Safeguards Compliance Memorandum

Project Information

Project Name	**Biodiversity Conservation and Sustainable Management of two priority landscapes in the Ecuadorian Amazon Region**
GEF Focal Area	Biodiversity and Land Degradation
Safeguards Categorization	B

Project Description

The project "Conservation of Biodiversity and Sustainable Management of two priority landscapes in the Ecuadorian Amazon region" aims to promote the conservation of biodiversity, favor ecological connectivity, and promote sustainable economic productive activities, with an integrated landscape management approach. This objective is intended to be achieved, throughout the 4 years of project execution, through the implementation of 4 interrelated components:

Component 1: Conservation of biodiversity under a sustainable landscape management approach
This component seeks to increase the conservation areas by establishing a connectivity corridor in each intervention landscape, implementing participatory methodologies and prioritizing the corridors based on geospatial, socioeconomic, cultural, ecological and political criteria.

Component 2: Sustainable economic activities for the management of productive landscapes
This component seeks to link sustainable production with the conservation of native forests in the prioritized corridors. This will be achieved by linking farm-level planning, improving traditional agricultural practices, and implementing non-timber forest product bio-enterprises.

Component 3: Enabling conditions for connectivity and integrated landscape management
This component seeks to establish the enabling conditions for the management of the corridors through three strategies: 1. develop normative, public policy, technical or administrative instruments that contribute to the connectivity or integrated management of sustainable landscapes; 2. strengthening the capacities of key actors for the management of the corridors; and 3. establish inter-institutional, inter-sector and multi-level governance platforms that allow participatory management of the corridors.

Component 4: Monitoring and Evaluation, Knowledge Management and Regional Coordination
This component focuses on developing and implementing a monitoring and evaluation plan that allows effective and efficient project management, providing information so that the right decisions can be made in an adaptive project management. Likewise, it seeks to promote spaces for dialogue and exchange of experiences at the national and regional level to leverage knowledge of successful strategies and lessons learned from initiatives. Finally, it is linked to the first three components, aiming at a timely communication throughout the project, of key information on the actions and impact of the project.

Project Location and Salient Physical Characteristics Relevant for the Safeguards Analysis

The two proposed project landscapes: Putumayo–Aguarico and Palora-Pastaza include the two main Ecuadorian tributaries of the Amazon River (The Napo and Pastaza rivers). The two landscapes play a significant role connecting areas of high conservation value, acting as biological corridors, buffers for protected areas and providers of other globally important ecosystem services. Several indigenous nationalities live in both landscapes, and their practices, traditional knowledge and cultural beliefs have existed for centuries, providing an immense amount of knowledge about the tropical Amazon, with an important intrinsic cultural value.

The Putumayo - Aguarico Landscape

The Putumayo - Aguarico Landscape has an extension of 144,915 ha, and covers 2 provinces (Orellana and Sucumbíos), 4 cantons (Orellana, Shushufindi, Cuyabeno, and La Joya de los Sachas) and 9 parishes (San Roque, Limonchocha, Shushufindi, Pañacocha, Tarapoa, Aguas Negras, Aljeandro Labaka, El Edén, and Pompeya). It has a population of 10,993 people, of which 4,458 (41%) people are indigenous, including communities of the Shuar, Kichwa, Waorani, Secoya, and Siona indigenous nationalities. The landscape is integrated into the great wetland of the Ecuadorian Amazon with 78% of it covered by forests; mostly evergreen lowland forest of the Putumayo-Caquetá Aguarico (59.8%), followed in extension by the Palm-flooded forest of the Amazon floodplain (13.1%).The biomass in the landscape stores approximately 18.7 Mton of carbon, equivalent to 132 TonC/ha, representing higher carbon storage than the average in the Ecuadorian Amazon (123 TonC/ha).

The landscape connects three important protected areas (APs) of the Ecuadorian National Protected Areas System (SNAP): the Limoncocha Biological Reserve, the Cuyabeno Fauna Production Reserve and the Yasuní National Park, which together cover about 58.5% of the landscape area. Other conservation schemes are also present in the landscape with 14.6% declared as Protected Forest and Vegetation; 20.8% conserved under the Socio Bosque Program (PSB), 14.59% declared as RAMSAR site and 3.31% recognized as Important Bird and Biodiversity Areas (IBAs).

