

## TECHNICAL COOPERATION PROFILE

FEBRUARY 2009

### I. BASIC PROJECT DATA

- **Country/Region:** Bolivia
- **Program**  
**Name/Number:** Preparation of Full-Sized GEF Project BO-X1001 "Conservation and Sustainable Use of Biodiversity and Land in Andean Vertical Ecosystems"/BO-X1005 and BO-T1122
- **Team**  
**Leader/Members:** Helena Piaggese (Team leader, INE/RND); Rikke Olivera, Co-Team Leader (INE/RND); Alejandra Palma (INE/RND); Alexandra Horst (INE/RND); Rodrigo Castro (CBO/RND); Rosina de Souza (LEG); and Lisa Restrepo (INE/RND).
- **Date of Request:** February 2009
- **Beneficiary:** Ministerio de Medio Ambiente y Agua (MMAyA) and local indigenous communities in the northern Potosí and southeastern Oruro
- **Executing Agency:** Inter-American Development Bank
- **Financing plan:**

IDB (FTA):	US\$	100,000
GEF:	US\$	100,000
Local (MDRT)	US\$	<u>20,000</u>
Total:	US\$	220,000
- **Tentative dates:**

QRR (Plan of Op)	April 2009
DIR/PRE	April 2009

### II. BACKGROUND AND PROBLEM STATEMENT

- 2.1 In the northern part of the department of Potosi and the southeast part of the department of Oruro the physiography forms vertical ecosystems distributed in three ecological zones: Puna (high mountains and plateaus, between 4.800-3.900 meters above sea level), Chawpirana (mountains and upper valleys, between 4.800-3.000 meters above sea level), and Likina (mesothermic valleys of high, medium and low altitudes, between 3.000-2.500 meters above sea level). These three ecological zones are populated by indigenous communities organized in Ayllus which have common ownership of their land and their livelihood is based on the use of the biodiversity and the natural resources of the vertical ecosystems.
- 2.2 The productivity, biodiversity and vertical integration of the Andean ecosystem is affected by two highly related dynamics, threatening the habitats of native flora and fauna with global importance and food security of the local population: (1) desertification and land degradation; and (2) loss of biodiversity. These degradation dynamics are caused by: (i) natural occurring climate variations in the region but mostly by farming activities introducing new technologies without

verification of their compliance with soil conditions displacing ancestral knowledge on harvest and conservation of water and soil; (ii) indiscriminate use of agrochemicals; (iii) deforestation of hillsides and shrubs; (iv) degradation of marshes and native pastures caused by overgrazing of livestock and reduced water availability due to climate change; (v) and loss of species of vegetation cover and genetic varieties of tuber crops, grains and highland fruits caused by changes in farming activities towards mono culture.

- 2.3 The degradation of the productive capacity of soil and loss of biodiversity affects the local population worsening the relationship between environment, poverty and development. The northern Potosí and southeastern Oruro - one of the worst affected areas covering 7281 km<sup>2</sup> and a population estimated at 203,619 inhabitants (2008) - is one of the poorest regions in Bolivia. With an HDI (2001) of approximately 0.446 the municipalities in this area are below the national HDI (0.641) and with 94% of population living in poverty in terms of basic needs not satisfied (NBI 2001) they are well above the estimated national level (58%), except the municipality of Llallagua (54%).
- 2.4 Although Bolivia has since 1992 had an Environment Act the lack of standards and regulations, based on systematized information on biodiversity and land degradation threats and climate change adaptation needs, prevents the continuity, development and consolidation of government policies. Without adaptations to local specific conditions and dynamics, state policies are reduced in several cases to operationalize international standards directly through national and regional plans. These plans are modified and changed over and over again due to changes of government rather than adjustments based on a systematic monitoring and evaluation of their effectiveness. At local level a range of factors have weakened the capacities of Ayllus to perform integrated management of the vertical ecosystems including: (i) lack of adequate transmission of knowledge between generations causing the loss of practices related to conservation and use of land, water and agro-biodiversity; (ii) lack of monitoring tools of management effectiveness; and (iii) lack of knowledge about climate change adaptation measures, impacts caused by the introduction of new technologies and relative specialization of production in the ecological zones and loss of crop-species.
- 2.5 Recognizing the clear need for combating land degradation and mitigating the loss of andean agro-biodiversity, the Global Environment Facility (GEF) has technically cleared for GEF Council approval in April a proposal from the Bank for a full-sized GEF Project (GEF: US\$6 million; Co-financing US\$8 million; total: US\$14 million) to support the conservation of agro-biodiversity and sustainable land and water management and restore the productive capacity and sustainability of Andean vertical ecosystems. The proposed project, *Conservation and Sustainable Use of Biodiversity and Land in the Andean Vertical Ecosystems* (BO-X1001), has three components: i) Systematization of information on Andean soil, water, agro-biodiversity and impacts of climate variations; ii) Strengthening of policies, regulatory frameworks and local capacity for integrated management of Andean vertical ecosystem (IMAVE); and iii) Promoting best practices and

technologies for conserving agro-biodiversity and restoring the productive capacity of vertical ecosystems. It is expected that these three components will ultimately result in the local Ayllu population having the capacity to apply IMAVE and improving their livelihoods supported by up-to-date sound data and analyses of the Andean Vertical agro-ecosystems and IMAVE mainstreaming in sector plans, policies and regulatory frameworks. In addition to having obtained GEF clearance in January 2009 for inclusion in the GEF Work Program expected to be approved in April 2009, the project is strongly supported by the Bolivian Government, who solicited the Bank's assistance in December 2007, confirmed the project's consistency with national priorities and endorsed the GEF project concept proposal in September 2008.

