

Concept Note

Green and inclusive forest business in Colombia: a sustainable REDD+ facility with climate, social and biodiversity benefits

Colombia | FondoAcción

4 June 2020



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Concept Note

Project/Programme Title:	Green and inclusive forest business in Colombia: a sustainable REDD+ facility with climate, social and biodiversity benefits
Country(ies):	Colombia
National Designated Authority(ies) (NDA):	National Planning Department
Accredited Entity(ies) (AE):	Fondo para la Acción Ambiental y la Niñez (Fondo Acción)
Date of first submission/ version number:	<u>2020-06-03 V.1</u>
Date of current submission/ version number	<u>2020-06-03 V.1</u>



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Notes

- The maximum number of pages should **not exceed 12 pages**, excluding annexes. Proposals exceeding the prescribed length will not be assessed within the indicative service standard time of 30 days.
- As per the Information Disclosure Policy, the concept note, and additional documents provided to the Secretariat can be disclosed unless marked by the Accredited Entity(ies) (or NDAs) as confidential.
- The relevant National Designated Authority(ies) will be informed by the Secretariat of the concept note upon receipt.
- NDA can also submit the concept note directly with or without an identified accredited entity at this stage. In this case, they can leave blank the section related to the accredited entity. The Secretariat will inform the accredited entity(ies) nominated by the NDA, if any.
- Accredited Entities and/or NDAs are encouraged to submit a Concept Note before making a request for project preparation support from the Project Preparation Facility (PPF).
- Further information on GCF concept note preparation can be found on GCF website [Funding Projects Fine Print](#).

A. Project/Programme Summary (max. 1 page)			
A.1. Project or programme	<input checked="" type="checkbox"/> Project <input type="checkbox"/> Programme	A.2. Public or private sector	<input type="checkbox"/> Public sector <input checked="" type="checkbox"/> Private sector
A.3. Is the CN submitted in response to an RFP?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, specify the RFP: _____	A.4. Confidentiality¹	<input type="checkbox"/> Confidential <input checked="" type="checkbox"/> Not confidential
A.5. Indicate the result areas for the project/programme	<p>Mitigation: Reduced emissions from:</p> <input type="checkbox"/> Energy access and power generation <input type="checkbox"/> Low emission transport <input type="checkbox"/> Buildings, cities and industries and appliances <input checked="" type="checkbox"/> Forestry and land use <p>Adaptation: Increased resilience of:</p> <input checked="" type="checkbox"/> Most vulnerable people and communities <input checked="" type="checkbox"/> Health and well-being, and food and water security <input type="checkbox"/> Infrastructure and built environment <input checked="" type="checkbox"/> Ecosystem and ecosystem services		
A.6. Estimated mitigation impact (tCO₂e over lifespan)	6,017,000	A.7. Estimated adaptation impact (number of direct beneficiaries and % of population)	8,000 families
A.8. Indicative total project cost (GCF + co-finance)	Amount: USD 11,000,000	A.9. Indicative GCF funding requested	Amount: USD 10,000,000
A.10. Mark the type of financial instrument requested for the GCF funding	<input checked="" type="checkbox"/> Grant <input type="checkbox"/> Reimbursable grant <input type="checkbox"/> Guarantees <input type="checkbox"/> Equity <input type="checkbox"/> Subordinated loan <input type="checkbox"/> Senior Loan <input type="checkbox"/> Other: specify _____		
A.11. Estimated duration of project/ programme:	a) disbursement period: TBD b) repayment period, if applicable: _____	A.12. Estimated project/ Programme lifespan	72 months.
A.13. Is funding from the Project Preparation Facility requested?²	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other support received <input type="checkbox"/> If so, by who: _____	A.14. ESS category³	<input type="checkbox"/> A or I-1 <input checked="" type="checkbox"/> B or I-2 <input type="checkbox"/> C or I-3
A.15. Is the CN aligned with your accreditation standard?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	A.16. Has the CN been shared with the NDA?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
A.17. AMA signed (if submitted by AE)	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If no, specify the status of AMA negotiations and expected date of signing: _____	A.18. Is the CN included in the Entity Work Programme?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>
A.19. Project/Programme rationale, objectives and approach of programme/project (max 100 words)	The project seeks to accelerate the implementation of REDD + in Colombia, based on the existing capacities and the learning and challenges of activities implemented to date, in payment for results programs and projects. The loss of forests, with the consequent emission of GHG, and the high vulnerability of the territory, communities and production systems, require a significant boost to what has so far proven to be a real opportunity to fight deforestation, since it is based on strengthening forest governance and profitable and sustainable businesses associated with forest conservation and zero deforestation value chains.		

