INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE

I. Basic Information

Date prepared/updated: 09/16/2009 Report No.: AC4227

1. Basic Project Data

Country: Colombia	Project ID: P104687
Project Name: Mainstreaming Sustainable Cattle Ranching	
Task Team Leader: Juan Pablo Ruiz	
GEF Focal Area: Biodiversity	Global Supplemental ID:
Estimated Appraisal Date: August 3, 2009	Estimated Board Date: November 10, 2009
Managing Unit: LCSAR	Lending Instrument: Specific Investment Loan
Sector: General agriculture, fishing and forestry sector (60%);Animal production (40%)	
Theme: Biodiversity (23%);Environmental policies and institutions (22%);Participation and civic engagement (22%);Climate change (22%);Land administration and management (11%)	
IBRD Amount (US$m.): 0.00 IDA Amount (US$m.): 0.00 GEF Amount (US$m.): 7.00 PCF Amount (US$m.): 0.00 Other financing amounts by source: BORROWER/RECIPIENT 0.00 Local Farmer Organizations 33.00 33.00	
Environmental Category: B - Partial Assessment	
Simplified Processing Simple [] Repeater []	
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes [ ] No [X]

2. Project Objectives

The project development objective is to promote the adoption of environment-friendly silvopastoral production systems in Colombian cattle ranching in 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.

3. Project Description

The proposed project would focus on reducing key constraints to the adoption of land use practices that are beneficial both for the farmer and the environment , such as lack of knowledge or capital, through the following components: (i) Improving productivity in participating cattle ranching farms in project areas, through SPS; (ii) Increasing connectivity and reducing land degradation in participating cattle ranching farms, through differentiated PES schemes; (iii) Strengthening subsector institutions and dissemination and M&E efforts contributing to the broader adoption of environment-friendly SPS in Colombian cattle ranching; and (iv) Project management.

The GEF Regional Silvopastoral Project demonstrated that not all silvopastoral practices have the same profitability for farmers or contribute equally to biodiversity conservation . The project would therefore apply distinct strategies in each area to promote environment-friendly land management in cattle ranching farms.

Total project cost is US$42 million, of which the Global Environment Facility would finance $7 million through a full-size grant with co-financing totaling US$35 million from: (a) the Ministry of Agriculture and Rural Development (MADR) and the Fund for Agricultural and Livestock Sector Financing (FINAGRO); (b) FEDEGAN; (c) project partner NGOs such as CIPAV, the Environmental and Childhood Action Fund (FPAA), and The Nature Conservancy (TNC); and (d) contributions of producers and local cattle ranching organizations. The proposed project would also help develop additional financing sources from service users to support PES payments.

Component 1. Improving productivity in participating cattle ranching farms in project areas, through SPS (Total cost US$29.2M; GEF financing $1.7M)

The aim of this component is to sustainably increase productivity in cattle production farms through the adoption of environment-friendly SPS. The proposed project would offer a package that includes: (i) farmer training and technical assistance (TA) to promote cost-effectiveness and sustainability; and (ii) support to access financial resources for SPS adoption, namely attractively-priced loans already in place for the adoption of intensive SPS with specific tree densities and species (fodder and timber), from the GoC#s second-tier bank FINAGRO. Project resources would be directed to raise awareness on and support farmers' access to FINAGRO and other existing financial instruments for investments in SPS, particularly by small and medium-scale farmers. TA to design and implement SPS conversion plans would be provided through FEDEGAN's assistance centers and other regional/local TA providers in project areas.

The main activities under this component would include: (a) SPS training to national, regional, and local TA providers; (b) beneficiary selection and baseline farm assessments; (c) TA to farmers and implementation of SPS in the different regions, including through peer-to-peer information exchange with farmers already implementing SPS; (d) improving access to financial resources for SPS adoption, namely but not limited to FINAGRO credit and subsidies already in place for investments in SPS, in particular to enable small and medium-scale farmer participation; (e) assessing and adjusting sector technologies applied in each project area; and (f) supporting market-based initiatives to secure long-term funding (agroecotourism and certification proposals).

