

**COMBINED PROJECT INFORMATION DOCUMENTS / INTEGRATED  
SAFEGUARDS DATA SHEET (PID/ISDS)**

**Appraisal Stage**

Report No.: PIDISDSA23767

**Date Prepared/Updated:** 10-Sep-2018

**I. BASIC INFORMATION**

**A. Basic Project Data**

<b>Country:</b>	Chile	<b>Project ID:</b>	P160277
		<b>Parent Project ID (if any):</b>	
<b>Project Name:</b>	Chile REDD+ Emissions Reductions Program (P160277)		
<b>Region:</b>	LATIN AMERICA AND CARIBBEAN		
<b>Estimated Appraisal Date:</b>	30-May-2018	<b>Estimated Board Date:</b>	15-Jan-2020
<b>Practice Area (Lead):</b>	Environment & Natural Resources	<b>Financing Instrument:</b>	
<b>Borrower(s)</b>	Agencia Chilena de Cooperacion Internacional para el Desarrollo (AGCID)		
<b>Implementing Agency</b>	Corporacion Nacional Forestal (CONAF)		
<b>Financing (in USD Million)</b>			
<b>Financing Source</b>			<b>Amount</b>
Carbon Fund			26.00
Financing Gap			0.00
Total Project Cost			26.00
<b>Environmental Category:</b>	B-Partial Assessment		
<b>Appraisal Review Decision (from Decision Note):</b>			
<b>Other Decision:</b>			
<b>Is this a Repeater project?</b>	No		

**B. Introduction and Context**

**Country Context**

Chile is a high-income country with one of the most politically stable systems in Latin America, strong institutions and a solid record of economic growth during the last two and a half decades. The first South American country to join the Organization for Economic Cooperation and Development (OECD), Chile is one to the fastest growing Latin American economies.

Chile relies heavily on extracting its natural resource base for employment and exports. The country has a wide range of ecological zones; including expansive arid desert, remote Pacific islands, a Mediterranean ecosystem, high-altitude grasslands and wetlands, and temperate rainforests in the south, among others. This diverse landscape contributes to Chile's rich biodiversity, natural beauty and highly favorable environmental conditions for its successful resource-based industries, including mining, forestry, fisheries, and agriculture.

Despite considerable economic progress, inequality is still a challenge in Chile, with high levels of poverty still present in the country's rural areas where subsistence livelihoods depend highly on natural resources. In Chile, at 22.1 percent, the rural poverty rate is significantly higher than the urban poverty rate (10.2 percent), making forested areas even more central to the poverty agenda. In addition, the incidence of poverty is especially high among Indigenous Peoples, women, and youth. One out of four indigenous individuals live in rural areas and these Indigenous Peoples show substantially higher poverty rates (extreme poverty rates are two times greater among Indigenous Peoples than among the general population: 6.6 percent vs 3.2 percent).

Managing water resources, natural capital and social sustainability are the key challenges facing the government in the effort to sustain the gains in poverty reduction and to accelerate shared prosperity especially into rural areas and among vulnerable communities. Rapid economic growth has resulted in pressures on natural resources, particularly in relation to water resources management, degradation of soil and native vegetation resources, fish stock depletion, biodiversity conservation and air pollution. These environmental challenges disproportionately affect the poor and vulnerable, as they tend to depend more on natural resources and are especially affected by pollution, soil erosion, and other negative externalities arising from extractive activities (i.e. mining and commercial logging) driving economic growth.

Chile's characteristics place it among the countries that are at highest risk of being affected by climate change as weather patterns are expected to negatively affect the country's water resources and alter export-oriented agribusiness and silvopastoral systems. The 2017 forest fires were partly a result of poor preparation for climate change. Addressing climate change adaptation and increasing the overall resilience of the Chilean economy to adverse weather events and the changing availability of water will have to play a key role in any future environmental and economic agenda in Chile.

### **Sectoral and Institutional Context**

The Government of Chile (GoCL) has committed to protecting the environment to ensure the long-term sustainability of its economic growth, as well as to respond to Chile's status as a member of the OECD and to meet its international commitments under the United Nations Framework Convention on Climate Change (UNFCCC). Through its Nationally Determined Contribution (NDC) as part of the Paris Agreement, the GoCL has clearly signaled its commitment to contribute to global efforts to mitigate greenhouse gas (GHG) emissions, including through expansion of renewable energy, reduction in energy consumption and increased forest carbon sequestration and management. Chile's NDC includes an unconditional commitment to reduce the carbon intensity of its Gross Domestic Product by 30% below 2007 levels and by up to 45%, conditional to receiving international financial support.

With regards to the forestry sector, in its NDC Chile has committed to restore and sustainably manage 100,000 hectares and to reforest another 100,000 hectares of mainly native forests, subject to the amendment and extension of key legislation underpinning the relevant national forest programs. Chile is also part of the Bonn Challenge and has committed to restoring a total of 500,000 hectares by 2020.

The forestry sector also has the potential to contribute to Chile's clean energy ambition as established in its Energy Policy 2050, since much of the energy used for heating purposes in the country comes from biomass (29 percent of the primary energy use) and therefore has impacts in terms of climate change (GHG emissions) and health (pollution).

Chile has around 17.34 million hectares of forests, of which around 81.8% are natural forests (14,181,752 ha) while 17.1% (2,958,115 ha) are comprised of mostly exotic timber plantations, with the rest being mixed forests. Chile's overall forest cover is expanding. According to the Food and Agriculture Organization gross deforestation is very low, estimated at around 27,000 ha annually (0.16%), with (mostly exotic) plantations expanding by about 64,000 ha each year. This said, forest degradation remains a serious problem for the country's native forests, with almost 4 million ha of forests affected in total.

