

Methodological approach to address risk of reversals.

Colombia proposes to set aside 40% of the ER available to the GCF as an interim mechanism to manage risk of reversals. Given that discounts to address non-permanence are not considered under UNFCCC decisions and guidance, but actions to address risk of reversals are included under Cancun Safeguard F, the percentage was determined by: a) taking into account measures to address non-permanence in other RBP initiatives, specifically the FCPF, and b) considering Colombia's interpretation of Cancun Safeguard F and the actions accomplished to address and respect it.

The *Reversal Risk assessment tool* contained in the FCPF's *ER Program Buffer Guidelines* was used to evaluate the risk of natural and anthropogenic reversals (non-permanence), and to determine the percentage of ER to set aside. A number of specific indicators have been proposed under each risk factor. The risk factors analyzed were: i) Risk Factor A: Lack of broad and sustained stakeholder support, ii) Risk Factor B: Lack of institutional capacities and/or ineffective vertical/cross sectoral coordination, iii) Risk Factor C: Lack of long-term effectiveness in addressing the underlying causes, and, iv) Risk Factor D: Exposure and vulnerability to natural phenomena.

Each risk factor analyzed was evaluated according to the degree of risk (low, medium or high) for each indicator. It is important to notice that the two elements by which Colombia understands, addresses and respects safeguard F were taken into account and considered as specific indicators for risk factor B.

The following tables describe the indicators used to analyze each risk factor.

Table 1 Risk Factor A: Lack of broad and sustained stakeholder support

Indicator	Risk level	Comments
A.1 Participation of the relevant stakeholders	Low	<p>The risk factor is considered low. As stated in section <i>C.1.2. Stakeholder involvement</i> and <i>E.1.3. Consultations with stakeholders</i>, the construction of the EICDGB "Forests Territories of Life", was based on a thorough participation process within the framework for preparing the country for the implementation of REDD+. This consultation process was expanded and detailed for the formulation of the <i>Vision Amazonia</i>, which is the umbrella strategy for this proposal.</p> <p>The REDD+ participation process began in 2010 and has been supported by different initiatives, namely:</p> <p>UN-REDD Program, the World Bank's FCPF, UNDP, GIZ's Forests and Climate Change Program, and various NGOs (WWF, Ambiente y Sociedad, Fondo Acción, Fondo Patrimonial Natural, TNC, Fundación Natura, Rights and Resources Initiative, Fundación para la Conservación y desarrollo sostenible de la Amazonía). Different public, private, and civil society stakeholders, among them indigenous peoples and Afrocolombian and campesino communities, participated in national</p>

	<p>and regional spaces for dialogue to seek the best policies, measures, and actions to face and fight back deforestation.</p> <p>Means for effective participation of relevant stakeholders have been put in place by the government and will continue to be.</p> <p>At the national level, the Permanent Roundtable of Agreement with Indigenous Peoples' and Organizations Consultation (<i>Mesa Permanente de Concertación</i>) is the main instance of consultation and participation for indigenous peoples. This instance is in charge of evaluating the execution of the State's indigenous policy and monitor compliance with the resulting agreements. This roundtable is ruled by the Decree 1397 of 1996.</p> <p>In the Amazonia biome, Colombia has several participation mechanisms established that have supported and will continue to ensure the effective participation of relevant stakeholders. For example:</p> <p>At the regional level, the Roundtable of the Amazon Region (<i>Mesa Regional Amazónica - MRA</i>) is the main instance of consultation and participation of indigenous Peoples' of the Amazon Region. This instance was created through an agreement between the OPIAC and the National Government with the objective of consolidating participation of the Amazon Indigenous Peoples'. This instance was formalized through the Decree 3012 of 2005 as a space for consultation for recommending to the government institutions the formulation, diffusion and execution of sustainable development public policies targeted to IPs located in the region, as well as participation in the evaluation and follow-up of policies.</p> <p>For environmental issues, the instance of consultation is the <i>Mesa Indígena Amazónica Ambiental y de Cambio Climático (MIAACC)</i> formed as a thematic roundtable of the MRA. This body leads all consultation processes related to the indigenous environmental issues as well as the formulation and implementation of environmental planning and management guidelines to be developed in Amazonian territory. The MIAACC was created in April 2012 with the purpose of designing and building bases, as part of the process of preparing the National REDD+ strategy. This round table is formed by</p>
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		<p>twelve indigenous leaders of the Colombian Amazon (two for each department) and receives technical support from the Ministry of Environment and Sustainable Development, and OPIAC.</p> <p>For forest issues, <i>Mesas Forestales de Amazonía</i> have been installed in the Departments of Putumayo, Caquetá and Amazon. Participants in these include representatives from the private sector, government institutions and Indigenous peoples and local communities.</p>
A. 2 Existence of accessible and effective mechanisms for dealing with complaints	Medium	<p>This risk factor is medium. As described in section <i>E.1.3. Consultations with stakeholders</i> of the proposal. The country already had its own Citizen Grievance Mechanism that effectively operates and manages questions, complaints, claims and comments since 2015, and its known and use by relevant stakeholders.</p> <p>The design and implementation of the mechanism is framed within the citizen service policy as an Open Government Model, with three fundamental principles: transparency, participation and citizen collaboration. The scope of this Mechanism is clearly defined by Law (Law 1755, 2015; Decree 1166, 2016; Law 1712, 2014 & CONPES 3785).</p> <p>Each government institution has a complaint and claims system (PQR system) for stakeholders to formulate, consult and follow up on complaints, claims, and requests for information. Any stakeholder can submit a complaint to the system.</p> <p>Also, the project will establish a grievance mechanism at field level to file project's complaints and will disseminate information about it to ensure broad stakeholders' knowledge.</p>
A.3 Existence of effective legal instruments and frameworks for the resolution of disputes related to land ownership and access to natural resources	High	<p>The level of risk for this indicator is high. Although land tenure and access to natural resources is a priority for Colombia's government that has been demonstrated by the creation of the <i>Agencia Nacional de Tierras</i> and its inclusion as a central element of the peace agreement; it is still an ongoing process. As mentioned in the proposal land tenure continues to be a deforestation driver.</p>
A.4 Maintenance or improvement of the participants income	High	<p>The risk factor is considered high. The activities under output 2.1 and 2.2 will boost integrated rural development, and the project aims to improve income from forest community management and agroforestry activities compatible with forest conservation.</p>