¹ Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy ([Decision B.12/35](#)) and the Review of the Initial Proposal Approval Process ([Decision B.17/18](#)).

² See [here](#) for access to project preparation support request template and guidelines

³ Refer to the Fund's environmental and social safeguards ([Decision B.07/02](#))

B. Project/Programme Information (max. 8 pages)

B.1. Context and baseline (max. 2 pages)

Colombia has a significant progress regarding UNFCCC requirements, that has been supported by FCPF, UN-REDD, GIZ, USAID, GEF, and Germany, Norway, and UK governments through REM initiative, among others, and has the following instruments to promote REDD+: National REDD+ Strategy “Comprehensive Strategy for Control of Deforestation and Forest Management (EICDGB)”, formulated in an inclusive participatory and technical process, that ended in 2018; a robust system for monitoring forests and carbon, which is the main source of basic information for generation of reference levels of forest emissions and performance reports to results-based payments scheme, and to design measures and actions to control deforestation; and a Safeguards Information System that facilitates the collection and dissemination of information on how social and environmental safeguards are being addressed and respected.

Colombia has been designing and implementing demonstrative actions through results-based payments schemes: “Visión Amazonia” in Amazon region (REM initiative), and “Sustainable Forest Landscapes Initiative” in Orinoquia region (BioCarbon Fund). This scheme, which seeks to replicate in other regions, includes strengthening forest governance, sustainable agriculture development, territorial environmental planning, and control of deforestation with participation of regional administrative authorities and public force, among other actions.

Furthermore, REDD+ mechanism has been addressed at projects level, which started in 2010 as early implementation initiatives and today constitute a viable and profitable option for forest management. Colombia created a domestic market for carbon credits, based on carbon tax (Law 1819/2016) and an offset (carbon-neutrality) mechanism (Decree 926/2017); eligible initiatives for carbon neutrality include forestry projects.

Fondo Acción has strong experience in developing community REDD+ projects in ethnic territories (afroColombian and indigenous people) based on a process of strengthening community governance, promoting fair trade agreements for carbon credits purchase, and enhancing value chains to generate feasible economic alternatives to logging. Fondo Acción is the administrator of the main community REDD+ portfolio in Chocó Biogeográfico, currently supported by Sustainable Colombia Fund, to avoid the deforestation of 3,529 ha of forest annually, achieve the conservation of 700,000 ha of forest, and avoid the emission of 1,500,000 tCO₂ annually caused by degradation and deforestation.

B.2. Project/Programme description (max. 3 pages)