Component 2. Increasing connectivity and reducing land degradation in participating cattle ranching farms, through differentiated PES schemes (Total cost US$6.5M; GEF financing $2.7M)

The aim of this component is to increase connectivity between natural ecosystems in cattle ranching landscapes through the establishment of riparian and terrestrial corridors .

Biodiversity assessments completed during project preparation helped determine key natural ecosystem remnants in each area, as well as the priority axes along which to connect and conserve them during project implementation; such axes are located along water courses or in terrestrial areas in selected cattle ranching landscapes.

The most desirable and relevant land uses for each corridor#both strictly conservation and productive, as described in Annex 4#would be promoted through the proposed PES scheme whereby: (i) short-term payments using GEF resources would support SPS that offer clear economic returns in the mid to long-term such as trees in pastures and live fences, in order to compensate for the initial investment costs (along with intensive SPS, these are expected to be the predominant land use changes). Farmers that adopt strict conservation land uses (e.g., preserving natural ecosystems or establishing new conservation areas) would also receive short-term PES during project life; and (ii) long-term payments from water and other ES users would be sought to induce the adoption of land uses that are highly attractive from a biodiversity perspective, but are less profitable for farmers. PES contracts would promote an integrated farm management that enhances farm productivity while ensuring a sustainable use of natural resources. The proposed project would also support efforts to establish long-term funding sources in at least two cattle production areas by facilitating buyer-seller participation, fund administration, and by monitoring ES generation and contract compliance for water and potentially carbon services.

The main activities under this component would include: (a) adjustment and implementation of a PES mechanism offering short-term payments to SPS that are privately profitable in the mid to long term (e.g., live fences, pastures with trees), including the identification of indicators for performance-based PES payments; and (b) design and implementation of local PES mechanisms financed by service users that would offer long-term payments for SPS that are important for service provision, but are unattractive to farmers

Component 3. Strengthening subsector institutions and dissemination and M&E efforts contributing to the broader adoption of environment-friendly SPS in Colombian cattle ranching (Total cost US$1.5M; GEF financing $0.8M)

The aim of this component is to establish key alliances with project partners and stakeholders through a communications strategy that ensures project instruments and results are disseminated from the start. In addition, efforts would focus on establishing a monitoring and evaluation system that provides timely and relevant information contributing to the future broader adoption of sustainable cattle ranching production systems in Colombia. Producer associations would also be strengthened to apply to and benefit from project instruments.

The main activities under this component would include: (a) M&E and applied research on SPS contributions to environmental services, including to climate change mitigation and adaptation, particularly the contributions of introducing trees as cattle feed in the provision of shade and water retention; (b) results dissemination to key stakeholders,

including engaging in policy-dialogue with the National Planning Department and the Ministries of Environment and Agriculture; and (c) strengthening producer associations through capacity-building efforts.

Component 4. Project management (Total cost US$3.1M; GEF financing $0.7M)

The aim of this component is to improve institutional capacity to develop the project and enable the project's financial, technical, legal, and administrative execution.

The main activities under this component would include: (a) coordinating intra-and inter-institutional efforts for effective project management; and (b) monitoring and evaluation of project management activities, including the consolidation of project oversight and coordination mechanisms

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The following five areas were prioritized for intervention taking into account environmental, production, and social criteria to allow for feasible project implementation: (i) the traditional livestock production region in the Cesar River Valley; (ii) the adjacent lower Magdalena River region; (iii) the traditional dairy cattle production regions of Boyacá and Santander (linked to the #Andean Oak Forests Corridor#); (iv) the coffee producing eco-region and upper Cauca river, and (v) the low foothill region in the eastern cordillera of southern Meta.

