



Con los pies en el bosque

History, lessons and learnings from Fondo Acción's participation in the REDD+ mechanism and the carbon market

Angélica Beltrán

Consultant

María Margarita Fontecha

Development and Knowledge Management Coordinator

Natalia Jiménez

Professional in Development and Knowledge Management

October 2020

Project Sheet

Project or Program name	Portafolio REDD+ comunitario en el Chocó Biogeográfico
Leading entity	Fondo Acción
Contact point	elfondo@fondoaccion.org
Author(s)	Angélica Beltrán, consultant María Margarita Fontecha, Development and Knowledge Management Coordinator Natalia Jiménez, Professional in Development and Knowledge Management
Other stakeholders (institutions)	1. Acapa Community Council 2. Bajo Mira y Frontera Community Council 3. Río Cajambre Community Council 4. Bajo Calima Community Council 5. La Plata Bahía Málaga Community Council 6. Concosta Community Council 7. Sivirú Community Council 8. San Andrés de Usaragá Community Council 9. Pílizá Community Council 10. Pizarro Community Council 11. Acaba Community Council 12. Río Pepé Community Council 13. Montaña Community Council 14. Vigía de Curvaradó Community Council 15. Santa Rosa del Limón Community Council 16. Apartadó-Buenavista Community Council 17. Río Domingodó Community Council 18. Chicao y La Madre Community Council 19. Community Council of Comunidades Negras de la Cuenca Del Río Tolo y Zona Costera Sur (Cocomasur) 20. Cabildo Mayor Mutatá: Jaikerazabi, Chontadural Cañero and Coribí Bedadó Cabildos
Date of this version	October 2020

Introduction

This document addresses the role of Fondo Acción in the last twelve years in the consolidation of the community REDD+ Portfolio in the Chocó Biogeographic Region. Throughout these years, the organization has had the opportunity to work hand in hand with the communities and with different responsibilities as an ally for community strengthening, project implementation, commercial facilitation, and resource management derived from the sales. This case study seeks to provide general evidence of how Fondo Acción reached one of the most remote areas of the country and facilitated the consolidation of a financial mechanism that (i) ensures forest conservation, (ii) promotes better living conditions for communities, and (iii) contributes to the country's climate change and development agenda.

The community REDD+ Portfolio in Chocó Biogeographic Region is composed of nine REDD+ projects verified by the Climate, Community and Biodiversity Alliance (CCB) and the Verified Carbon Standard (VCS). These projects cover 710,000 hectares of forest that are protected and managed by ethnic communities' own decisions, for the conservation and sustainable use of natural resources. The owners of the projects are 19 Afro-Colombian community councils and an indigenous cabildo mayor, owners of collective territories where about 8,000 families and more than 40,000 people live. The protagonists of this story are the Afro and indigenous peoples of the Pacific:

- Acapa Community Council
- Bajo Mira y Frontera Community Council
- Río Cajambre Community Council
- Bajo Calima Community Council
- La Plata Bahía Málaga Community Council
- Concosta Community Council
- Sivorú Community Council
- San Andrés de Usaragá Community Council
- Pílizá Community Council
- Pizarro Community Council
- Acaba Community Council
- Río Pepé Community Council
- Montaña Community Council
- Vigía de Curvaradó Community Council
- Santa Rosa del Limón Community Council
- Apartadó-Buenavista Community Council

- Rio Domingodó Community Council
- Chicao y La Madre Community Council
- Community Council of Comunidades Negras de la Cuenca Del Río Tolo y Zona Costera Sur (Cocomasur)
- Cabildo Mayor Mutatá: Jaikerazabi, Chontadural Cañero and Coribí Bedadó Cabildos

By 2017, the portfolio had secured close to 7 million tons of carbon equivalent emission reduction. This result was the product of the actions developed (productive systems, forest governance, and monitoring, reporting, and verification) by the communities with the support of Fondo Acción and USAID financing in recent years. These tons are translated into greenhouse gas emission reduction certificates, called carbon credits. These credits have found buyers in the private sector, with companies that, within the framework of their social and environmental responsibility and/or in compliance with their environmental obligations, decided to support these initiatives, seeking carbon neutrality in their processes. Among the entities that have believed in this portfolio are Prodeco, British Petroleum, Biomax, and ITAU, and among others.

Thanks to the resources from the commercialization of carbon credits, the communities have strengthened their capacities for the development of productive systems for crops of annatto, naidí (açai), coconut, cocoa, and also eco-tourism and responsible fishing activities, as well as for the planning and execution of actions that allow forest governance, territorial defense and that enhance their good living. The foregoing in accordance with their self-determination and culture, showing that conservation and productivity are possible in these territories.

To consolidate REDD+ as a sustainable financial mechanism in Chocó Biogeographic Region, most of the projects have received resources from international cooperation, such as the United States Agency for International Development (USAID) and Fondo Colombia Sostenible (FCS) through the Inter-American Development Bank (IDB). It should also be mentioned that, although Fondo Acción has played a mainly technical role, it also supported the projects with financial resources to achieve verification through a funding mechanism.

Where do we start from?

“We seek to maintain a dignified life for the reborn not only our children, but those of all the flora and fauna of Chocó Biogeographic Region”.