Most degradation occurs in the native temperate forests of the south, where unsustainable and unmanaged fuelwood extraction is a major contributor to the problem. This was illustrated in the subnational Forest Reference Level (FRL) developed by the country for its southern regions and registered with the UNFCCC in 2016, where forest degradation resulted in much higher GHG emissions than those produced from deforestation. These emissions neutralize the absorptive capacity of the native forest sector hindering its capacity to act as a net carbon sink. In addition, degradation changes the structure of native forests in terms of their size and species composition, altering their capacity to provide ecosystem services such as hydrological functions and biodiversity conservation, and to provide development dividends.

The direct causes of these emissions have been widely documented and are well known in Chile, including forest fires; unsustainable use of forest resources for timber, firewood production and livestock grazing; expansion of agricultural and livestock activities in forest lands; encroachment of monoculture tree plantations and urban expansion; the effects of climate change, desertification, land degradation and drought; and pests and diseases. These causes are driven by underlying actors that have been identified through extensive analytical and participatory work, which include: deficiencies in the public policies regulating, promoting and controlling the management of vegetation resources; low level of knowledge and cultural valuation of vegetation resources among the general public; informality of firewood market; rural poverty with the consequent lack of alternative economic opportunities for small forest owners; low profitability and high opportunity costs of native forest lands; fragmented and unregulated land tenure in rural areas; and weaknesses in forest governance. These drivers are expected to continue in the future leading to continued GHG emissions in the forest sector unless measures are taken to address them.

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#### Relationship to CAS/CPS/CPF

The proposed operation is fully aligned with the World Bank Group's Country Partnership Framework for Chile (FY19-FY24), currently under development. The proposed operation will directly contribute to Focus Area 3 on Improving Water, Land and Climate Change Management, and in particular to Objective 7 on Strengthening climate change mitigation and adaptation capacities. In addition, the World Bank Systematic Country Diagnostic for Chile (Report No. 107903-CL), issued on June 6, 2017, identifies native forest degradation as one of the major challenges to environmental sustainability in the country.

The proposed Carbon Finance transaction is part of a broader package of engagement of the Bank in

support of Chile's forest and climate change sectors. This support combines technical assistance, investments and results-based finance, including two FCPF Readiness Grants to support preparation of the ENCCR (P124908; US\$8.8 million); an NDC Partnership Support Facility grant to help identify investment opportunities for the ENCCR (TF0A4793; US\$250,000); a GEF operation to support investments in Sustainable Land Management (P085621; US\$23 million); and a project-scale carbon finance transaction pilot under the BioCarbon Fund (P111918; US\$3.87 million).

The proposed Carbon Finance transaction is also aligned with the World Bank's corporate commitments on Forests and Climate Change. The operation directly supports several Focus Areas under the WBG Forest Action Plan (Sustainable Forestry and Forest Smart Interventions) as well as Cross-Cutting Themes (Climate Change and Resilience, Rights and Participation, Institutions and Governance). In addition, the proposed operation is aligned with the WBG Climate Change Action Plan's top-level priorities on Supporting Transformational Policies and Institutions, by translating Chile's NDC into climate policies and investment plans into actions; and on Scaling Up Climate Action by mobilizing REDD+ financing to support large-scale, multi-sectoral programs in the climate-smart land use, water and food security high-impact area. Although Trust Funded operations, such as the proposed carbon finance transaction, do not count towards the WBG's corporate goal of 28% of climate related financing, as this only considers IDA and IBRD resources, they are accounted as climate action delivered by the WBG from externally financed sources.

### **C. Proposed Development Objective(s)**

#### **Development Objective(s)**

The Project Development Objective is to incentivize reduced deforestation, forest degradation and the enhancement of forest carbon stocks (REDD+) in selected regions of southern Chile, through payment of verified emission reductions (ER) and to ensure that paid amounts are distributed according to an agreed benefit sharing plan.

#### **Key Results**

The achievements of the PDO will be measured through the result indicators included below, standardized for ERPA operations under the FCPF across the World Bank Group to reflect the nature of the ERPA as a transaction-based instrument:

- i. Volume of CO<sub>2</sub> Emissions Reductions that have been measured and reported by the Program Entity, verified by a Third Party, and transferred to the FCPF Carbon Fund; (tCO<sub>2</sub>e);
- ii. Payment by the FCPF Carbon Fund for CO<sub>2</sub> Emission Reductions generated by the Program (USD);
- iii. Emission Reductions payments distributed in accordance with agreed Benefit Sharing Plan and arrangements. (Yes/No).

### **D. Project Description**

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##### **A. Scope of the instrument**

The operation consists in a stand-alone Carbon Finance Transaction between the World Bank as Trustee of the Forest Carbon Partnership Facility (FCPF) Carbon Fund and the National Forestry Corporation (CONAF) of Chile as the Program Entity, involving the delivery of and payment for greenhouse gas (GHG) Emission Reductions (ERs) generated from the implementation of the National Strategy on Climate Change and Vegetation Resources (ENCCR, for its acronyms in Spanish).

A Carbon Finance transaction refers to a commercial transaction involving delivery of and payment for ERs between a Project or Program Entity and the Bank as Trustee of carbon funds. It does not involve the direct financing of any of the underlying investments generating the ERs paid by the carbon funds. The World Bank manages a range of carbon funds and facilities representing different profiles and segments of the carbon market. These funds, managed by the World Bank as Trustee for the fund participants, purchase ERs on behalf of the fund participants, i.e., public and private entities that have committed their monies to the funds. The ERs are generated by Projects and Programs mitigating GHG emissions in eligible countries and Project or Program Entities are paid for delivery of those ERs.