		<p>Risks of a land use change exist due to the gap between implementing activities promoted by the project and receiving a payment for them. Given that activities driven by these outputs will be in an investment phase and that the improvement of communities' income will be generated in the mid-term, and communities might instead prefer to implement activities with immediate income.</p> <p>Also, the proposal recognizes the access to markets as an additional risk.</p>
A.5 Existence of adequate benefit distribution mechanisms	Medium	<p>The risk associated with this indicator is considered medium</p> <p>As stated in the FP, the benefits from the RBP project will be distributed taking into account the lessons learned by the government of Colombia during the implementation of Vision Amazonia. Specifically, the benefit sharing mechanism builds on the experiences, consultations and lessons learned from AVP.</p> <p>For example, the 80% of the proceeds under this FP, that will be distributed among relevant local stakeholders and the activities included in output 2 and output 3, where defined through a participatory process (AVP & EICDBG) and taking into account lessons learned from implementing vision Amazonia.</p> <p>In March 2020, the MRA (<i>Mesa Regional Indígena Amazónica</i>), agreed with the percentage established for output 3 and output 2. In this meeting, MADS committed to the distribution of at least 10% of the proceeds for output 2 to be allocated on strengthening forest governance from an indigenous perspective (minutes of this meeting are attached to the FP). This endorsement is evidence of the level of support for the benefit-sharing arrangements put in place.</p> <p>The current benefit sharing arrangements stakeholders are not only interested in improving their livelihoods through a sustainable landscape approach. A proof of this, for example, is the 20,000 families of farmers and IP that have participated in <i>Vision Amazonia</i> since the peace agreements. Moreover, they are complying with the conservation commitments associated with such support.</p>
Overall risk level of Risk Factor A	High	

Table 2 Risk Factor B: Lack of institutional capacities and/or ineffective vertical/cross sectoral coordination

Indicator	Risk level	Comments
B.1 Existing environmental and territorial planning instruments (including municipal level)	High	<p>This risk factor is high. As described in section <i>C.1.1. Compliance with Cancun safeguards</i>, the Amazon has a Regional Land Management Model.</p> <p>Also, the country has existing territorial planning instruments at the municipal level, regulated by Law 388 of 1997. The territorial planning instruments integrate environmental planning of ecosystems, risk management and sectoral development.</p>
B.2 Experience in inter-sectorial cooperation and planning	Medium	<p>This risk factor is considered medium. As described in section <i>C.1.1. Compliance with Cancun safeguards</i>, the Planning Administrative Region (RAP in Spanish) was established, among other things, to facilitate inter-sectoral agreements.</p> <p>On February 2017, the Governors Summit of the Amazonia region was held. The governors of Caquetá, Vaupés, Guainía, Amazonas, Putumayo y Guaviare signed a letter of interest to develop the Amazonian RAP. The main objective of the RAP proposed was the construction of a sustainable, competitive and peaceful development model for the Amazon region.</p> <p>Additionally, Law number 1962, from the 2019, sets organic norms for the strengthening of the administrative and planning regions, as well as the conditions for their conversion into territorial entities.</p> <p>However, the Amazonian RAP is currently in the process of being established. The senate committee on territorial planning approved it on December 2019. However, there is a risk that its formation or implementation may be delayed.</p> <p>Also, Law 388 of 1997 integrates instruments to establish sectoral development limits and provide obligations to prevent negative impacts on ecosystems.</p>
B.3 Experience in collaborating between different government levels.	High	<p>The risk associated with this indicator is considered high.</p> <p>Colombia has a long history of collaboration between the different levels of government but</p>

