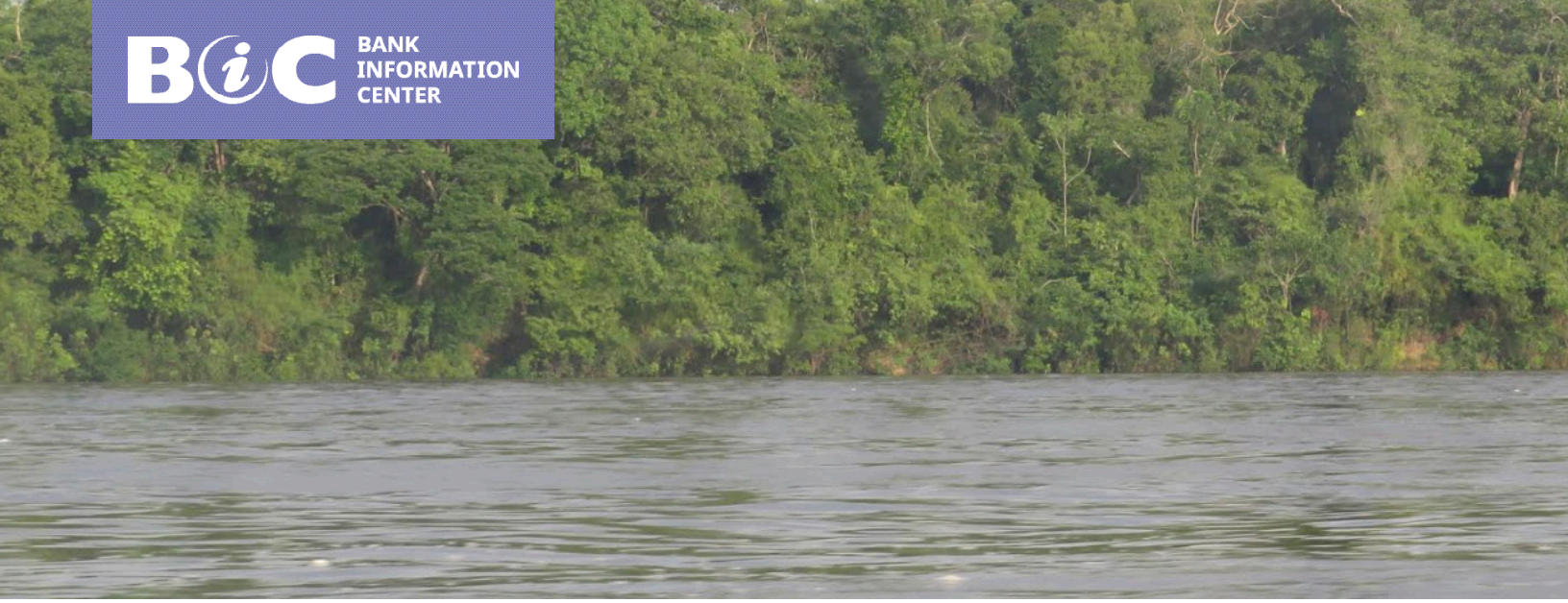

Colombia Country Forest Note: Will World Bank projects live up to the plans?

BY LADD CONNELL & CAROLINA JUANEDA

Overview and Comment: Communities and Conservation vs. Cattle and Conflict

The World Bank's Country Forest Note (CFN)[1] on Colombia, written in 2017 and disclosed at the end of 2018[2] , focuses on the many projects that have been funded to reduce the rate and destructiveness of deforestation happening in Colombia. The CFN also addresses the National Development Plan (NDP) and the deforestation goals it set. It does a good job of linking forests to Colombia's overall plans for sustainable development, as set forth both in the NDP and the Country Partnership Framework (CPF). However, as it follows the NDP and CPF (which covers FY2016 to FY2021), it can only serve as a tool to fit forests into those plans, rather than serve as an input to them.