Globally important biodiversity would be safeguarded in the five target regions, which were selected for their high levels of biodiversity and their proximity to strategic ecosystems and protected areas. The Cesar River Valley and Magdalena River regions contain the last remaining fragments of dry tropical forest, considered one of the Neotropical zone#s most endangered ecosystems # degraded in 98.5 percent of its surface area in Colombia. Other strategic ecosystems are the wetlands associated with the Magdalena River, considered of high priority by IUCN and TNC due to the existence of migratory birds and endemic species. The Boyacá-Santander region contains the Andean Oak Forests Corridor, one of the richest areas of vascular plants in the Andean region, harboring populations of several endangered species (e.g., mammals such as the Puma concolor, birds such as the gorgeted wood-quail, and endemic frogs such as the Gámbita robber frog and Eleutherodactylus spilogaster). The coffee-growing ecoregion concentrates most of Colombia#s coffee landscapes, where about 16% of the country#s 1,750 bird species have been registered (including multiple endemic, threatened, and migratory species), along with several threatened flagship species such as the spectacled bear (Tremarctos ornatus), and butterfly species both endemic and new to science. The southern Meta region is part of the larger Eastern plains that have a diverse landscape of dry forests, tropical grasslands, and seasonally flooded plains#ecosystems traditionally underrepresented in the Colombian protected areas system.

The primary target group is predominantly small to medium-scale farmers from the five regions identified above. Larger-scale farmers located in the proposed connectivity corridors in each area would also be able to participate .

Potential beneficiaries in the five regions have different socioeconomic conditions, as assessed by socioeconomic surveys of sample farms in each area and regional workshops with project stakeholders undertaken as part of the project#s social assessment (see below): (a) property size varies across project areas, however, 89 percent of polled farmers reported less than 200ha; (b) land occupancy is predominantly single ownership or family owned, where 10 percent of polled farmers, particularly in the coffee growing eco-region, are associated to the farm as administrators or tenants; (c) residence in farms also varies across regions, where 48 percent of polled farmers reported residing elsewhere. This situation affects farmer priorities differently regarding access to basic public services, particularly in the Caribbean regions where 70 percent of polled farmers reside at the farm; (d) cattle ranching is the main productive activity (only 14 percent of polled farmers, particularly in the coffee ecoregion, have diversified their productive activities) and the main source of income for farm owners; (e) self-reported monthly income ranges between less than 1 to more than 10 monthly minimum legal wages in force (at US$216 for CY2009), where 63 percent of polled farmers reported earning less than 7 SMMLV; (f) most polled farmers reported having less than 15 workers in the farm; (g) 66 percent of polled farmers are adults between 40 and 60 years of age (nearly 19 percent are over 60); (h) association levels are high, as 75 percent of polled farmers indicated pertaining to a local/regional producer association or cattle ranching committee. The Boyacá-Santander region registers the lowest levels (52 percent); and (i) 63 percent of polled farmers reported low levels of indebtedness.

The social assessment did not identify significant public order threats in selected areas, neither in its review of background/secondary information on public order difficulties resulting from the activities of illegal armed groups, nor through the survey of farmers (59 percent of polled farmers feel safe in their municipality, 31 percent feel relatively safe, and 74 percent have not been the target of property extortions). Migration indicators show that nearly 37 percent of polled farmers were born in the same municipality in which the farm is located, while 23 percent were born in a capital city. 29 percent were born in a different municipality either from the same or a different region. The majority of selected municipalities have low levels of internal displacement over the last 10 years as per the National Register of Internally Displaced Population administered by the Presidential Agency for Social Action and International Cooperation.

The selected project areas are not located near collectively-owned, Indigenous or Afro Colombian territories (see PAD Annex 16) and the proposed project sites are already used as pastures for cattle ranching, in regions not considered active agricultural frontiers.

5. Environmental and Social Safeguards Specialists

Ms Pilar Larreamendy (LCSSO)
Ms Nicole Andrea Maywah (LCSAR)

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

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:
Social issues identified

A social assessment was undertaken (see Annex 10) with the aim of: (i) describing socioeconomic conditions of cattle ranchers in the 5 project areas; (ii) identifying potential barriers for small and medium-scale farmer participation; and (iii) assessing potential social and political risks in project areas, including mitigation measures and criteria for inclusion. Valuable information was provided by socioeconomic surveys of sample farms in each area, four regional workshops, and interviews with project stakeholders such as environmental authorities, producer associations, banks with local presence, universities, and NGOs. In addition, project partners led 5 regional workshops with local stakeholders to present the proposed project instruments.