The instrument for the operation is an Emission Reductions Payment Agreement (ERPA). The ERPA is the legal document that will be signed between the Seller (i.e. the Government of Chile through CONAF as the Program Entity and AGCID as administrator of funds) and the Buyer (i.e. the FCPF Carbon Fund through the World Bank), which sets out the commercial terms (e.g. volume, price, conditions of sale and purchase, call and/or put options, advance payments etc.) of the transaction negotiated between the two Parties. Whereas the ERPA covers the commercial terms of the transaction that are negotiable on a case-by-case basis, the ERPA General Conditions represent the legal underpinning of the ERPA, providing for a set of (non-negotiable) general rules and procedures for the sale and purchase of ERs that apply to each transaction. The General Conditions are incorporated into the ERPA by way of reference and, thereby, form an integral part of the ERPA itself. They were approved at the 18th meeting of the FCPF Participants Committee on November 1, 2014, as per FCPF Resolution PC/18/2014/2.

The World Bank financing for this operation is provided by the FCPF. The FCPF Carbon Fund results-based payments are intended to provide an incentive to the recipient countries and the various stakeholders including forest-dependent Indigenous Peoples, other forest dwellers or the private sector within each of its target countries to achieve long-term sustainability in financing forest conservation and management programs. The Carbon Fund will remunerate selected countries in accordance with ERPAs for verifiably reducing emissions compared to a baseline scenario (reference level).

#### B. The Government's ER Program

As part of its efforts to implement Chile's NDC commitments in the forestry sector, the Ministry of Agriculture (MINAGRI), through CONAF, has developed the ENCCRIV with the objective to position the country's natural forests as a key element of national climate change mitigation and adaptation efforts. Chile's NDC document clearly establishes the ENCCRIV as the key instrument for meeting the country's climate change mitigation targets in the forest sector; while the National Climate Change Action Plan 2017-2022 (PANCC, for its acronyms in Spanish), establishes the ENCCRIV as the main mitigation action in the forestry sector. The ENCCRIV also represents the Government's ER Program under the FCPF, described in detail in Chile's Emission Reductions Program Document (ERPD) and approved during the 15th meeting of the Carbon Fund Participants in December 2016.

The ENCCRIV was developed based on extensive analytical and participatory work supported by an FCPF REDD+ Readiness Grant (P124908). The analytical work included studies on the direct causes of deforestation, forest degradation and the barriers for the enhancement of forest carbon stocks at the national level; and the underlying legal, technical, economic, and social drivers. This work was coupled with a strong participatory process that included one National (125 participants) and 15 Regional workshops (1,266 participants); a Self-assessment process of the readiness of the country (74 participants); a public consultation (506 participants); and an Indigenous Peoples dialogue and

consultation (90 workshops; 1,1813 participants). Following this participatory process, the ENCCRV was approved by the Ministerial Council on Sustainable Development on November 14, 2016.

Overall, the ENCCRV comprises a total of nine Strategic Actions designed to address the key drivers of deforestation, forest degradation, and barriers to the enhancement of forest carbon stocks that are implemented through 16 Enabling and 12 Direct Mitigation Measures (the ER Program Measures), described in detail in Chile's ERP. Direct Measures include those that directly generate GHG emissions through specific investments in activities on the ground (e.g. re/afforestation, forest management, etc.). Enabling Measures include those with an indirect effect on GHG emissions through policy or regulatory reforms.

Implementation of the ENCCRV will initially focus in five of the country's most forested regions where GHG emissions from deforestation and forest degradation are the highest: Maule, Biobío, La Araucanía, Los Ríos, and Los Lagos; covering a total of approximately 15,300,000 hectares and representing the GHG accounting area of the ER Program. The ER Program is expected to have a transformative impact on Chile's policies, regulations, and practices associated with the management of the country's native forest resources, leading to the scaling up of the proposed ER Program Measures at the national level in support of the country's efforts to mitigate and adapt to climate change.

The ER Program Measures will be implemented in both public and private (including community) lands. Unlike standard project-level carbon finance transactions, due to the scale of ER Programs the FCPF rules do not require that the Program delineates the geographic boundaries and land ownership of each targeted area where ER Program Measures will be implemented. A Land Tenure Assessment is required at the Program area level (more than 15 million hectares in the case of the Chile Program) to identify any issues that might affect ER Program implementation and subsequent transfer of ER titles to the FCPF. As such, a Land Tenure Assessment was carried out in the Program area based on available datasets to characterize and map lands based on their land tenure type (public, private, indigenous and agricultural communities, etc.) and status (regular, irregular, etc.) and suitability for the implementation ER Program Measures. Results indicated that approximately 73% of the national territory is comprised of regularized rural property and would be available for implementing ER Program Measures. In addition, the Assessment indicated that land tenure is regulated by a robust regulatory framework in Chile, and that it is a requirement to access the subsidies of environmental, agricultural and forestry government programs. Given that there is a percentage of rural owners with irregular land tenure, the Program will directly support their inclusion through an ER Program Measure aimed at providing legal assistance for regularizing land titles, including collective land tenure for indigenous peoples' lands, therefore addressing the risk of non-participation by vulnerable groups. The results of the Land Tenure Assessment will also be used in the eligibility criteria for accessing the Benefit Sharing Plan of the operation, prioritizing small forest owners as defined by the Native Forest Law No. 20.283 (which includes indigenous and agricultural communities). The Land Tenure Assessment has been publicly disclosed and is available on the ENCCRV website.

Unconditional financing for the implementation of the ENCCRV is based on a mix of CONAF's existing national budget and secured international grants, amounting to approximately US\$74 million. The ENCCRV considers a set of additional financing scenarios for scaling up its ambition, conditional to securing incremental financial support from international climate funds, bilateral negotiations, redirection of fiscal expenditure, and other sources including the private sector. The ENCCRV financing only considers a fraction of the resources that Chile is investing in its forest sector annually through the National Budget Law. For example, CONAF's total budget for 2018 amounted to approximately US\$138 million, supporting a set of Programs which are all expected to enable ER

generation. This budget size has been maintained consistently in the past, and given Chile's future commitments as per its NDC is not likely to change. In addition, the ERPA proceeds, once materialized are expected provide an additional source of financing for the ER Program Measures through the BSP.