The CFN also sets forth an ambitious forests and land-use agenda for which the Bank's investment projects seem well-suited. Policy loans, however, form a heavy majority of the forests and land-use portfolio, and because they depend entirely on the government for follow-through once prior actions are completed, carry higher risks. These include exacerbating land conflicts that could eventually lead to deforestation rather than protecting forests. Experience, such as with unintended consequences of the $800M Territorial Development DPL on marginalized communities, give reason for caution.

More overarching concerns relate to Colombia's social and environmental dynamics.[3] For example, the CFN does not effectively address, or in some cases acknowledge:

- The fragility of the peace process, based in part on ongoing tensions around land tenure, in Colombia.
- The overall lack of regional cooperation on environmental conditions in the Amazon basin. The Amazon Sustainable Landscapes (ASL) includes a project that promotes coordination, collaborative work, and creating synergies among the national ASL projects, but this does not assure broader regional cooperation on natural resources.
- Reprisals against environmental defenders in the Amazon. It is not possible to succeed with pro-forests projects and programs if guardians of the forests (ethnic communities) are under constant threat.
- The small size of the conservation sector relative to activities such as livestock raising. The WB

is promoting a more sustainable livestock sector, but the balance of power (and money) remains heavily skewed in favor of livestock over conservation land uses.

- The Colombian government's failure to address widespread land-grabbing by business interests, which reflects the absence of a comprehensive cadaster, a weak and corrupt land titling process, and a network of illegal activities, especially at borders.

CFN Summary

The CFN reports that forests cover 53.6% of Colombia's land. The deforestation rate in Colombia between 1990-2010 was 310,349 ha/year;[4] in 2015 124,000 ha. (0.2% of forests) were lost, which is 12% drop from2014, and 60% drop from the 1990-2010 rate (0.51% p.a.). Despite the high forest cover, formal forest products only represent 0.6% of Colombia's GDP.

Colombia's NDP has committed to many goals, including the reduction of annual deforestation to 90,000 ha/ year, achieving zero-net deforestation by 2020, ending the loss of natural forests by 2030, and lowering the number of hectares used for cattle grazing. Programs focused on reducing deforestation have been implemented specifically in Orinoco and Amazon regions and should also target the Pacific region. These three regions together comprise 81% of forest cover, and 70% of land-use related[5] CO2 emissions.

The World Bank Group's Colombia Country Partnership Framework (CPF) for FY 2016-2021 supports the government's agenda towards a "balanced territorial development and the need for enhanced capacity for natural resource management in target regions" (p. 8). The World Bank commits to support this in the three regions which most lack development opportunities, and in this respect, the CFN appears to reflect the CPF.

The CFN explains that Colombia made efforts to grow the forestry sector, but the results did not live up to expectations. More investments are needed to overcome barriers. Colombia committed to reducing the areas of conventional cattle ranching from 39 million ha. to 28 million ha. (still nearly a quarter of Colombia's land area); the 11 million ha. freed up would either be transformed to sustainable livestock, be released for conservation, or be used to promote rural development. Under the Joint Declaration of Intent for the Reduction of Deforestation in Colombia entered into in 2015 with Germany, Norway, and the United Kingdom (GNU), Colombia committed to establishing a National Financial Instrument that can receive and channel contributions make for land-use smart policies.

The CFN provides a chart outlining four success factors for reducing deforestation—coordination, land policy, green growth, and forestry policy--s with the World Bank Group's planned policy/program response, and what will be asked of the GNU to support. This appears to be a good example of coordination between the World Bank Group and the GNU as the main forest sector donors.

National protected areas cover 15% of Colombia's natural forests, while Indigenous reserves cover 43% (p. 17). More than 11 million people inhabit the forests, but there is a lack of updated datasets, so following these trends is hard. Small scale logging and access to non-timber forest products are crucial to forest residents' livelihoods. Colombia's forest sector in is not yet fully developed; its structure hinders management, marketing, and technological innovations in forest products. Improvements in land-use systems would help Colombia, particularly encouraging sustainable rural development, per the CFN.

The Agriculture, Forestry, and Land-Use (AFOLU) sector is the largest source of greenhouse gas (GHG) emissions in Colombia (p.23). AFOLU represents 45% of the mainland area, and in 2012 emitted 43% of GHG. While deforestation has been reduced significantly since 2000, it is still happening on a scale larger than Colombia has set as a goal. It is one of the few countries to voluntarily submit its forests reference emission levels to the UNFCCC, covering the period of 2000-2012 for the Amazon biome, which covers 40% of Colombia's land surface.