Characterization of potential beneficiaries. Although potential beneficiaries in the 5 regions have different socioeconomic conditions (see Section I.4 above), overall the participants consulted appreciate the project#s potential to improve farm production conditions while contributing to the environment. According to their appraisal of local situations, the farmers in the coffee eco-region and the Boyacá-Santander area prefer technical assistance; the farmers in the Caribbean regions prefer credit they can access for productive investments; and the farmers in the Eastern foothills of the Meta region are more concerned with environmental degradation and positively value PES.

Barriers identified for small and medium-scale farmer participation are primarily related to compliance with conditions necessary to access FINAGRO#s credit lines (e.g., lack of land titles and initial capital to assume transaction costs and guarantees, not having bank accounts, being reported in financial risk centers or being over 60 years of age) and little farmer interest in becoming financial system users. Proposed mitigation measures include: (i) strengthening and expanding memberships to producer associations for collective approaches to project instruments; (ii) engaging in high-level policy dialogue with MADR-FINAGRO to introduce flexible conditions for SPS applicants and offering specific training to FINAGRO operators evaluating credit applications for SPS

implementation; (iii) considering microfinance options under recent implementation by the GoC (such as Banca de Oportunidades) and other institutions, or cooperative/associative credits and other loan sources such as the Bolsa Nacional Agropecuaria (National Agriculture and Livestock Market) or the Biotrade Fund, among others; and (iv) focusing first-year efforts on adequate outreach activities to inform farmers of SPS benefits (regional cultural aversion to trees in pastures still exist, particularly in the Caribbean), associated implementation costs, and possible funding sources. Detailed technical assessment of farm conditions is also recommended prior to interventions. In addition, linkages to rural extension programs offered by FEDEGAN (e.g., Circles of Excellence for the promotion of improved, collective cattle ranching management and fostering regional leaders and innovation) and to governmental social programs are also recommended.

Potential social conflicts and mitigation measures. The risk of promoting extensive cattle ranching or conflicts with peasants or small-scale producers is assessed as non-existent, as the project#s objective is to mainstream an intensive approach to cattle ranching with active participation from small and medium-size farmers. Furthermore, since the proposed project would impact farm areas already used as pastures for cattle ranching in regions not considered to be active agricultural frontiers, tensions between producers and adjacent communities over land tenure or access to natural resources are not expected. The reputational risk assessment concluded that a moderate to non-existent risk exists of having farmers with current associations to illegal armed groups participate in the project, or having project resources captured by national or local elites. The assessment recognizes that the proposed collective project implementation (by agencies with ample experience in project management, funds administration, and recipient selection) and the targeted beneficiary selection criteria would guarantee otherwise.

Regional consultations identified potential conflicts with municipalities not selected for project intervention, particularly in the Eastern foothills of Meta, including dissatisfaction with the site selection approach used. In particular, environmental authorities in the different regions indicated that selection should not be based solely on satellite image-supported studies, but rather on the social and environmental realities in each area. Both concerns will have to be carefully addressed through the project#s communication strategy, highlighting: (i) positive spill-over effects from project capacity-building efforts, whereby neighboring farms not selected to participate, but interested in adopting SPS would have access to the TA and training offered under the project; and (ii) the three-step methodology employed for site selection, which took into account previous national and regional priority-setting exercises to identify key conservation areas and focused on ecosystems underrepresented in the National Protected Areas Systems, and which includes a final on-site assessment to adjust connectivity corridor designs to the social and environmental realities found in each area.

Screening procedures to ensure social impact mitigation. Screening procedures foreseen to guarantee that project activities do not have adverse social impacts include: (a) information collection formats distributed by FEDEGAN and core partner agencies during PY1 dissemination events with farmers and ensuing training events, to obtain data

on potential beneficiaries regarding land ownership and willingness to participate, among others; (b) baseline assessments undertaken in farms by CIPAV and TNC personnel## agencies not seen by local communities as involved with either guerrilla or paramilitary groups and therefore not preempting farmer enrollment in project; (c) beneficiary selection undertaken collectively by the project#s Steering Committee to avoid local or regional pressures ; and (d) a social communications strategy that ensures local participation and feedback through: periodic account rendition events in each area; complaint boxes set up locally in sites considered impartial by farmers to deposit their claims regarding adverse impacts; and campaigns through local bulletins, gazettes, or community radio stations that include instructions and addresses (electronic or mail) to formally denounce irregularities. Local complaints would be permanently reviewed by the project#s Steering Committee to ensure early warnings are generated and corrective measures devised. Consolidated claim reports would also be examined during Bank supervision missions and MTR. Subsequent M&E indicators and checklists to guarantee that procedures have been adequately applied would be determined in the project#s Operational Manual.