### C. The Carbon Finance Transaction

The proposed operation would be among the first of its kind worldwide to provide results-based payments for Reducing Emissions from Deforestation, forest Degradation, and enhancing forest carbon stocks (REDD+). The World Bank, as the Trustee of the FCPF Carbon Fund, will pay the Government of Chile (represented through CONAF, i.e. the Program Entity) for the GHG Emission Reductions (ERs) generated from the implementation of the ENCCRV during the ERPA Term, i.e. from November 2018 (or whichever date the ERPA is executed by both Parties) to December 2025, unless terminated earlier.

Payments (i.e. disbursements) will be made upon the successful verification of results (i.e. volume of ERs generated as per PDO indicator 1) after each monitoring and reporting event, and upon confirmation by the World Bank that safeguard instruments and the Benefit Sharing Plan have been properly implemented. Monitoring and Reporting events are expected to occur biannually in accordance with an agreed ER Monitoring Plan. ER results will be measured against the Program's baseline, which consists in Chile's National Forest Reference Level (FRL) registered with the UNFCCC in 2016. Verification of ER results will be carried out by an Independent Reviewer contracted by the World Bank, and in accordance with the criteria and indicators of the Carbon Fund Methodological Framework.

The monetary value of the ERPA is defined by the ER volume and the unit price, which are both subject to negotiations and reflected in the ERPA Term Sheet. The ER Program is estimated to generate a total ER volume of 9,823,836 tCO<sub>2</sub>e between 2018 and 2024; this estimate is based on conservative assumptions about the effectiveness of the Program in addressing the drivers of deforestation and forest degradation in the Program Area without any conditional financial support (i.e. based on existing resources). This total is then discounted to reflect the risk of uncertainty in the calculations (8%) and the risk of reversals (21%), with a remaining ER volume of 7,139,964 tCO<sub>2</sub>e available to be transacted.

Of the remaining volume, the volume of ERs included in the ERPA equals 5,200,000 tCO<sub>2</sub>e, as per the Letter of Intent (LOI) signed in August 2014 between the World Bank and the Program Entity. A unit price of US\$ 5 per tCO<sub>2</sub>e has been considered, which corresponds to the willingness to pay expressed by CFPs and agreed with by the Program Entity, resulting in a total contract value of US\$26,000,000. Additional ERs at different prices may be included in the future as negotiated between the Program Entity and the CFPs, and approved by national authorities (i.e. Ministry of Finance).

It is important to consider that the expected contract volume and value represent ex-ante estimates based on assumptions about the Program's effectiveness in generating ERs. The actual total ER volume available to be transacted and resulting schedule of payments will depend on the actual effectiveness of the Program in generating ERs as reported and verified after each monitoring event. An effectiveness analysis for the different financing scenarios of the ENCCRV in terms of ER volume generation, showed that the baseline scenario (unconditional financing) is sufficient to generate a steady flow of ERs to support the ERPA operation, as long as investments in ER Program Measures prioritize the most cost-effective activities aimed at reducing emissions from deforestation and forest degradation, rather than reforestation which have longer carbon sequestration times and a higher

emphasis on non-carbon benefits.

#### D. The Benefit Sharing Plan

ERPA proceeds will be distributed according to a Benefit Sharing Plan (BSP) compliant with the FCPF Methodological Framework. Chile's BSP is currently in draft form; a final version, satisfactory to the World Bank, will be approved prior to effectiveness.

Beneficiaries of the ER Program are expected to be mostly small forest owners (including indigenous communities) in vulnerable rural areas, therefore contributing to the WBG twin goals. The draft BSP does not contemplate direct cash transfers to Program beneficiaries (monetary benefits). Rather, beneficiaries will receive non-monetary benefits through the implementation of subprojects on their lands, defined in a participatory way based on a list of eligible activities (e.g. technical assistance, inputs, capacity building, and others) aimed at improving their environmental, social and economic conditions through sustainable land management.

The draft BSP includes several provisions to ensure a transparent, participatory, and equitable distribution of ERPA proceeds. Existing local multi-stakeholder platforms will be used in each Region to validate the use of the ERPA proceeds based on a set of social, environmental, and economic eligibility and prioritization criteria established in the final BSP. Priority will be given to small forest owners, Indigenous Peoples, and women on a scoring basis. The safeguard instruments developed for the ER Program, including the ESMF, RPF, and IPPF, will also apply to the activities financed under the BSP.

#### **Component Name:**

#### **Comments ( optional)**

#### **E. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)**

The ER Program comprises five administrative regions in southern Chile (from Maule to Los Lagos) covering a total of 16.5 million hectares, 35% of which are covered by native forests with a high diversity, representing 11 of the 12 forest types present in the country, four of which are only found within the Program area. 11% of the ER Program area is under some form of legal protection as part of the National System of State Protected Areas (SNASPE).

Although Chile has an extensive and diverse endowment of native forest resources, their contribution to the national economic growth is rather limited (native forest products represent only 3% of total exports from the forest sector). Information on the actual dimension of their use and exploitation is scarce. Unofficial data indicates that informality could represent as high as 80% of what is captured in official information. The main uses of native forests include firewood extraction and use for shelter and fodder for cattle, which in combination with causes such as fires, have led to a severe degradation of a significant portion of this resource. This phenomenon represents an ecological and economic devaluation of these forests, as they lose their ability to provide goods and services, including carbon sequestration and storage, therefore generating a substantial loss of natural capital with its associated GHG emissions. This process of progressive devaluation of native forest resources has led many times to the abandonment of the forests and to their conversion to more profitable land uses through deforestation, further increasing the emissions associated with the misuse of forest resources.

In terms of the social characteristics, the ER Program area includes three of the four regions in the country with the highest concentration of indigenous populations, representing approximately 64% of the total at the national level. In addition, there is a high concentration of small and medium forest

owners. The majority of these populations are highly dependent on native forest resources, especially for heating and cooking. Some of the regions in the ER Program area have evolved from the 60s to nowadays, from a large rural population to a large urban one, driven by the lack of available land and employment/education opportunities in rural areas, especially for young people. Tourism is also an important contributor to the economy in the ER Program Area which relies on native forests for scenic beauty and associated recreational activities.