According to the CFN, "There is a geographical overlap between municipalities with high forest carbon content and municipalities with high values of conflict indicators" (p. 25). Between 1990 and 2013, over 50% of deforestation happened in areas that were experiencing armed conflict. While active armed conflict contributed to forest loss, it also helped with conservation-- partly because farmers were forced to leave their land, and because it prevented the construction of large-scale projects. The main causes of deforestation have been illicit crop cultivation and cattle pastures; both are connected to violence and often unlawful land acquisition. These land uses are inefficient and can create low soil productivity, which leads to heightened pressure to clear more

forests to expand agriculture. Agriculture accounted for 2.4 million recorded jobs in Colombia in 2011, with 0.6 million of them being livestock. Livestock occupies 35 million ha., yet only 15 million ha. are suitable for it (p. 26). The Ministry of Agriculture and Rural Development is beginning collaboration with stakeholders developing packages[6] to promote climate-smart agriculture and reduce pressure on natural forests.

The Colombian National Development Plan (NDP) for 2014-2018, NDP combines the National Strategy for REDD+ (ENREDD+), the Low Emissions Development Strategy, and other policies intended to contribute to climate change mitigation. The goals set for national development, and climate change mitigation include: [i] reducing annual deforestation in Colombia to 90,000 ha. or less by 2018[7]; [ii] achieving zero net deforestation in the Colombian Amazon by 2020; [iii] restoring 210,000 new ha. by 2018, and 700,000 more by 2020; and [iv] ending loss of natural forest by 2030[8].

Along with these welcome efforts and goals from the NDP, Colombia has also been implementing national plans to transform the AFOLU sector such as: advancing the implementation of REDD+, Implementing the program "Vision Amazonia" with financial support from REDD+ Early Movers, designing a program for the Orinoco Region with support from the BioCarbon Fund Initiative for Sustainable Forest Landscapes (ISFL), designing and implementing 4 NAMAs in the agricultural sector[9], fighting illegal logging through a three-part strategy[10], and restoring approximately 85,600 ha.

Section four of the CFN is focused on the World Bank's engagement and support for Colombia's climate change, forest protection, and agricultural development goals through the growing number of programs being funded. As stated, the 2015 Systematic Country Diagnostic (SCD) pointed out that the costs of environmental degradation are high and that Colombia needs investments to improve forests, now. The World Bank also supports the NDP, and the views of Colombia NDP and the Colombia CPF are aligned. Table 2 of the CFN outlines World Bank land-use, land administration, and forestry related programs in Colombia.[11] This section details several projects, what the goals are, and how they align with bigger picture goals such as the NDP.

Analysis: Challenges and Opportunities

The CFN documents clearly the scope and nature of the Bank's engagement. The sum of its projects is just shy of $2 billion, quite large in the land-use/forestry context. However, the bulk (81%) of the World Bank's funding is for two Development Policy Loans which actually provide general budget support. One, the $800M Territorial Development DPL, was reviewed by BIC in 2018,[12] and found to have mixed results in terms of tenure rights and consequent environmental impacts. The other, the $800M Green Growth DPL, supports measures for 1) green growth in transport, energy, environmental health, and disaster risk management; and 2) reducing particulate matter (PM) in the air, strengthening regulatory and economic instruments for reducing water pollution, and increasing capacity for solid waste disposal and enhancing waste recycling. All that is welcome, but at best indirectly related to forests.

As for the remaining programs, nearly half ($170M) relate to Colombia's multi-purpose cadaster, for which greater consideration of smallholders, minorities, and ethnic communities will be key if it is to be effective, either for poverty alleviation or environmental conservation. The largest project in this category (potentially negative impacts to forests) is the recently approved "Multipurpose Cadaster Project," totaling US$100 million. While its stated purpose is "to strengthen tenure security and provide access to cadaster information," which should be positive, differing abilities of communities (vs. investors, e.g.) to take advantage of this could potentially exacerbate land conflicts and have a negative impact on forests and forest-dependent peoples. The report done by BIC "The World Bank and Colombia's Territorial Development Policy Financing: Whose land is it, anyway?" identifies the disconnect between the significant risks of land conflict and the project's safeguards analysis, which considers environmental and social impacts to be minor, site-specific and easily manageable. Missing from the CFN is any mention of the high risk this project represents to smallholders, minorities and ethnic communities, since it could exacerbate existing land conflicts and land markets.