		<p>as stated in the proposal, the coordination and institutional arrangements among national, regional and local government levels needs to be enhanced.</p> <p>Colombia recognizes that in the initial period of the post-conflict, the strategies and actions to protect the natural heritage of the country have been implemented in a pace that has not been insufficient to fully counteract the increased pressures on ecosystems,</p> <p>As a consequence, the associated post-conflict dynamics in the Amazon region had substantial impacts on the deforestation rates reached during 2017.</p> <p>The withdrawal of <i>las FARC</i> did not mean the immediate arrival of state institutions in all municipalities, in which other actors have come promoting new deforestation processes.</p>
Overall risk level of Risk Factor B	High	

Table 3 Risk Factor C: Lack of long-term effectiveness in addressing the underlying causes

Indicator	Risk level	Comments
C.1 Experiences of disassociation of deforestation and forest degradation in relation to economic activities.	High	<p>There are a number of relevant experiences in Latin America where a community-forest based economy has reduced deforestation while increasing income and maintained forest cover over the long term. (e.g México and Guatemala). Colombia has been actively learning from those experiences in the design of the project approach under this FP. The risk associated with this indicator is considered high at this stage where limited local experiences exist in the country.</p>
C.2 Existence of a legal and regulatory context that is conducive to REDD+ goals.	Medium	<p>This risk is considered medium. Colombia has a solid legal and institutional framework to implement REDD+ as described in annex 2 of the funding proposal.</p> <p>The legal framework that is conducive to REDD+ objectives. For instance, the fact that monitoring is operational, and that this information is actively providing feedback to policymakers and stakeholders, has created positive incentives for continuous improvement of policies and actions.</p> <p>The key limitation is more related with the implementation of the legal framework.</p>
Overall risk level of Risk Factor C	High	

Table 4 Risk Factor D: Exposure and vulnerability to natural phenomena

Indicator	Risk level	Comments
D.1 Propensity and vulnerability to forest fires	High	<p>The risk of reversals due to forest fires is considered high. According to Colombia's fire risk zoning¹, of the six departments of the Amazon Biome, 4 are categorized as very low risk of fires and 2 as low. Very low risk areas: Putumayo, Amazonas, Chaqueta and Vaupés. Low risk areas: Guainía, Guaviare.</p> <p>However, fires in the Amazonia have increased since 2017. A study carried out by SINCHI recorded that between 2017 and 2018 there was an increase of 43% of hotspots and that of these more than 90% of the country's hotspots were detected in the Amazonia Region.</p>
D.2 Are there capacities and experiences in effectively preventing natural disturbances or mitigating their impacts	Medium	<p>The level of risk for this indicator is medium. Despite the emergency response mechanisms established to manage natural disturbances, it is necessary to strengthen the capacities for prevention and mitigation of natural disturbances in the different government agencies in the area. According to Colombia's climate change vulnerability and risk analysis² the institutional capacities to respond to hydroclimatic events needs to be strengthened in the government agencies of the amazon biome departments.</p>
Overall risk level of Risk Factor D	High	

The following Table below shows the *Reversal Risk assessment tool* and the resulting reversal risk set aside percentage based on the grade of risk previously identified for each Risk Factor.

Table 5 Reversal Risk assessment tool

Risk Factors	Risk Indicators	Default Reversal Risk Set- aside Percentage	Discount (increment)	Resulting Reversal Risk Set- aside Percentage
Default risk	Not applicable, fixed minimum amount	10%	Not applicable	10%

¹ See: <http://www.ideam.gov.co/web/ecosistemas/zonificacion-del-riesgo-a-incendios>

² See: <http://documentacion.ideam.gov.co/openbiblio/bvirtual/023715/023715.html>

A. Lack of broad and sustained stakeholder support	A.1 Participation of the relevant stakeholders	10%	The Reversal Risk is considered high: 0% discount	10%
	A.2 Existence of accessible and effective mechanisms for dealing with complaints			
	A.3 Existence of effective legal instruments and frameworks for the resolution of disputes related to land ownership and access to natural resources			
	A.4 Maintenance or improvement of the participants income			
	A.5 Existence of adequate benefit distribution mechanisms			
B. Lack of institutional capacities and/or ineffective vertical/cross sectoral coordination	B.1 Existing environmental and territorial planning instruments (including municipal level)	10%	The Reversal Risk is considered high: 0% discount	10%
	B.2 Experience in inter-sectorial cooperation and planning			
	B.3 Experience in collaborating between different government levels.			
C. Lack of long-term effectiveness in addressing underlying drivers	C.1 Experiences of disassociation of deforestation and forest degradation in relation to economic activities	5%	This Reversal Risk is considered high: 0% discount	5%
	C.2 Existence of a legal and regulatory context that is conducive to REDD+ goals			
D. Exposure and vulnerability to	D.1 Propensity and vulnerability to forest fires	5%	Reversal Risk is considered	5%

natural disturbances	D.2 Are there capacities and experiences in effectively preventing natural disturbances or mitigating their impacts		high: 0% discount	
Percentage to separate for the reserve: $10 + (\text{Result A} + \text{Result B} + \text{Result C} + \text{Result D})$ $= 10 + (10 + 10 + 5 + 5) = 40 \%$ 				