This area plays a key water flow regulation function in the Napo River basin, and is known as one of the main routes for bird migration and transit of large animals. As many as 12 species of fauna with some level of threat, on the International Union for Conservation of Nature (IUCN) Red List of Threatened Species are present in this area. Among these are the Amazonian manatee (Trichechus inunguis)(VU), giant otters (Pteronura brasiliensis)(EN) and river dolphins (Inia geoffrensis and Sotalia fluviatilis)(EN) that inhabit the aquatic ecosystems of the seasonal flooded forests of the landscape. Threatened mammals like the jaguar (Panthera onca) (NT) and the lowland amazonian tapir (Tapirus terrestris)(VU), that need vast and connected forest areas to maintain viable populations, are also found in this landscape.

Currently, 24% of the land use in the Putumayo - Aguarico landscape corresponds to an agricultural mosaic in which grasslands (5%) and crops (11%) predominate. The most frequent crops are African oil palm, cocoa, coffee and banana. Grassland and cocoa and coffee farms present an important opportunity to improve the conditions to provide ecosystem services through increasing forest biomass with native species (eg. through living fences and agro-silvo-pastoral systems). Complementarily, some small bioeconomy initiatives, implemented mainly by indigenous communities, can be found in this landscape; although they are incipient, they represent an opportunity for sustainable forest management. These are: freshwater fish like tilapia, paiche (arapaima gigas) and cachama (piaractus brachypomus); citronella; guayusa (ilex

guayusa); ungurahua (oenocarpus bataua); turmeric, ishpingo (amazon cinnamon); morete (mauritia flexuosa); sacha inchi (amazon peanut); and community nature-based tourism.

All these characteristics make the Putumayo-Aguarico an important landscape for maintaining and restoring connectivity in order to guarantee the continuity of ecosystems, organisms' mobility, as well as energy flows and functional processes such as genetic exchange or species exchange. Consequently, this area was identified in 2013 by the Ministry of Environment and Water (MAAE) as a priority area for the establishment of a connectivity corridor.

The Palora - Pastaza Landscape

The Palora - Pastaza landscape comprises 2 provinces (Pastaza and Morona Santiago), 4 cantons (Pastaza, Palora, Huamboya and Pablo Sexto) and 6 parishes (Simón Bolivar, Sarayacu, Arapicos, 16 de Agosto, Huamboya, and Pablos Sexto), and covers an area of 178,129 ha, most of which is covered by forests (86% of the landscape), followed by grasslands with 9% of the territory, and just 0.4% of land dedicated to crops: cassava, sugar cane, banana, and the most recent and expanding is pitahaya. As in the Putumayo-Aguarico landscape, some incipient bioeconomy initiatives can be found in this landscape based on the use of ungurahua (oenocarpus bataua), morete (mauritia flexuosa), cachama (piaractus brachypomus), vanilla, sacha inchi (amazon peanut), ginger and community nature-based tourism; they are implemented mainly by indigenous communities. The population inside the landscape is 10,137, of whom 7,737 (76%) belong to the indigenous Shuar, Achuar and Kichwa nationalities.

The Palora – Pastaza Landscape plays a significant role in regulating the water flows that descend from the Andes and tribute to the Pastaza River. The landscape is also home to mainland forests, located in the foothills of the Andes, characterized by their high biodiversity and endemism levels. The most representative ecosystems are the Piemontano evergreen forest in the north of the eastern Andes mountain range (37%), the evergreen lowland forest of the Tiger-Pastaza (23%), flooded forest of the Amazon floodplain (10%), and the piedmont evergreen forest of the Condor-Kutukú mountain range (9%). Carbon storage in biomass in this landscape is approximately 21.4 Mton of carbon, equivalent to 121 TonC/ha.

