation and thereafter, the Bank team will suggest that they are kept for the proposed project and that they are actively involved in the preparation of all safeguards instruments. The hiring of a social expert will also be assessed during preparation.

F. Environmental and Social Safeguards Specialists on the Team

Carla Della Maggiora (LCSTR)

Alonso Zarzar Casis (LCSSO)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	The project will include investment activities in a variety of sectors that play a role within a water basin (e.g., agriculture, water supply, energy generation, ecosystem management, etc.) to be determined during preparation. Given the varied nature of likely interventions, and the different sectors and locations where these could take place, an environmental and social management framework seems to be, at this time, an appropriate mechanism. This will be refined during preparation.
Natural Habitats OP/BP 4.04	Yes	No Project components are expected to directly or indirectly cause any significant conversion of or loss to any existing natural habitats. Some investment activities may be undertaken in critical and threatened ecosystems, and promotion of changes in national sectoral policies (at the basin level) can also have an

		impact on natural habitats. These activities will be designed to improve conditions and management, and therefore no significant negative impacts are expected on any kind of natural habitat. However, in order to capture the beneficial aspects of the policy, the team suggests to trigger it and include its considerations as part of OP4.01.
Forests OP/BP 4.36	Yes	Although locations of investments are not known, water basin activities might include some type of forestry/plantation interventions, or alternatively, might have implications for forests and therefore should be considered in this context.
Pest Management OP 4.09	TBD	No utilization, promotion or acquisition of pesticides is foreseen during the life of the project. Some activities will likely include interventions on the agricultural sector, as this is one of the key sectors that demands water. Provisions for adequate pest control and pest management will have to be included as part of OP4.01 if needed.
Physical Cultural Resources OP/ BP 4.11	Yes	Based on the experience of the PRAA, the project is not expected to have any significant impact on any kind of physical or cultural resource. Nevertheless, given that the specific interventions have not yet been identified, and that there is potential in Andean countries for encountering these types of resources in resilience infrastructure projects, the policy is being triggered. Appropriate language will be included as part of the environmental and social instruments prepared for the project to properly handle PCRs.
Indigenous Peoples OP/BP 4.10	Yes	Although at this stage specific locations for adaptation measures under project component 3 are not known, previous experiences inform that this policy is highly likely to be triggered. If the specific locations are identified before appraisal participating countries will prepare Indigenous Peoples Plans and will carry out adequate consultation processes. If however these sites are to be identified after appraisal, participating countries will prepare an Indigenous Peoples

		Policy Framework per country before appraisal. Regardless of the selected instrument, free, prior and informed consultations with indigenous peoples that will lead to broad community support in the preparation and implementation of the project once the communities are identified will be undertaken.
Involuntary Resettlement OP/BP 4.12	TBD	No land and physical assets are expected to be affected by project activities. Similarly no negative impacts on income are expected as result of project investments. However, some reforestation activities, irrigation schemes or similar activities might imply some land tenure issues. During preparation this will be identified, and, should the need arise, an appropriate resettlement plan or framework will be developed by the participating countries, depending on whether the sites have been determined before or after appraisal.
Safety of Dams OP/BP 4.37	TBD	The project is not expected to work on or around any dam. However, some irrigation schemes or basins might be indirectly affected by them. The team will conduct its due diligence and include provisions during preparation.
Projects on International Waterways OP/BP 7.50	TBD	Since the proposed project may address some international dimensions of water basins, the Bank team will decide the need to trigger this policy during project preparation, in consultation with the legal department (LEGEN).
Projects in Disputed Areas OP/BP 7.60	No	The project will not be developed on disputed territories.

III. SAFEGUARD PREPARATION PLAN

A. Tentative target date for preparing the PAD Stage ISDS: 10-Mar-2014

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

During preparation the team will have more clarity on which investment activities will be included as part of the project, so that the adequate instruments (either an environmental and social management framework, environmental assessments, indigenous peoples frameworks or plans) can be prepared, consulted and disclosed following Bank's guidelines.

IV. APPROVALS

Task Team Leader:	Name: Daniel Mira-Salama
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¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name:	Date:
Sector Manager:	Name: Karin Erika Kemper (SM)	Date: 19-Apr-2013