## **F. Environmental and Social Safeguards Specialists**

Lilian Pedersen( SLCSO )

Ricardo Larrobla( SLCEN )

## **II. IMPLEMENTATION**

The ER Program implementing agency will be the Chilean National Forestry Corporation (CONAF) responsible for overseeing all forestry activities in the country, including management of incentive programs for plantations and native forest management, national parks, fire prevention and suppression and environmental impact assessments for activities in forest areas. CONAF headquarters are in Santiago, and they maintain a large and diverse staff throughout the country in regional and local offices. CONAF is a recognized public institution with strong environmental competence. Since 2010, it established an Environmental Assessment Unit (DEA, for its acronym in Spanish) in charge of the System of Environmental Impact Assessment, Environmental Monitoring and Control, and other responsibilities to oversee compliance with current environmental regulations related to the use and management of forest resources and xerophytic formations, the conservation of native forests and protected areas, and environmental licensing. CONAF has also instituted a Unit of Indigenous and Social Affairs (UAIS, for its acronym in Spanish) which focuses on the inclusion and participation of indigenous peoples in the formulation and implementation of sectoral plans, projects and programs. The UAIS has qualified professionals with ample experience on indigenous issues and maintains a local presence in the territories through its regional managers.

## **III. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	<p>The ER Program is classified as Category B since it consists mainly of policies and measures aimed at reverting and preventing forest degradation and deforestation in the areas of intervention. Any potential environmental impacts and risks stemming from the implementation of on-the-ground activities through the implementation of ER Program Measures is expected be low, localized and manageable.</p> <p>A participatory Strategic Environmental and Social Assessment (SESA) was carried out in compliance with OP/BP 4.01 and following FCPF Guidelines, in order to identify measures to avoid and mitigate the potential</p>

		negative environmental and social impacts associated with ER Program Measures. The SESA has provided key guidance and elements for the preparation of the Program's Environmental and Social Management Framework (ESMF), to ensure that social and environmental risks are factored in the design and implementation of ER Program Measures and related subprojects. The ESMF identifies several operational instruments as well as prevention and/or mitigation measures to address environmental and social risks in subprogram sites. These measures include screening checklists (to determine potential impacts), negative lists (to exclude certain activities that are considered high-impact), and procedures to determine the need for development of site-specific assessments and safeguard instruments, particularly related to OP 4.04, 4.09, 4.36, 4.10, and 4.12. Since the Bank does not finance any of the underlying activities of the ER Program, but rather only pays for results, the ESMF will apply to all activities implemented under the Program regardless of the source of financing based on the current approach for safeguard application to FCPF ERPA operations, and will form the basis to identify, avoid, minimize and where necessary mitigate any potential adverse impacts from program activities.
Performance Standards for Private Sector Activities OP/BP 4.03	No	This policy is not triggered as the scope of the Program does not include activities financed by the Private Sector.
Natural Habitats OP/BP 4.04	Yes	The application of this policy seeks to ensure that all options proposed in the ER Program take into account the conservation of biodiversity and critical natural habitats, as well as the numerous environmental services and products they provide to the Chilean society. Overall, the ER Program is expected to have significant positive impacts on natural habitats as it consists in the implementation of an effective strategy to reduce the degradation of its native forests. The SESA addressed issues related to natural habitats and potential impacts of the ER Program, which have been incorporated in the ESMF through a specific protocol that will be applied as needed.
Forests OP/BP 4.36	Yes	Overall, the ENCCRIV is expected to have

		<p>significant positive impacts on the country's vast native forests, especially in the five administrative regions targeted by the ER Program, by reducing deforestation and forest degradation while contributing to the well-being of forest-dependent communities. One of the key results of the SESA incorporated in the design of the ER Program has been the exclusion of industrial forest plantations as they have been associated with higher rural poverty rates as small-scale agriculture faces increased challenges and economic hardship such as less water available for irrigation, and possible contamination of crops from plantation pesticide fumigation. ER Program measures will target vulnerable small and medium native forest owners in order to help them stabilize their land and increase the Program's environmental and social co-benefits, representing a paradigm shift from the past forest management model focused on the exotic species timber industry towards a more sustainable one. A specific protocol has been incorporated in the ESMF to be used as needed, reflecting the requirements of the Bank's Operational Policy regarding forest management, in particular as these relate to the establishment of plantations and use of critical forest areas. ER Program Measures implemented through subprojects in forested areas will be based on forest management plans following national standards and legislation, and will be complemented with World Bank Policy provisions regarding certification and small-holder forest management.</p>
Pest Management OP 4.09	Yes	<p>This policy is triggered in a precautionary way since implementation of certain ER Program measures may potentially include the use of pesticides and herbicides at subproject sites as part of an effort to make forest and/or agricultural activities more efficient and economic. The critical provisions of the Bank Policy on Pest Management have been incorporated in the ESMF though a specific protocol to be used as needed that focuses on prioritizing integrated pest management.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>This policy is triggered in a precautionary way to address cases where the ER Program could</p>