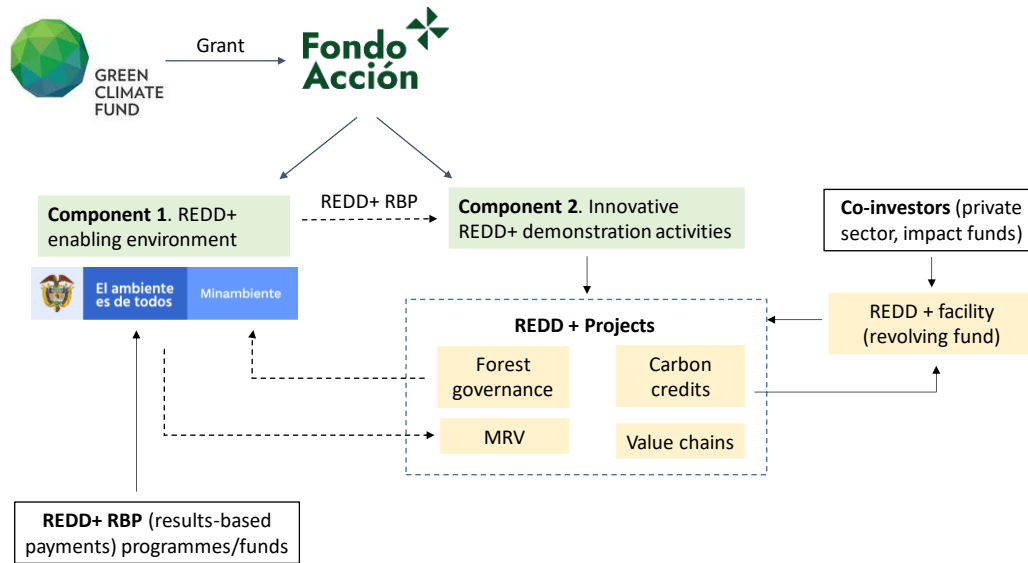
The project will develop an integrated model to: enhance ongoing efforts in forest monitoring involving local key stakeholders, increase capacities of municipalities to address deforestation and promote a forest-based economy, support institutional arrangements to improve deforestation control, support community-based forestry units, increase capacities of regional environmental authorities for forest management and control, develop and access specialized markets for products derived from a forest economy (timber and non-timber forest products) and increase participation of all relevant parties.

This initiative will provide lessons and experiences to scale-up forest-based models at national level, specifically in forest areas of the Colombian Pacific region, which face similar economic and social problems, which represent a risk for the conservation of natural forests. Also the project will build on experiences and lessons from the implementation of pilot initiatives currently underway in the country.

Achieving income generation goals requires the development of a set of financial and market incentives to ensure feasibility of forest-based business; thus the project will need active participation of private sector companies interested in generating value added and consolidate supply chains of sustainable products. The project includes a strong financial strategy that will allow local communities and supporting institutions to analyze the most feasible products and businesses taking into account market opportunities, costs of production, logistics, human resources available, as well as other factors that could determine the economic, environmental and social feasibility of the forest-based business.

Private sector will be involved in the implementation of market incentives such as business-to-business programs, market linkages, strengthening of supply chains and others needed to allow market access of forest and sustainable agriculture products and services. Universities and technical assistance services will be involved to support training and monitoring programs and other activities targeted to strengthen capacities of the project beneficiaries.

The following scheme represents the model to be developed:



Component 1. REDD+ enabling environment

REDD+ actions must be developed according to the existing forest governance provided by the national (National REDD+ board), regional and local (forest boards) environmental policies. Weak governance structures must be strengthened to ensure an effective decision-making process. The national regulatory framework establishes hierarchies and functions in the National Environmental System (Law 99 de 1993), including the following in descending order: Ministry of Environment and Sustainable Development (MADS in Spanish), Regional Autonomous Corporations, Departments and Districts or Municipalities, ethnic authorities recognized by law. There are other national different coordination mechanisms, and national, regional and local institutional arrangements, which support decisions-making related to forest governance and management, including measures and actions to reduce deforestation:

1. National Environmental Council
2. REDD+ National Board
3. Intersectoral Commission on Climate Change and Technical Committees (currently Conaldef, National Council to fight deforestation).
4. National Forest Board
5. Climate Change Regional Nodes
6. Regional Forest Boards: Putumayo, Caquetá, Amazonas, Guaviare
7. Regional Land Management Commissions
8. Territorial planning councils
9. Regional Environmental Councils of Macro-basins
10. Basin councils

Local and traditional systems are involved at the national level through the National Environmental Council, the REDD+ National Board, the Forest Board and the structure of the National Council to fight deforestation (Conaldef). At regional level, local organizations, indigenous peoples and other ethnic groups or civil society parties are invited to participate in the regional nodes of climate, regional forest boards and other structures listed above (6 – 10). Besides, the National Safeguards System involves Community Action Meetings (JAC in Spanish) to facilitate the dialogue among stakeholders and establish mechanisms to strengthen forest governance at the local level, such as local forest working-tables or tracking action committees.