The next largest program area is the $100M Regional (Colombia, Peru, Brazil) Amazon Sustainable Landscapes (ASL) Program, funded by the Global

Environment Facility. This is aligned with the $22M GEF-funded[13] Heart of the Amazon Program, certainly a key forest conservation initiative. The other key land-use program is the BioCarbon Fund's $36M[14] Orinoquia Sustainable Integrated Landscapes (OSIL) Emissions Reduction Program. Between this and the Amazon programs, over half of Colombia's territory is supported by sustainable land management efforts. The OSIL program is complemented by the $21M Mainstreaming Sustainable Cattle Ranching Project, which includes scale-up of silvo-pastoral systems in Colombia. As the CFN states, these "Sustainable Forestry and Land-Use Smart Interventions" are programmatic approaches in line with the WB Forest Action Plan as well as the CPF.

The CFN also describes Colombia's Financial Management Committee, a coordination mechanism under the National Climate Change System, SISCLIMA, which brings national stakeholders together to work on climate change (p. 42). Created by decree in April 2016, SISCLIMA coordinates with institutions to propel climate change actions and implementation of climate change priority strategies.[15] Colombia is planning on establishing a National Financial Instrument to receive and channel contributions for land-use smart policies, projects on the ground, and verifying emission reductions. This includes the coordination of a committee with equal representation from central and regional governments, civil society, and indigenous peoples. For this committee to be effective it needs more support, as stated on page 43. The World Bank could partner with Colombia on this to support and add structure.

Conclusion: Key Concerns Remain Unanswered

The CFN concludes, correctly, that now is the right time to promote sustainable land-use and forest management in Colombia because the country is at a turning point. "In the post-conflict context, finance from countries is important to support the Government in building a lasting and sustainable peace while also providing economic opportunities in rural areas. It is important to ensure that these are connected to environmental objectives, and not just designed for primarily economic reasons" (p. 44). Well-targeted support from the World Bank as well as other donors is crucial to accomplish all the stated goals.

A question that arises throughout the CFN is: ***how many of these goals is Colombia going to be able to accomplish?*** The government has reasonable financial support, but some of the goals seem too open-ended, as well as placing too much reliance on the World Bank. Another concern is ***how are the people of Colombia and their livelihoods going to be affected, and will there be financial or other support for marginalized populations who may be affected negatively by policy changes? How will the DPLs affect smallholders and ethnic communities in rural areas?*** The CFN focused on forest and land-use solutions, which are crucial, but it does not say how rural and indigenous peoples will be protected and engaged as stakeholders. In a fragile, post-conflict setting, stakeholder engagement is also critical for success.

In sum, while the CFN is effective in describing the plans and projects that Colombia and the Bank have to address forest issues, it misses an opportunity to integrate fully and forthrightly the key issue of discrimination and inequality that continues to plague Colombia's forest-dependent communities --and that have undermined efforts to improve management of Colombia's forests and to achieve sustainable development more broadly.

References

[1] Braun, Franka; Castro, Augusto; Martinez, Rodrigo. 2017. Colombia: Programmatic Forest Country Note: Deep Dive into Forest & Landscape-Smart Investments (English). Washington, D.C.: the World Bank Group. http://documents.worldbank.org/curated/en/892731545423859022/Colombia-Programmatic-Forest-Country-Note. Quotations o references given below are with page numbers.

[2] The official publication date is November 6, 2017; the official disclosure date is December 21, 2018. The gap between publication and disclosure has not been explained.