		<p>promote activities in areas containing sites deemed physical cultural resources (PCR). Though it is not anticipated that the ER Program will have any negative impacts on such sites, the existence of any such sites in areas affected by the ER Program will trigger provisions included in the ESMF on how to address preservation of known PCR sites, especially in areas inhabited by indigenous communities. A specific protocol has been included in the ESMF to be applied as needed.</p>
Indigenous Peoples OP/BP 4.10	Yes	<p>This policy is triggered due to the presence of Indigenous Peoples in the ER Program Area (approximately 64% of the total at the national level) and their close relationship with native forest and vegetation resources. Since the early stages of preparation, the ENCCRV and the ER Program have had a special focus on participatory processes and vulnerable groups (particularly Indigenous Peoples), with the aim of identifying key issues and providing recommendations for their design. The SESA process began early in the Readiness phase in a highly participatory manner. Indigenous peoples participated in most of the 16 Regional and National Workshops performed as part of the SESA process, which included a total of more than 1,300 people. In addition, an Indigenous People National Dialogue was carried out during 2016, with 1813 indigenous people participants in 90 workshops, to validate the approaches proposed in the ENCCRV.</p> <p>Through the SESA and the Indigenous Dialogue, Indigenous Peoples assessed the risks and benefits of the proposed ER Program Measures from their own perspective and contextual realities, informing potential mitigation measures. Some of the risks and impacts identified during SESA participatory processes and technical analysis performed, were: i) potential exclusion of vulnerable groups, including indigenous peoples and subsistence farmers; ii) the need for cultural approaches and ancestral methods to be taken into account in the design and implementation of ER Program Measures in their territories; iii) lack of appropriate consultation in the formulation of native forest management plans</p>

	<p>in the influence area of their; iv) limited or restricted access to resources in legally protected natural habitats, potentially affecting the livelihoods of indigenous peoples and other vulnerable groups; v) potential displacement of economic or other activities affecting the livelihoods of indigenous peoples and other vulnerable groups.</p> <p>The ESMF includes an Indigenous Peoples Planning Framework (IPPF) that has been prepared in a culturally appropriate way in compliance with the Indigenous Peoples Policy (OP 4.10) for addressing issues related to indigenous peoples during the implementation of the ER Program. The IPPF will serve a guidance for preparing site-specific Indigenous Peoples Plans (IPPs) during the implementation of the ER Program under the principle of free, prior and informed consultation, based on existing practices and instruments developed by the UAIS. To support and enhance the land and natural resource management practices of indigenous peoples, IPPs will be based on two natural resource management instruments that have been developed by the UAIS in a culturally appropriate manner and in a participatory way with Indigenous Peoples, namely the Modelo Forestal Intercultural Mapuche (MOFIN) and Modelo Ambiental Intercultural Andino (MAIA). MOFIN is a community way of doing things with regards to natural resource management, forestry and territorial development that allows to enhance the ?madre tierra- ◆uke Mapu? (mother earth) and the ?Ixofil mongen? (biodiversity) in accordance with the mapuche people way of life, who are located in the ER Program Area. MAIA is mostly taylored to aymaras, quechuas and likan antai cultures, which are not located in the ER Program Area. In the case of exploitation of natural resources, the IPPF clearly establishes that activities which imply natural resource exploitation can be only conducted by indigenous peoples.</p> <p>Chile has also committed to follow its obligations under ILO Convention 169 on Indigenous and Tribal Peoples. As with OP</p>
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		4.01, the IPPF will apply to all activities implemented under the ER program, regardless of the source of financing.
Involuntary Resettlement OP/BP 4.12	Yes	<p>During the Readiness phase, the SESA was used to assess the risk of potential restriction of access to natural resources as part of the design phase of the ENCCRV, providing adequate recommendations from the perspective of stakeholders. Based on this consultation process as well additional technical analysis, it is not expected that ENCCRV measures will result in the displacement of peoples. However, it is likely that measures such as grazing control, a/reforestation, forest planning and zoning, and regularizing land tenure, among others, could result in economic impacts, land acquisition or activity displacement. Also, strengthening of Protected Areas? Management Plans could result in restrictions or limited access to natural resources for indigenous peoples and other vulnerable groups depending on those resources for their livelihoods.</p> <p>To address this type of impacts, a Process Framework (PF) has been prepared as part of the ESMF. Additionally, a Resettlement Policy Framework (RPF) has been prepared to provide procedures to manage impacts in the event of potential relocation and/or land acquisition as a result of the implementation of the ER Program on the ground, including indigenous peoples and small farmers. The RPF and PF are included as a specific chapter of the ESMF. As with OP 4.01, the RPF and PF will apply to all activities implemented under the ER Program and that result in involuntary resettlement or access restriction, regardless of the source of financing. It also will apply to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are i) directly and significantly associated to the ER Program; ii) necessary to achieve its objectives as set forth in the Program documents; and iii) carried out, or planned to be carried out, contemporaneously with the ER Program. Activities that could result in impacts which would imply loss of assets will be considered ineligible for</p>

		support.
Safety of Dams OP/BP 4.37	No	This policy is not triggered as the Program will neither support the construction or rehabilitation of dams nor will it support other investments which rely on services of existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered as the Program will not finance activities involving the use or potential pollution of international waterways.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered as the Program will not finance activities in disputed areas as defined in the policy.

#### IV. Key Safeguard Policy Issues and Their Management

##### *A. Summary of Key Safeguard Issues*

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

The various governing documents of the FCPF, including the Charter, establish a commitment to applying World Bank Safeguard Policies to FCPF operations. As per the guidance on the safeguards approach for FCPF ERPA operations, this includes the following elements: differentiated responsibility for the supervision of safeguard compliance depending on who is financing the underlying activities and whether or not they are included in the Government Program; comprehensive assessment of environmental and social risks associated with ER Programs and formulation and adoption of relevant safeguard frameworks and/or plans to address such risks; capacity assessment of the Program Entity to implement agreed safeguard frameworks and/or plans; preparation and adoption of safeguards action plan, where applicable; Program Entity's self-monitoring and reporting along with independent third party monitoring and reporting on the implementation of safeguard instruments; feedback and grievance redress mechanism; and the World Bank's oversight of effective implementation and compliance of Program Entity with agreed safeguard management system.