Environmental issues identified

The proposed project is expected to directly generate important global and local environmental benefits, as demonstrated by the GEF/IBRD Regional Integrated Silvopastoral Approaches to Ecosystem Management project implemented in Colombia, Costa Rica, and Nicaragua, and highlighted in the project#s Environmental Assessment. It seeks to contribute to the conservation of globally important biodiversity in cattle ranching production systems by increasing connectivity between ecosystems and reducing land degradation in five key productive areas, through the adoption of SPS. As areas have been chosen taking into account their geographic proximity to PA, among other criteria, connectivity between ecosystems would also include connectivity to PA and their buffer zones. This would allow for the mutual reinforcement of biodiversity protection within cattle ranching farms and PA buffer zones, enhancing the benefits from SPS.

Land uses fostering higher levels of biodiversity and carbon sequestration and reducing land degradation would be promoted in participating farms through the proposed financial, capacity-building, and market-based instruments. Resources would be directed to create connectivity corridors to reduce fragmentation of important natural ecosystems in the five project areas, through eligible land use adoption. This strategy would also contribute to protect water springs, streams, rivers, and wetlands, since 80 percent of those corridors would be implemented in riparian habitats and their buffer zones. Equally, SPS adoption would contribute to the restoration of areas currently without vegetative cover and protect and restore degraded lands, as well as help reduce the use of farm areas unfit for grazing such as steep slopes or areas protecting water courses and wetlands. As demonstrated by the GEF Regional Silvopastoral Project, farmers trained by the project were dissemination agents outside intervention areas, resulting in greater adoption of silvopastoral systems and natural resources sustainable use.

The use of deep-root perennial trees in proposed SPS would reduce farmer vulnerability to environmental change, as such species are drought tolerant, act as wind barriers, and provide shade, helping farmers become more resilient to climate change. In addition, their use would enable more stable forage production during drier seasons.

The silvopastoral practices to be supported by the project have demonstrated to substantially reduce total greenhouse gas emission from ranching, both directly (by sequestering carbon both in the soil and in trees) and indirectly (by reducing pesticide use and requiring fewer applications of nitrogen fertilizers and, through improved nutrition, reducing methane emissions from cattle). Carbon stocks measured in silvopastoral habitats were higher than in degraded lands, and GHG emissions were lower. Therefore, the proposed project is expected to provide enhanced carbon benefits, including for climate change adaptation and the reduction of emissions from deforestation and forest degradation.

Adverse environmental consequences from project implementation are highly unlikely. Several mechanisms were used to avoid negative environmental effects: (i) none of the five selected areas are considered active agricultural frontiers as they are currently consolidated areas for agricultural activities (mainly cattle ranching); (ii) the proposed PES scheme grants a baseline payment for preserved forests to recognize previous conservation efforts by participating farmers; subsequent payments would be made each year if they are preserved. Highest ES values and therefore payment levels, are assigned to existing mature forests and wetlands to discourage their conversion to production land uses; (iii) the proposed Integrated Pest Management Plan would reduce the use of pesticides and their impact on human health and the environment; and (iv) the proposed connectivity corridors along which to prioritize activities under Component 2 were designed to reconnect fragments of key remnant natural ecosystems identified in each of the cattle ranching landscapes analyzed.