[3] There are, however, other sources of analysis that address these issues. We recommend, in addition to BIC's own work on the Colombia Territorial DPL, several reports by Asociación Ambiente y Sociedad (AAS): Research "Reaching the Point of No Return" in alliance with RFN and other five countries, analyzes the role of tropical forest and indigenous on Colombia's NDC. https://d5i6is0eze552.cloudfront.net/documents/Publikasjoner/Andre-rapporter/RF_Point_of_no_return_1218_web.pdf?mtime=20181203131631 . Proposal on Guidelines for Community Participatory Forest Monitoring. https://www.ambienteysociedad.org.co/colombia-esta-perdiendo-sus-bosques-por-que-no-trabajar-con-las-comunidades-desde-su-saber-ancestral-para-monitorear-el-territorio-2/. Evaluation of opportunities for participation and access to climate finance in Colombia. https://www.ambienteysociedad.org.co/evaluacion-de-oportunidades-de-participacion-y-acceso-al-financiamiento-climatico-en-colombia/

[4] This did not happen. https://maaproject.org/2019/colombia-2018-4/.

[5] Or, more properly, emissions generated from AFOLU: agriculture, forestry, and other land use.

[6] "7 A variety of sustainable agricultural practices already promoted in Colombia could contribute toward climate change mitigation, if taken to landscape scale. Climate smart agriculture (CSA) is already practiced in Colombia. However, these practices have a low adoption rate and are often implemented at non-significant scales (World Bank et al., 2015). This is in part, because the absence of properly designed incentive packages (including technological packages, technical assistance, and financial incentives, among other) constrain their adoption" (p. 27).

[7] According to Global Forest Watch, Colombia lost 347,000 ha. of natural forest in 2018, or almost four times the target deforestation rate.

[8] We have not been able to find statistics on whether any of the other goals for 2018 were met.

[9] NAMA: Nationally Appropriate Mitigation Actions, the 4 mentioned here are: "[i] the Forestry NAMA, which will cover activities on restoration and reforestation; [ii] the Productive and Technological Reconversion of Colombia's Panela Sector; [iii] the Sustainable Bovine Livestock; and [iv] the Sustainable Coffee Production" (p. 34).

[10] Three part strategy:"[i] the implementation of the "Strategy for the Prevention and Control of Illegal Wildlife Trafficking"; [ii] the implementation of an agreement for the legality of the wood value chain, in which 71 institutions are committed to supply and buy legally harvested wood; and [iii] actively participating in The EU's Forest Law Enforcement, Governance, and Trade initiative (FLEGT). Among achievements from efforts for fighting illegal logging, we highlight the 273,000 m3 of wood confiscated between 2012 and 2014" (p.34).

[11] CFN [p. 36] Table 2. World Bank land-use, land administration & forestry related programs in Colombia

[12] See Colombia - First Programmatic Territorial Development Policy Financing (DPF): https://bankinformationcenter.org/en-us/project/colombia---first-programmatic-territorial-development and the full report here: https://bankinformationcenter.cdn.prismic.io/bankinformationcenter%2F86a43328-f529-4de8-bd67-be05393c358e_colombia+bic+report_jun2018_web.pdf.

[13] This consists of a 1st $10.4M tranche (referenced in the CFN), supplemented in October 2017 (after the CFN had been completed) by $12M additional financing. See http://documents.worldbank.org/curated/en/834811508509226338/pdf/CO-Forest-Conservation-AF-PP-Disclosable-Version-P158003-17oct17-10172017.pdf

[14] This was reported at $50M in the CFN, but the ultimate total as approved in August 2019 was $36M, of which $20M is from the BioCarbon Fund, along with $10M in counterpart funding and $6M from the GEF.

[15] Institutions being: the Climate Change National Adaptation Plan (CCNAP), the Colombian Low Carbon Development Strategy (CLCDS), the National Strategy to Reduce Deforestation and Forest Degradation (ENAREDD+), and the Intended Nationally Determined Contributions (NDC).

FOR FURTHER INFORMATION ON THE ISSUES RAISED IN THIS REPORT, PLEASE CONTACT BANK INFORMATION CENTER AT:

1023 15th St. NW, 10th Floor, Washington, DC 20005 Tel.: (202) 737-7752 Email: info@bankinformationcenter.org