According to the World Bank's Operational Policies the Program is classified as Category B, as ER Program Measures under the ENCCRV will include clearly defined activities with foreseeable impacts and mitigation measures, and are expected to fall into categories B and C. A participatory Strategic Environmental and Social Assessment (SESA) was carried out in compliance with OP/BP 4.01 and following FCPF Guidelines, in order to identify, avoid, and mitigate the potential negative environmental and social impacts associated with ER Program Measures. The safeguard policies triggered as a result of the SESA include OP4.01 (Environmental Assessment), OP4.36 (Forests), OP4.04 (Natural Habitats), OP4.09 (Pest Management), OP4.11 (Physical Cultural Resources), OP4.10 (Indigenous Peoples), and OP4.12 (Involuntary Resettlement).

Overall, ER Program measures are expected to have net positive environmental and social impacts by reducing the secondary effects of forest degradation such as erosion, slope destabilization, landslide formation, and the incremental reduction of GHG emissions.

Restoration of degraded forests and the establishment of new forest areas will also have net positive impacts by restoring forest ecosystem functions with the associated carbon sequestration, biodiversity and environmental enhancements, including natural habitats. These would constitute permanent and cumulative positive impacts.

No large scale, significant and/or irreversible impacts are expected by the Program. Potential adverse environmental impacts are expected to be mainly temporary and minor, and may potentially include the use of pesticides and herbicides at subproject sites as part of an effort to make forest and/or agricultural activities more efficient and economic. All of the above impacts could be remedied and manageable considering the forest management practices required by the Native Forest Law and its Regulations (in particular the Regulation on water, soils and wetlands) which will be applied in the implementation of ER Program Measures, in addition to the World Bank's safeguard policies.

Regarding OP 4.10, safeguards issues and impacts are related to: i) potential exclusion of vulnerable groups, including indigenous peoples and subsistence farmers; ii) the need for cultural approaches and ancestral methods to be taken into account in the design and implementation of ER Program Measures in their territories; iii) lack of appropriate consultation in the formulation of native forest management plans in their influence area; iv) limited or restricted access to resources in legally protected natural habitats, potentially affecting the livelihoods of indigenous peoples and other vulnerable groups; v) potential/occasional displacement of economic or other activities affecting the livelihoods of indigenous peoples and other vulnerable groups.

Regarding OP 4.12, ER Program Measures are not expected to result in the displacement of peoples and even in impacts because of assets lost. However, it is likely that measures such as grazing control, forest planning and zoning, regularizing land tenure, among others, occasionally result in minor economic impacts, land acquisition or activity displacement. Also, restoration of fire affected ecosystems and the strengthening of Protected Areas Management Plans could result in restrictions or limited access to natural resources for indigenous peoples and other vulnerable groups depending on those resources for their livelihoods.

ER Program Measures also include activities that might affect policies, programs and plans affecting the use of natural resources. The ESMF includes specific procedures for assessing the appropriate instrument to be applied to such activities (such as a Strategic or Regional Environmental Assessment) following the guidelines for the application of Bank safeguard policies to Technical Assistance and to Land Use Planning activities.

**2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:**

No long term impacts due to anticipated future activities in the Program area are expected.

**3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.**

The Program design considers the most likely alternative to minimize adverse impacts based on the national context. Based on the SESA, CONAF has excluded industrial exotic forest

plantations from the Program which have been associated with negative environmental and social impacts in the past and will focus instead on small and medium native forest owners. This is expected to increase the Program's environmental and social co-benefits, representing a paradigm shift from the past forest management model focused on the exotic species timber industry towards a more sustainable one.

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

To ensure that social and environmental risks are factored in during the implementation of ER Program, each proposed ER Program Measure will be screened for its environmental and social impacts and appropriate environmental assessment and mitigation measures will be implemented based on national Environmental and Social Management Systems (ESMS) and World Bank safeguard policies. Given that specific locations for the implementation of ER Program Measures are not currently defined, the safeguards procedures will be governed by an Environmental and Social Management Framework (ESMF), which sets out environmental screening and eligibility criteria, and defines the environmental and social due diligence to be followed, including the development of site-specific plans when needed. The ESMF and its instruments, including a Resettlement Policy Framework (RPF) and an Indigenous Peoples Planning Framework (IPPF) will guide the ESMS already in place in-country to ensure that social and environmental risks are factored in the design and implementation of ER Program Measures and related activities in accordance with World Bank Policies.

To support and enhance the land and natural resource management practices of Indigenous Peoples, Indigenous Peoples Plans will be based on a natural resource management instrument that has been developed by CONAF in a culturally appropriate manner and in a participatory way with Indigenous Peoples, namely the Mapuche Intercultural Forest Model (Modelo Forestal Intercultural Mapuche - MOFIM) which is tailored to the cultural uses of the Mapuche people and applicable between the Regions of Biobio to Los Lagos. With regards to involuntary resettlement, CONAF has determined that activities which would imply loss of assets will not be eligible to support, while impacts related to economic displacement or access restriction to natural resources in legal protected areas are covered by a Process Framework.

The ER Program implementing agency will be the Chilean National Forestry Corporation (CONAF) responsible for overseeing all forestry activities in the country, including management of incentive programs for plantations and native forest management, national parks, fire prevention and suppression and environmental impact assessments for activities in forest areas. CONAF headquarters are in Santiago, and they maintain a large and diverse staff throughout the country in regional and local offices. CONAF is a recognized public institution with strong environmental competence. Since 2010, it established an Environmental Assessment Unit (DEA, for its acronym in Spanish) in charge of the System of Environmental Impact Assessment, Environmental Monitoring and Control, and other responsibilities to oversee compliance with current environmental regulations related to the use and management of forest resources and xerophytic formations, the conservation of native forests and protected areas, and environmental licensing. CONAF has also instituted a Unit of Indigenous and Social Affairs (UAIS, for its acronym in Spanish) which focuses on the

inclusion and participation of indigenous peoples in the formulation and implementation of sectoral plans, projects and programs. The UAIS has qualified professionals with ample experience on indigenous issues and maintains a local presence in the territories through its regional managers.