Colombian legal framework is governed by the National Constitution of 1991 (Art. 2, 13, 20, 38 and 80), which grants the fundamental right of access to public information and other binding instruments such as: mechanisms of information request under constitutional rights, public procedures and expenditure auditing and third party intervention in administrative proceedings.

In addition, the forest governance structure is legally addressed by the National Environmental System (SINA) led by the MADS. The SINA is comprised of 33 regional and six urban autonomous authorities and, five scientific research institutes. These institutions are responsible for the implementation of the national forest management strategies, which includes the forest policy, the forest resource management regime and consequently, the implementation of REDD+ initiatives. In compliance with Colombian forest regulation, the Government defined the instruments for ecosystems planning and management and established participation and discussion spaces on national forest reserves and zoning of protected areas.

In Colombia the information on protected areas, such as management plans and geolocation/zoning characteristics, is publicly accessible and is compiled in the National Protected Areas Registry (RUNAP in Spanish) under the National System of Protected Areas (SINAP in Spanish), which includes public and private governance schemes for all the different protection categories.

Other communication channels between the government and local and ethnic communities are: National Climate System (SISCLIMA in Spanish), the cross-sectoral Commission for Control of Deforestation and the integral management of the Permanent Consultation Board of Indigenous Communities, the Amazon Indigenous Board, the Environment and Rights board of Afrocolombian communities and the Environment and Climate Change Board of Indigenous communities (MIACC in Spanish).

Finally, the national regulation of SINA's entities, which defines roles to strengthen capacities of communities through training and communication programs to promote greater knowledge of general environmental issues. Particularly, capacities on REDD+ are necessary to enhance and facilitate the informed, documented and analyzed decision-making processes of the local and ethnic communities. On this regard, the EICDGB has an action line focused on strengthening capacities for decision-making of local communities and institutional capacity building to respond in a timely manner to difficulties associated to monitoring and enforcement of deforestation prevention.

The following components and activities will be implemented:

Subcomponent 1.1: Enhancing of REDD-oriented ruling framework: Resolution 1447 of 2018 designs the system of monitoring, reporting and verification of mitigation actions at national level; however, a more comprehensive ruling framework is required for REDD+ initiatives due to legal gaps still remaining which must be solved in order to ensure the accomplishment of social and environmental safeguards. This subcomponent of the project will strengthen the ruling framework for REDD+ initiatives, spanning from new rules to address land tenure and land use conflicts, free, prior and informed consultation (FPIC) for indigenous people and afro-colombian communities and, to foster transparent relationships between carbon market stakeholders and local/native communities. New regulation aims to close the remaining legal gaps which constrain REDD+ implementation.

Subcomponent 1.2: Carbon markets: The development of voluntary carbon markets has stimulated the developing of several REDD+ implementation efforts on the ground. These approaches must comply with the national regulation, in order to ensure that REDD-based mitigation results are properly accounted for and can contribute to national climate targets. In this sense, it is crucial to create conditions to develop a national carbon market that addresses the country's needs, both of its nationally determined contribution (NDC) and its long-term strategy to reach carbon neutrality at 2050. Since these carbon markets will be supplied by mitigation results from on-the-ground-initiatives by AFOLU sector, as those oriented to forest conservation and forestry sector, it is foreseeable that REDD+ initiatives have a huge potential as source of reduced emissions, which must be aligned with the MRV system principles. The above shall result in:

- Making a more comprehensive regulatory framework to improve how social and environmental safeguards must be addressed and respected and supported by evidence
- Ruling the course of action of voluntary standards as defined by Resolution 1447 of 2018

Subcomponent 1.3: Harmonizing REDD-based results and national accounting: ongoing REDD+ projects follow guidelines of voluntary standards. As of yet, there is no coordination between these methodologies and those defined by government, as part of Resolution 1447 of 2018. The aforementioned means a constraint to ensure a well-constructed and consistent system of monitoring, reporting and verification; the strengthening of the national MRV system function is necessary through a coordinated work with several carbon market stakeholders, which includes:

- Strengthening MRV system in order to ensure its implementation
- Defining the performance of accounting rules related to forestry-based mitigation results and focused in REDD+, in particular.
- Establishing the REDD+ nesting mechanism regarding the national GHG accounting and keeping consistency as to NREF

Subcomponent 1.4: Strengthening of technical skills inside Ministry of Environment: an improvement of technical expertise inside Ministry is required in order to ensure a standing knowledge by technical staff. This capacity is a key asset necessary to respond to the needs coming from stakeholders involved with both market and non-market schemes and mechanisms from REDD+ initiatives. Keeping a technical staff, who is able to solve requirements and needs of information from stakeholders is highly required in order to increase confidence among the parties. The above will support the institutional framework making up the structure of the national safeguards system.

Component 2. Innovative REDD+ demonstration activities

REDD + projects in Colombia have been supported by financial resources of international cooperation, with little or no participation from the private sector. To increase and accelerate the creation of more REDD + projects to preserve greater proportions of forests, massively avoid the emission of GHG from deforestation and degradation and generate sustainable

development for communities in the most remote regions, it is necessary to involve the private sector, in order to increase commitments and reinforcing long-term sustainability.

Equitable and trust worthy relationships between ethnic communities, owners of collective territories, and the private sector need to exist as a prerequisite for the implementation of REDD + projects. between, , Bilateral knowledge sharing and capacity building will then enable a participatory construction process of a business model that ensures sustainable development to the ethnic communities and allows alliances that translate into benefit distribution mechanisms that promote conservation, productive development and social well-being.

The financial sustainability of the projects will be ensured, with the investment of private resources, added to revenue coming from sales of carbon certificates. A revolving fund will be created to replicate the community and private sector business model to adjacent geographies, scaling REDD + projects progressively towards jurisdictional models.

Governance strengthening: lack of economic opportunities, the deterioration of the environment due to unsustainable practices and the erosion of the social fabric, has pushed the communities to abandon sustainable traditional practices and in some cases abandon their territories. The project will start by improving and strengthening the sense of belonging to the territory and its culture, to then assess in a participatory manner the community's social, environmental and economic baseline and determine their problems and design the solutions for a shared common vision of their territory. A workshops program will be designed to reconnect people environmentally, socially, and culturally with their territory. The design will intentionally be done to encourage the participation of youth, elders and women.

REDD+ capacity building: Design and conduct a training program for community leaders and key private sector stakeholders on REDD + projects, the carbon market and Colombian environmental legislation related to it.

Implementation of a REDD+ model with communities and private sector. Models will be designed and implemented, based on Fondo Acción's experience and its role in the development of nine REDD+ projects in ethnic communities in Colombia. Fondo Acción has been safeguard of the ethnic communities' interests/rights and has worked closely with the private sector. Fondo and partners will work on an investment model that integrates conservation, sustainable productive development and social well-being. Private stakeholders can be involved in the establishment of productive chains of forest and / or agricultural products with zero deforestation; or partner in the generation and sale of environmental services; or become consumers of carbon certificates in order to fulfill their environmental commitments.

Free and informed prior consent: The REDD+ implementation plan will be built with the greatest possible participation from the community, designing a methodology with culturally appropriate materials and working with groups of youth, women and elders. For its approval, it will undergo internal discussion processes, with the support of the corresponding institutions.