Approximately 15% of the landscape is designated under national conservation categories (1.4% Protected Forests and Vegetation and 14% PSB), while 23% of the landscape area has international recognition of importance for the conservation of birds (Important Bird Areas, IBAs). Also, the landscape is part of the habitat of at least 17 species of fauna with some level of threat according to the IUCN Red list.

The spatial patterns of the recent deforestation areas (2014-2016) show a process of severe disconnection between the Amazon and the Andes. The high concentration of deforestation in the piedmont forests along the main access roads (i.e. Troncal Amazónica E45, Troncal Amazónica Alterna E45A, E10, E40, E451) has accentuated fragmentation in the Southern Amazon, particularly in the Kutukú mountain range where the Palora-Pastaza landscape is found. This generates a functional dismemberment of these areas with respect to the alluvial plain. Restoring connectivity between these areas is probably one of the main actions that will contribute to preserving the ecosystem integrity of the Amazon basin. Due to its strategic geographical location and its relatively high native forests cover, this landscape plays a key role as an ecological corridor between the Sangay National Park, several Protected Forest and Vegetation areas, and community forests under the PSB.

Safeguards Standard	Triggered	Explanation
Natural Habitats	Yes	Overall, activities of the project will produce significant conservation benefits and any potential adverse environmental impacts on human populations or environmentally important areas are expected to be very limited. While there shall be no conversion or degradation of natural habitats, this Standard has been triggered as a precaution since there will be site-specific activities relating to productive landscapes under Component 2.
Indigenous Peoples	Yes	This Standard is triggered because indigenous peoples lands are found in both project landscapes. The indigenous communities of the Putumayo - Aguarico Landscape include Shuar, Kichwa, Waorani, Secoya, and Siona indigenous nationalities. The indigenous communities of the Palora – Pastaza Landscape include Shuar, Achuar and Kichwa nationalities. As the specific activities and locations of said activities are not yet defined, an Indigenous Peoples Planning Framework will be prepared as part of the ESMF to conform to WWF's Environment and Social Safeguards Framework.
Restriction of Access and Resettlement	Yes	There will be no land acquisition or involuntary resettlement of individuals and/or families under the proposed project. While the proposed project will not cause displacement of people from their homes, the Standard is triggered because designating connectivity corridors may restrict or prohibit the extraction of resources in certain areas of the corridors, thereby restricting access to resources required for the subsistence and cultural maintenance of the affected populations. A Process Framework will be prepared as part of the ESMF to conform to WWF's Environment and Social Safeguards Framework.
Community Health, Safety and Security	No	This Standard is not triggered as the project is highly unlikely to have an impact on community health, safety, and security.
Pest Management	No	The activities are not expected to trigger the Standard on Pest Management. While the project might support native plant nurseries (under Component 2), it will not support the procurement or use of pesticides or other agricultural

		chemicals, or lead to the increased use of such chemicals. The ESMF will include guidance to this effect.
Cultural Resources	No	This Standard is not triggered as the project is highly unlikely to have an impact on cultural resources.

Summary of Key Safeguards Issues

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

The project expects to achieve improved conservation and sustainable use of natural resources as its long-term impact of project interventions, which will be both environmentally and socially positive. There are no potential large scale, significant or irreversible impacts.

The largest safeguard consideration in this project is seeking the consent of the Indigenous communities in the two project areas to participate in the planned connectivity corridor. Details on how this will be accomplished are outlined in the next section.

Describe measures taken by the Project Team to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described:

Throughout the development of the project strategy, the gender, safeguards, and stakeholder engagement consultant advised the project team on how to appropriately incorporate safeguards especially regarding Indigenous People and FPIC. The project budget includes the following:

- Costs for a full-time gender and environmental and social safeguards specialist to work with the PMU and field office for 4 years of the project period; and
- Budget for travel costs, workshops and meetings for safeguards monitoring

The inclusion of a Safeguards and Gender Specialist on the PUM for the project is a vital measure the project team has taken to ensure they have the capacity to address safeguards policy issues. Their role will be to ensure that FPIC processes are adequately incorporated and documented in the design and selection of the connectivity corridors; identify entry points and mainstreams gender and safeguards where needed; ensure equitable benefit distribution; and ensure Safeguard recommendations are fully complied with, including in design and implementation of the capacity-building modules, connectivity corridor governance platforms and monitoring and evaluation tools.