The implementation of PES schemes along with the promotion of environmental and production good practices are expected to raise farmer awareness on sustainable natural resource management. The proposed strategy to promote SPS adoption is expected to provide key elements needed to make cattle ranching in Colombia more sustainable, including inputs for the necessary institutional framework and arrangements.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
The cumulative impacts from the interventions to mainstream biodiversity in sustainable cattle ranching in Colombia are expected to be wholly positive, as demonstrated by the GEF Regional Silvopastoral Project. The positive global and local environmental benefits of SPS include: (i) substantial increases in biodiversity (among other indicators, the number of species and individuals of special indicator groups observed increased in all sites, among which, birds (including many forest-dependent and endangered species), butterflies, and terrestrial mollusks. Globally important flora was also protected); (ii) substantial carbon sequestration (GHG emissions were reduced through fewer applications of nitrogen-based synthetic fertilizers (urea and others), reduced use of fire

as a pasture management tool, and improved animal nutrition (methane emission reductions were estimated at 21 percent and nitrogen dioxide emission reduction at 36 percent); and capacity to store carbon in the soil and in the above ground biomass increased. Carbon removals were estimated at 1.5 Cton/ha/yr); (iii) improved water quality (a rapid drop in turbidity, biological oxygen demand, and coliform counts was registered as riverbanks were reforested and protected from livestock entry, as well as the return of invertebrates indicative of unpolluted water); (iv) improvements in soil retention and productivity; (v) land rehabilitation; (vi) diversification of farm benefits; and (vii) scenic beauty enhancement.

Additional evidence from the GEF Regional Silvopastoral Project demonstrates positive mid to long-term impacts, as farmers who were only awarded 2-year PES had not converted back to pastures without trees by project end, and to the contrary, had kept the land use change induced by the project. Finally, no adverse, long term impacts are expected from the promotion of agroecotourism in participating farms, given the type of tourism and the sustainable management principles its promotes.

Potential related activities (e.g., building of roads) that might also have environmental and/or social impacts were considered but none are expected.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
The project concept alternative considered was rejected as being more costly and socially infeasible given negative farmer response: a traditional conservation approach taking land entirely out of production. As cattle ranching occupies a considerable portion of the Colombian territory, partly due to its low efficiency and technical and financial barriers, the proposed strategy for biodiversity-friendly SPS adoption under the project would promote more efficient production while using less farm area. Conversion to SPS provides an alternative that substantially increases on and off-farm biodiversity, while allowing farm productivity to improve. The GEF Regional Silvopastoral Project also showed that working directly with producers on the conversion to SPS helps raise awareness about their role in protecting on-farm natural resources and related/subsequent impacts on surrounding areas. Farmers positively value the impact of sustainable natural resource management on the price of their land.

Location alternatives were considered during the site selection exercises undertaken with project partners. Thirteen areas complying with the biodiversity, productive, ES, and social criteria were initially outlined and assessed, resulting in the five areas prioritized for intervention. The alternative of selecting degraded areas distant to PA and their buffer zones was discarded as the GEF Regional Silvopastoral Project demonstrated that implementing SPS in cattle ranching landscapes close to PAs enabled PA and SPS biodiversity protection outcomes to reinforce one another, leading to stronger eco-regional biodiversity protection.

As for project technical design alternatives, extending the GEF Regional Silvopastoral Project#s model of offering only short-term payments to all SPS on similar terms was

discarded, as it would provide excessive support to those systems that are highly privately profitable, and insufficient support to those systems that provide high levels of environmental services but are not very privately profitable. The differentiated approach adopted under the project of (i) facilitating access to credit and TA to support adoption of highly profitable SPS; (ii) short-term payments to SPS that are privately profitable once established; and (iii) long-term payments to SPS that provide high levels of ES but are less profitable for farmers, better respond to field conditions, allows a much larger area to be reached for the same cost, generates a mix of land uses that provides higher levels of environmental services, and better ensures the long-term sustainability of land use that are particularly environmentally valuable.

Given FEDEGAN#s key role in ensuring positive project impact, both because of its influence on cattle ranching development and its interest in the subsector#s transformation to sustainable production models, as well as its ample experience in the administration of public funds and project execution by delegation of the GoC, an alternative choice of lead executing agency has been discarded. The association has full support from State entities involved in the sector and maintains a good reputation in several of the regions selected for project intervention.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
The environmental and social assessments conducted during project preparation include frameworks to address related safeguard policy issues.