Implementation of REDD + activities: REDD+ activities will be deployed, to reduce deforestation and degradation, strengthen community governance, improve traditional productive activities and alternative productive schemes will be implemented in the region, all under a zero deforestation scenario. Monitoring, reporting and verification will seek the participation of small scale loggers, in a program for transferring capacities and generating green jobs.

Verification of CO₂ emissions reduction from deforestation and forest degradation avoided: The projects will be subject to verification under quality standards in line with the guidelines of the National Government. Carbon credits will provide resources to fund project activities, distribute benefits fairly and equitably among community members and private sector investors.

Revolving fund and REDD+ model replication: With GCF funds as seed investment, Fondo Acción will set up and operate a revolving fund to support the design, validation and verification of new REDD+ projects. Resources coming from carbon sales will be used to replenish the fund so it will maintain a permanent project facility, which will increase REDD+ coverage in Colombia, in order to contribute to NDC and supply the local market.

B.3. Expected project results aligned with the GCF investment criteria (max. 3 pages)

The GCF is directed to make a significant and ambitious contribution to the global efforts towards attaining the goals set by the international community to combat climate change, and promoting the paradigm shift towards low-emission and climate-resilient development pathways by limiting or reducing greenhouse gas emissions and adapting to the impacts of climate change.

Provide an estimate of the expected impacts aligned with the GCF investment criteria: impact potential, paradigm shift, sustainable development, needs of recipients, country ownership, and efficiency and effectiveness.

Impact potential. Project activities will result in 6,017,000 tons of CO_{2eq} reduction benefiting directly 8,000 rural families. It is expected to leverage investment with GCF grants.

Paradigm shift. The Government of Colombia has identified the need to complement ongoing efforts by consolidating a forest economy based on goods and services from the forest, integrated to low-carbon rural models. In this context, the paradigm shift potential of this project lies in implementing a comprehensive approach that complements a strategy for addressing deforestation drivers based on reducing impacts of agricultural production, land use change and other high impact activities, with an strategy based on promoting a forest economy that integrates sustainable forest management, provision of sustainable agro-commodities and services, monitoring and information management and capacity building for territorial governance. This represents a new strategy to address deforestation drivers in the region while generating local benefits, increasing participation of local communities and civil society, strengthening national and local government capacities for control and management of forests and promoting a more pro-active private sector involvement.

Sustainable development.

Economic co-benefits: project will strengthen local non-timber value chains, promoting smart climate practices, increasing productivity, and access to markets diversifying local economy.

Social co-benefits: 8,000 families from vulnerable communities will be benefited from capacity building, green jobs (84 per year), and strengthening of local governance. Each REDD+ project will design a forest monitoring plan, which will be implemented with local teams made up of former loggers, generating alternative sources of income. Project will develop gender-sensitive activities, raising awareness of women's role in conservation and promoting participation in training, decision-making, and access to economic opportunities (employment).

Environmental co-benefits: project will contribute to biodiversity and environmental services conservation by improving the connectivity of natural forest, its structural functions, and the protection of natural habitats in rural landscapes.

Needs of the recipients. Notwithstanding the importance of forests, the country has lost almost 6.20 million hectares in the last 20 years, at an average rate of 310,345 hectares per year. Colombia's efforts to reduce deforestation require building transparent and reliable environments to boost forest management, scale up existing initiatives, and a consolidated portfolio for PBR that responds to domestic or international market, while allowing compliance with the NDC, and engaging private investments.

Country ownership. Project will contribute to the commitment of Colombia to reduce its GHG emissions in 20% by 2030, most of which are generated by AFOLU sector; furthermore, it responds to national goals and priorities established on EICDGB (by 2030, Colombia has a zero-gross deforestation; the life quality of the local population in forest areas will increase; ethnic groups and rural communities that live and depend on forests have strengthened their territorial governance; Colombia has decreased 32.4 Mton of CO_{2-eq} by avoided deforestation), National Development Plan 2018-2022 (stop deforestation by 2022 with territorial control and economic opportunities), and Green Growth Policy (to conserve and ensure sustainable use of natural capital).