The Program Implementation Unit (PIU) within CONAF will be placed in the Climate Change and Environmental Services Unit (UCCSA, for its acronym in Spanish), which has a dedicated technical team at the national level and regional focal points with experience in engaging with a broad range of stakeholders in forest activities, including small forest owners, indigenous peoples, agricultural communities, and others. Division of roles and responsibilities for safeguards implementation will follow the existing national Environmental and Social Management Systems (ESMS) in place and clearly described in the ESMF, which are considered consistent with World Bank policies. The UCCSA will take on any additional safeguards responsibilities that go beyond the specific duties of the DEA and UAIS as attributed by national legislation, to fully comply with World Bank safeguard requirements, and will be the overall responsible for coordinating safeguard functions under the ER Program, including monitoring and reporting of safeguards compliance in progress reports submitted to the Bank (at minimum annually), along with monitoring of other aspects of the ER Program such as the implementation of the Benefit Sharing Plan. As the key counterpart for the Bank's operations in the forestry sector in Chile (FCPF and GEF), UCCSA has built strong capacity in the application of World Bank safeguards policies and coordinating with DEA and UAIS in the development of the SESA and the ESMF. Additional capacity and financing needs for the application and reporting on the ER Program's safeguard instruments, including the development of site-specific safeguard plans, will be covered through the FCPF funds.

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

As part of the SESA, CONAF carried out extensive consultation activities through workshops at the national and regional level with indigenous peoples, small forest owners, civil society, the private sector and other key stakeholders in order to consult, receive inputs, and validate the ENCCRV. This included: 15 Regional workshops (1,266 participants), one in each region of the country, with significant participation from women (37%) and Indigenous Peoples (9%); one national workshop (125 participants); a Self-assessment process of the readiness of the country (74 participants); a public consultation (506 participants); and an Indigenous Peoples dialogue and consultation (100 workshops; 1,1813 participants). Details on these regional workshops along with testimonial videos are available on line at: <http://www.encrvchile.cl>.

The ESMF, IPPF, RPF and Process Framework underwent a process of consultation and validation from June to December 2017 with key representatives of the stakeholders that participated in the SESA process based on a methodology agreed with the Bank. Final versions of all the safeguard instruments have been disclosed and are publicly available on the websites of CONAF and the World Bank.

During implementation, the ESMF and RPF include a specific section with clear guidelines to

perform the free, prior and informed consultation with affected stakeholders involved in the implementation of ER Program Measures, including a minimum list of participatory activities and information to be provided. With regards to Indigenous Peoples, the IPPF establishes that the ENCCRV consultation process will be consistent with Supreme Decree No.66 of the Ministry of Social Development, conforming ILO Convention 169 Article 6 N<sup>o</sup>1 and N<sup>o</sup>2 as well as IPPF guidelines and requirements (ESMF Annex 5). In addition, the ESMF establishes that ER Program Measures implemented on Indigenous lands and territories will have to conduct a free, prior and informed consultation process resulting in a recorded broad community support of the Indigenous Peoples affected, if they are direct beneficiaries of the Measures proposed.

In addition, a Feedback, Grievance and Redress Mechanism (FGRM) will be in place during implementation of the ER Program based on CONAF's existing Office of Information, Complaints and Suggestions (OIRS, for its acronym in Spanish). Once activities on the ground are initiated, CONAF will work together with the OIRS of the five ER Program regions to ensure that any complaints are duly recorded and addressed.

### ***B. Disclosure Requirements***

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	17-May-2018
Date of submission to InfoShop	19-Jun-2018
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Chile	14-Aug-2018
<i>Comments:</i> <a href="http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encrv/">http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encrv/</a>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	17-May-2018
Date of submission to InfoShop	19-Jun-2018
"In country" Disclosure	
Chile	14-Aug-2018
<i>Comments:</i> <a href="http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encrv/">http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encrv/</a>	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	17-May-2018
Date of submission to InfoShop	19-Jun-2018
"In country" Disclosure	
Chile	14-Aug-2018
<i>Comments:</i> <a href="http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encrv/">http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encrv/</a>	

<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	No
Date of receipt by the Bank	17-May-2018
Date of submission to InfoShop	19-Jun-2018
"In country" Disclosure	
Chile	14-Aug-2018
<i>Comments:</i> <a href="http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encerv/">http://www.conaf.cl/nuestros-bosques/bosques-en-chile/cambio-climatico/encerv/</a>	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why::</b>	

### C. Compliance Monitoring Indicators at the Corporate Level

<b>OP/BP/GP 4.01 - Environment Assessment</b>						
Does the project require a stand-alone EA (including EMP) report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>OP/BP 4.04 - Natural Habitats</b>						
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
<b>OP 4.09 - Pest Management</b>						
Does the EA adequately address the pest management issues?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is a separate PMP required?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>

Pest Management Specialist?						
<b>OP/BP 4.11 - Physical Cultural Resources</b>						
Does the EA include adequate measures related to cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>OP/BP 4.10 - Indigenous Peoples</b>						
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	NA	<input checked="" type="checkbox"/>
<b>OP/BP 4.12 - Involuntary Resettlement</b>						
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Is physical displacement/relocation expected?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	TBD	<input type="checkbox"/>
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	TBD	<input checked="" type="checkbox"/>
<b>OP/BP 4.36 - Forests</b>						
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the project design include satisfactory measures to overcome these constraints?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	NA	<input type="checkbox"/>

<b>The World Bank Policy on Disclosure of Information</b>						
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
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	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
<b>All Safeguard Policies</b>						
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	NA	<input type="checkbox"/>

## V. Contact point

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**VII. Approval**

Task Team Leader(s):	Name:Stavros Papageorgiou,Leonel Iglesias Gutierrez	
<i>Approved By:</i>		
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Practice Manager/Manager:	Name: Valerie Hickey (PMGR)	Date: 10-Sep-2018
Country Director:	Name:Boris Enrique Utria (CD)	Date:21-Sep-2018