As mentioned above, the largest safeguard challenge of the project is seeking the consent of Indigenous communities in the project areas for their participation in the connectivity corridors. The project has outlined specific actions it will take to ensure this is a community-driven process. To carry out this process, a participatory methodology will be developed that includes the following phases:

- Organizing the Free, Prior and Informed Consent process according to the statutes, governance and decision-making processes of each indigenous organization.
- Socialize the objectives of the consultation, taking into account inclusive and culturally appropriate language and methods

- Development of FPIC processes
- Systematization of the process and the results obtained
- Development of a plan to enhance benefits and mitigate social risks that includes gender recommendations

Additionally, the project has specific FPIC trainings included in the activity workplan and budget for both field offices, clear requirements for FPIC documentation and stakeholder consultations (which will be reported disaggregated per gender).

Finally, specific risks and mitigation measures related to COVID are clearly laid out.

Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people:

Key stakeholders include:

- Ecuadorian Government Ministries/departments, including: Department of Agriculture and Livestock (MAG), Ministry of Environment, Water and Ecological Transition (MAATE), the Technical Secretariat of the Amazon, and Decentralized Autonomous Governments for various regions(GAD)
- Regional or national Indigenous organizations, including: COICA- Coordinator of Indigenous Organizations of the Amazon River Basin and CONFENIAE - Confederation of Indigenous Nationalities of the Ecuadorian Amazon
- Amazonian Indigenous organizations, including: FONAKISE: Kichwa Nation of Ecuador, SIEKOPAI: Secoya Nation, NAE: Achuar Nation of Ecuador, FICSH: Federation of Indigenous Shuar Communities, ONWO: Waorani Nation, and NOAIKE: Cofán Nation, AMWAE: Association of Waorani Women of Ecuador
- NGO's, including: Fundación Ecociencia, Fundación Pachamama, Fundación Futuro Latinoamericano, HIVOS, Wildlife Conservation Society (WCS), Naturaleza y Cultura Internacional (NCI), and Fundación Aliados
- International Development Agencies, including: GIZ, GEF Small Grants Programme, UNDP

During the development phase, consultations with all of these stakeholders took place, though COVID protocols in-country were an inhibiting factor in the depth of consultations, especially for Indigenous communities in more remote areas of the project locations. However, some consultations did take place, and their key expectations and concerns were incorporated into project planning and the SEP (including access to direct benefits and incorporation of their knowledge on sustainable production).

For all indigenous organization and nations, the SEP highlights that for the selection of corridors in each landscape, the project will ensure that the FPIC process is implemented before selecting each connectivity corridor. There is a strong emphasis on community consultations within the first 6 months of the project, to ensure that the project activities meet community needs and expectations as well. Similarly, if the communities have given their consent to participate in a prioritized corridor, they will participate within the governance platforms, activity prioritization processes within their territories, and other coordination spaces. The budget and workplan also highlights FPIC training workshops in both project areas, to ensure effective FPIC processes are part of the project implementation.

Monitoring and Compliance

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? **Yes [X]** No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost? **Yes [X]** No [ ] NA[]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? **Yes [X]** No [ ] NA [ ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? **Yes [X]** No [ ] NA [ ]
Have relevant safeguard policies documents been sent to WWF-US? **Yes [X]** No [ ] NA [ ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? **Yes [X]** No [ ] NA [ ]

Disclosure Requirements

An Environmental and Social Management Framework, including an Indigenous Peoples Planning Framework and a Process Framework, will be prepared before project concept finalization. A Stakeholder Engagement Plan will be prepared during ProDoc development stage	
Date received by WWF-US	January 31, 2022
Date Disclosed on WWF-US website	February 1, 2022
In Country Disclosure	
Date Disclosed on Conservation International Ecuador website	December 13, 2021
Date Disclosed at CI's offices in Puyo Pastaza Roundtable meeting of Pastaza local government	November 10, 2021 February 15, 2022

Approvals

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