Efficiency and effectiveness. Project will invest US\$ 8,500,000 in REDD+ projects formulation, with and expected emissions reduction of 6,017,000 tons of CO_{2-eq}. The estimated cost per tCO_{2-eq} is equal to US\$ 1,83.

We expect to start sale of carbon credits on year 5, whose resources will be invested in the facility (revolving fund) for invest in the development of new REDD + projects. This revolving fund will be capitalized with resources from private sector, investors and Fondo Acción.

The co-financing of the project accounts for 10% of the total.

B.4. Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)

Please describe how engagement among the NDA, AE and/or other relevant stakeholders in the country has taken place and what further engagement will be undertaken as the concept is developed into a funding proposal.

This proposal has been structured with the Ministry. Since 2010, Fondo Acción has supported the country preparation process, with the administration and the implementation of activities of three FCPF grants (Readiness fund), as well as the execution of resources from the ONUREDD capacity building program. This has allowed the consolidation of relations and governance structures for cooperation, planning and implementation, taking into account the needs of the country and the possibility of promoting vertical integration between policies and projects on the ground, through the management of Fondo Acción. In this project we will continue to use good practices for efficient, transparent and impactful execution.

The model of engagement with community councils is based on 20 years of experience of Fondo Acción with grassroots community organizations and lessons learned from these relations and, in particular, with ethnic ones. Fondo Acción has become a recognized actor in REDD+ initiatives, from National Authorities to local communities. From 2010 we had the opportunity to work with key stakeholders to accompany a participatory development of the REDD+ readiness proposal, support for the formulation of the comprehensive deforestation control and forest management strategy, design of a grievance mechanism, and strategic environmental and social assessment. Furthermore, Fondo Acción has been working

since 2012, supporting twenty afro-descendant and indigenous communities that covers 700.000 hectares located in four national states to design, implement, evaluate, and trade carbon credits that come from their REDD+ projects. This long and continued presence in the field has allows to get involved with a wide array of communities, sharing knowledge and experiences with them. Future alliances has to be decided by both parts, by Fondo, based on its due diligence processes, and by the community councils, which identify in Fondo a strategic technical and financial partner.

This partnership began with the interest of the community councils to work hand in hand with Fondo, based on their knowledge of other projects with communities close to their territories. The communities expressed their objective of seeking sustainable ways to conserve and use forests and natural resources, generating long-term economic alternatives based on knowledge, appropriation and governance of the territory. Fondo Acción, for its part, shared the opportunities and challenges of REDD + projects, as well as its willingness to accompany the process in fundraising for its development.

C. Indicative Financing/Cost Information (max. 3 pages)

C.1. Financing by components (max ½ page)

Please provide an estimate of the total cost per component/output and disaggregate by source of financing.

Component/Output	Indicative cost (USD)	GCF financing		Co-financing		
		Amount (USD)	Financial Instrument	Amount (USD)	Financial Instrument	Name of Institutions
REDD+ enabling environment	1,500,000	1,500,000	Grant			
Innovative REDD+ demonstration activities	8,500,000	7,500,000	Grant	500,000	Grant	Fondo Acción
Innovative REDD+ demonstration activities			Grant	500,000	TBD	Others
Project management cost	1,000,000	1,000,000	Grant			
Indicative total cost (USD)	10,000,000			1,000,000		

For private sector proposal, provide an overview (diagram) of the proposed financing structure.

C.2. Justification of GCF funding request (max. 1 page)

Explain why the Project/ Programme requires GCF funding, i.e. explaining why this is not financed by the public and/ or private sector(s) of the country.

Describe alternative funding options for the same activities being proposed in the Concept Note, including an analysis of the barriers for the potential beneficiaries to access to finance and the constraints of public and private sources of funding.