- 2.6 In February 2009 the GEF CEO approved a Project Preparation Grant (PPG) to be co-financed by the IDB Finish Technical Assistance Fund –FTA. The present PPG/FTA Technical Cooperation (TC) aims to support the adequate preparation of the project *Conservation and Sustainable Use of Biodiversity and Land in the Andean Vertical Ecosystems* (BO-X1001).

### III. PROGRAM OBJECTIVE AND DESCRIPTION

#### A. Goal and Purpose

- 3.1 The goal of the present TC is to support the preparation of the project *Conservation and Sustainable Use of Biodiversity and Land in the Andean Vertical Ecosystems* (BO-X1001). The specific purpose is to finance technical assistance analysis and consultation activities to prepare, with participation from relevant stakeholders, the project documents required by the Bank and the GEF for project approval.

#### B. Major components, activities and expected outputs.

- 3.2 The TC has three major components with the following respective activities:
- a. **Component 1 – Technical Studies and Analysis:** Update of baseline information on biodiversity, soil conditions and socio-economic dynamics; analysis of biodiversity and land degradation threats and root-causes in the project area; evaluation of adequate conservation technologies to be promoted by the project; analysis of alternative solutions to respond to threads and root-causes and identification of activities to be financed by the three components of the GEF project mentioned in paragraph 2.5, in accordance with Bank and GEF requirements.
  - b. **Component 2 – Development of project execution, monitoring and evaluation scheme:** Analysis of alternative execution schemes for the three project components considering strength and weaknesses of possible execution institutions and partners and cost-effectiveness; identification of indicators and baseline for the Results Framework and key issues to be included in the project Monitoring and Evaluation Plan.

- c. **Component 3 – Stakeholder consultation:** detailed stakeholder and participatory situation analysis; focal group meetings with local indigenous communities on component design, outputs and outcomes; consultation workshops and meetings with Ayllus and local governments; preparation of the Project Social Communication Plan.
- 3.3 It is anticipated that the TC will result in the documentation, consultation and coordination necessary for the approval of the Project BO-X1001 by the Bank and the GEF Council. (Anticipated approval of BO-X1001 is the first semester 2010.)

#### IV. COST AND FINANCING

- 4.1 The total amount of funds required for adequate project preparation is estimated at US\$220,000, of which US\$100,000 will be financed by the IDB Finish Technical Assistance Fund - FTA, US\$100,000 will be provided by the GEF through its Project Preparation Grant facility (PPG), and MDRT will provide the remaining US\$20,000 in-kind (staff time, consultation and coordination activities). It should be noted that the resources required for stakeholder consultation are substantial because strong stakeholder support from the Ayllu population is absolutely essential for the success of the project and the consultations requires transport and field trips to the remote project area.

**Table 1: Estimated Budget (US\$)**

Components	IDB (FTA)	GEF PPG	MDRT	Total
Preparatory technical analysis	70,716	67,716	6,000	144,432
Execution and M&E	16,000	10,716	6,000	32,716
Stakeholder Consultation	13,284	21,568	8,000	42,852
TOTAL	100,000	100,000	20,000	220,000
Percentage	45%	45%	10 %	100%

#### V. EXECUTING AGENCY AND EXECUTION STRUCTURE

- 5.1 In line with the policy of the GEF with respect to the execution of their project preparation grants (PPG), the Bank will be the executing agency for this TC.

#### VI. MAJOR ISSUES

- 6.1 An important issue for this TC is the need for a very careful coordination and consultation with the indigenous communities in the project area using participatory project design methods as part of the project preparation as included

in component 3 of this TC. Further, at least one of the consultants to be contracted by the TC should have special knowledge and experience with the Ayllu's social organization and management of natural resources within their territories.

## **VII. ACTION PLAN**

- 7.1 In consultation with MDRT the project team is currently preparing the Plan of Operation, including the Terms of Reference for the various consulting services required. These documents will be finalized and submitted for Bank approval in April 2009 allowing for TC start up in early May 2009.

## **VIII. ENVIRONMENTAL AND SOCIAL STRATEGY**

- 8.1 This TC is not anticipated to have negative direct environmental or social impacts and has been classified as a "C" according to the Safeguard Classification Tool. Indeed, since this TC prepares a project designed to contribute to combat land degradation and loss of Andean biodiversity through the promotion of sustainable management of Andean vertical ecosystems, the analysis and consultation activities financed by this project are oriented towards promoting positive environmental and social impacts.
- 8.2 The GEF project (BO-X1001) to be designed with the support of this TC has been demanded by the Ayllus in the northern Potosí and the southeastern Oruro for more than two years. The policy of the Bolivian indigenous led Government promotes participation of rural indigenous communities in managing the natural resources within their territories giving the communities direct influence on project design and execution. To comply with the Indigenous Peoples Policy (OP-765) this TC will finance a specialist in the Ayllu's culture, social organization and management of natural resources within their territories and participatory design activities in the project area including workshops and intensive consultations with the local Ayllus population. The TC will also finance the design of a social participation and communication strategy for the project preparation and execution which will take into account the special cultural and organizational characteristics of the Andean indigenous communities organized in Ayllus.