An institutional assessment conducted to evaluate the strengths and weaknesses of each core partner agency (FEDEGAN, CIPAV, FPAA, and TNC) concluded that despite FEDEGAN#s capacity to efficiently administer funds, as recognized the Colombian General Comptroller#s Office, it has no prior experience in Bank safeguard or fiduciary procedures. FEDEGAN#s procurement risk is considered moderate. Therefore, activities under component 4 would initially focus on identifying up-front training needs in FEDEGAN, both at the central and the regional levels. Tailor-made capacity building activities would be designed and implemented, including for the execution of the project#s Environmental and Social Management Plans under the frameworks.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
Stakeholders such as the National Planning Department (DNP), the Ministries of Agriculture and Environment, FINAGRO, Regional Environmental Authorities, local authorities, technical assistance providers, NGOs specializing in sustainable rural development, and producer associations would need to be actively engaged in project implementation to ensure that the proposed strategy for the broader adoption of environment-friendly cattle ranching production systems in Colombia is validated and scaled up. A Public Policy Committee comprised of representatives of the MAVDT, the MADR/FINAGRO, the DNP, and the Association of CARs (ASOCARS) would advise the overall implementation of the proposed project and provide guidance on its scope.

The institutional assessment identified a number of key regional and local partners that the project can associate with in each region to maximize its positive impacts. Therefore, it is foreseen that FEDEGAN would enter into agreements with these stakeholders such as regional environmental authorities, governors and mayors (interested in providing co-financing for PES and/or SPS implementation), local planning councils, universities (to ensure the replicability of capacity-building efforts), and other local NGOs working on similar activities for sustainable rural development.

Additional national partners have also been identified to scale up project impacts. These include agricultural research and development institutes such as CORPOICA and INCODER, the National Learning Service (SENA), AGROECOTUR and other NGOs supporting agro/ecotourism in rural farms.

Participation Strategy. First-year efforts would focus on adequate outreach activities to inform stakeholders of project strategy and SPS benefits, as well as on adjusting proposed connectivity corridors to on-site realities. Initial peer-to-peer sessions and visits to farms successfully implementing SPS would take place with potential participants identified in each area to demonstratively explain SPS benefits, discuss associated implementation costs and technologies for different ecosystems, jointly identify possible funding sources, and discuss farmer concerns to adjust local strategies. Replication of PY1 training activities would be sought with support from local and regional cattle ranching associations/committees and TA providers. Neighboring farms not selected to participate but interested in adopting SPS would have access to training offered under the project. Consultations on project progress with key public officials and local participant representatives would take place in the framework of the project#s advisory Public Policy committee, as well as in regional events described above.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:	
Was the document disclosed **prior to appraisal?**	Yes
Date of receipt by the Bank	07/17/2009
Date of "in-country" disclosure	07/21/2009
Date of submission to InfoShop	07/29/2009
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
Resettlement Action Plan/Framework/Policy Process:	
Was the document disclosed **prior to appraisal?**	
Date of receipt by the Bank	
Date of "in-country" disclosure	
Date of submission to InfoShop	
Indigenous Peoples Plan/Planning Framework:	
Was the document disclosed **prior to appraisal?**	
Date of receipt by the Bank	
Date of "in-country" disclosure	

Date of submission to InfoShop	
Pest Management Plan:	
Was the document disclosed **prior to appraisal?**	Yes
Date of receipt by the Bank	07/17/2009
Date of "in-country" disclosure	07/17/2009
Date of submission to InfoShop	07/29/2009

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	No
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	N/A
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes
Is a separate PMP required?	No
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	N/A
OP/BP 4.36 - Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes
Does the project design include satisfactory measures to overcome these constraints?	Yes
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	No
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
Have relevant documents been disclosed in-country in a public place in a	Yes

form and language that are understandable and accessible to project-affected groups and local NGOs?	
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to safeguard policy measures been included in the project cost?	Yes
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes

D. Approvals

Signed and submitted by:	***Name***	***Date***
Task Team Leader:	Mr Juan Pablo Ruiz	08/03/2009
Environmental Specialist:	Ms Nicole Andrea Maywah	07/30/2009
Social Development Specialist	Ms Pilar Larreamendy	07/31/2009
Additional Environmental and/or Social Development Specialist(s):		
Approved by:		
Regional Safeguards Coordinator:	Mr Reidar Kvam	
Comments:		
Sector Manager:	Ms Ethel Sennhauser	08/03/2009
Comments:		