Justify the rationale and level of concessionality of the GCF financial instrument(s) as well as how this will be passed on to the end-users and beneficiaries. Justify why this is the minimum required to make the investment viable and most efficient considering the incremental cost or risk premium of the Project/ Programme (refer to Decisions B.12/17; B.10/03; and B.09/04 for more details). The justification for grants and reimbursable grants is mandatory.

In the case of private sector proposal, concessional terms should be minimized and justified as per the Guiding principles applicable to the private sector operations (Decision B.05/07).

GCF resources will allow the Government of Colombia to meet national goals for reducing emissions from deforestation and boost a forest economy at the national level while realizing paradigm shift in managing forests and promoting sustainable models to address deforestation risks and improving local livelihoods for local populations located in post-conflict areas. The Government of Colombia through the EICDGB has developed an ambitious action plan which envisions a transformation from unsustainable and inefficient development models that have generated profound changes in land uses without addressing the social and economic needs that local populations face daily. In this context the EICDGB seeks to encompass forest governance, comprehensively, and make a long-term commitment to move to a forest-based sustainable rural development, which contributes to improving the quality of life of rural communities, guaranteeing the multiple benefits derived from forest conservation and contributing to the reduction of GHG emissions and climate change mitigation.

For this purpose, the Government of Colombia with the financial support of the Governments of Germany, Norway and the UK has been leading the implementation of the Visión Amazonía Program, as an instrument to support implementation of the EICDGB in the Amazon Region. Visión Amazonía Program has invested more than USD90 million benefiting 7.400 families, transforming 14.183 ha of sustainable agriculture systems and conserving 96.177 ha through agreements with local communities.

C.3. Sustainability and replicability of the project (exit strategy) (max. 1 page)

Please explain how the project/programme sustainability will be ensured in the long run and how this will be monitored, after the project/programme is implemented with support from the GCF and other sources.

For non-grant instruments, explain how the capital invested will be repaid and over what duration of time.

Fondo Acción has learned that conservation initiatives in collective territories need to balance i) conservation goals such as: preserving the forest, as well mitigation and adaptation to climate change ii) Sustainable economic projects where sustainable use of the forest is more attractive than illegal endeavors or legal, but destructive activities and iii) strength the governance of community councils, particularly, their capacities and instruments related to managing their natural resources. Since 2012, Fondo Acción has supported 19 afro-descendant communities and one indigenous council to design, implement, evaluate, and trade carbon credits that come from their REDD+ projects. The lessons of working in REDD+ projects helped us to design and propose this project. We are using the results and knowledge to scaling initiatives that works and has proven successful.

The carbon market has been an effective mechanism in Colombia to achieve conservation and local economic development. Once this project ends, we expect that private sector investments plus carbon sales will provide for setting up the revolving fund and in the other hand provide communities with enough resources, which administered under an operating manual which includes a benefit sharing mechanism will reinvest the resources on alternative and sustainable value chains ensuring the protection of forest, and strengthening local governance for the projects lifespan. Ensuring long-term sustainability will unleash a change towards a green economy, where biodiversity protection is at the core of development.

D. Supporting documents submitted (OPTIONAL)

- Map indicating the location of the project/programme
- Diagram of the theory of change
- Economic and financial model with key assumptions and potential stressed scenarios
- Pre-feasibility study
- Evaluation report of previous project
- Results of environmental and social risk screening

Self-awareness check boxes

Are you aware that the full Funding Proposal and Annexes will require these documents? Yes No

- Feasibility Study
- Environmental and social impact assessment or environmental and social management framework
- Stakeholder consultations at national and project level implementation including with indigenous people if relevant
- Gender assessment and action plan
- Operations and maintenance plan if relevant
- Loan or grant operation manual as appropriate
- Co-financing commitment letters

Are you aware that a funding proposal from an accredited entity without a signed AMA will be reviewed but not sent to the Board for consideration? Yes No