Bernardo Orobio, Bajo Calima Community Council

The Chocó Biogeographic Region, according to the Colombian Environmental Information System (SIAC), is recognized as one of the regions with the highest biodiversity and the highest rainfall on the planet. Its natural wealth has been threatened by various legal and illegal extractive activities of natural resources such as timber and minerals. An example of this is deforestation which, according to data from the Institute of Hydrology, Meteorology and Environmental Studies (IDEAM), has shown an upward trend since 2000, with periods of reduction and instability up to the present (See table 1).

Period	Deforested ha.
1990-2000	140.016
2000-2005	148.537
2005-2010	139.484
2010-2012	9.407
2012-2013	5.028
2013-2014	13.855
2014-2015	12.206
2015-2016	29.009
2016-2017	13.474
2017-2018	7.454
2018-2019	14.120

Table 1. Record of deforested hectares in the Colombian Pacific. Source: Forest and Carbon Monitoring System. IDEAM. 2020.

The diversity of the Colombian Pacific is also in its inhabitants, being a multicultural region, with the presence of indigenous communities and Afro-Colombian peoples, who

have inhabited the territory and have generated their relationship and culture around the forests, jungles, rivers, and mangroves.

These communities have had to face violence and displacement, as well as the consequences of ecosystem degradation and deforestation. All of the above puts at risk their food security, livelihoods and the free development of their culture; in other words, what they call their good living.

REDD+, la alternativa

Under these environmental degradation and conflict conditions, the REDD+ mechanism is identified as an alternative for the sustainable use of the forest in the Chocó Biogeographic Region. Colombia was one of the countries that promoted the definition of the mechanism in the United Nations Framework Convention on Climate Change (UNFCCC) as a strategy to contribute to the mitigation of climate change, reduce deforestation and promote actions for forest conservation. The country then decided to start its REDD+ readiness process by formulating a national strategy and developing early implementation initiatives, known as REDD+ projects, which sought to connect with the voluntary carbon market.

What is REDD+?

REDD+ is a mechanism that emerges from the United Nations Framework Convention on Climate Change (UNFCCC) and that can be operated by governments or private agents. Although, since 1999, countries such as Costa Rica and Papua New Guinea promoted the need for a financial mechanism to contribute to the reduction of greenhouse gases (GHG) caused by deforestation, it was in 2007 at the Bali Summit (Indonesia) that this mechanism was established. But, what does this mean?

Reduction of GHG Emissions by reducing deforestation and forest degradation + social welfare, forest conservation, forest management and increasing carbon stocks in forests.

In the case of the private sector, REDD+ projects can verify the reduction of CO₂ emissions through entities accredited to the Convention or by the country, who, through standards, certify those projects that have achieved an effective reduction of the deforestation and degradation. This generates carbon credits that can be bought by companies, entities or individuals that seek to mitigate their carbon footprint.

This is called the voluntary carbon market.

Among the higher-level standards are the Verified Carbon Standard (VCS) and the Community, Carbon and Biodiversity Alliance (CCB), now consolidated in the VERRA firm, who validate that the development of projects is carried out with the community, respecting the biodiversity of the area, and contributing to climate protection. They also verify how many tons of CO₂ were not emitted thanks to the actions of the project.

The path in early implementation initiatives was led by a community from the municipality of Acandí, located in the north of Chocó Biogeographic Region on the border with Panama, organized under the community council of the Tolo River and South Coastal Zone (Cocomasur). In the search for real options to protect their territory and manage to stay in it, Brodie Ferguson and his company Anthrotect connected with Cocomasur and built the proposal to develop a REDD+ project. In 2009, they reached an agreement and began to develop the first REDD+ project in Colombia.

Later, in 2011, USAID, with its BioREDD+ program, and operated by Chemonics International, sought to continue its efforts to conserve the forests of the Chocó Biogeographic Region, through the development of REDD+ projects for the voluntary carbon market, the implementation of sustainable actions in small-scale artisanal mining and the conservation of biodiversity. The foregoing through work with community councils of Afro-Colombian communities and reservations.



It is important to highlight that REDD+ is a complex mechanism both due to the great effort in its design and the high degree of community commitment it requires; also, because they are projects raised for more than 30 years. It demands community commitment and technical and legal expertise in resource management, personnel, commercial relations, among others, on the part of the parties involved, especially when seeking validation and verification by international standards such as VCS and CCB, from the carbon credits generated by the projects.

Among the requirements demanded by these standards is that of having an entity experienced in financial management in accordance with the legal requirements of the country, and the administration of resources. Cocomasur and AnthroTECT agreed to seek Fondo Acción for this task, due to its reputation and solidity within the environmental sector. Meanwhile, Fondo Acción worked with companies such as Grupo de Energía de Bogotá in the design of projects within the framework of the clean development mechanism, defined by the Kyoto Protocol of the UNFCCC, and participated in the technical dialogue space formed by the Environmental NGOs of the country and the Ministry of the Environment for the formulation of the National REDD+ Strategy. Likewise, it developed activities to strengthen capacities to facilitate understanding of the REDD+ mechanism in indigenous communities in the Amazon.

Progressively, this role evolved into greater involvement of the Fund in the technical and social components of the projects. Through workshops on governance, strengthening of accounting, financial, and resource management capacities, the Fund supported Cocomasur in its decision to have the REDD+ mechanism in operation. By 2012, this REDD + project would be the first in Colombia to generate verified carbon credits. Cocomasur would then consolidate itself as the first ethnic community to develop a



Exchange of Knowledge with Cocomasur, 2016

successful REDD + project in its territory, Anthrotext as the first development entity in the country, and Fondo Acción as its fiduciary ally.

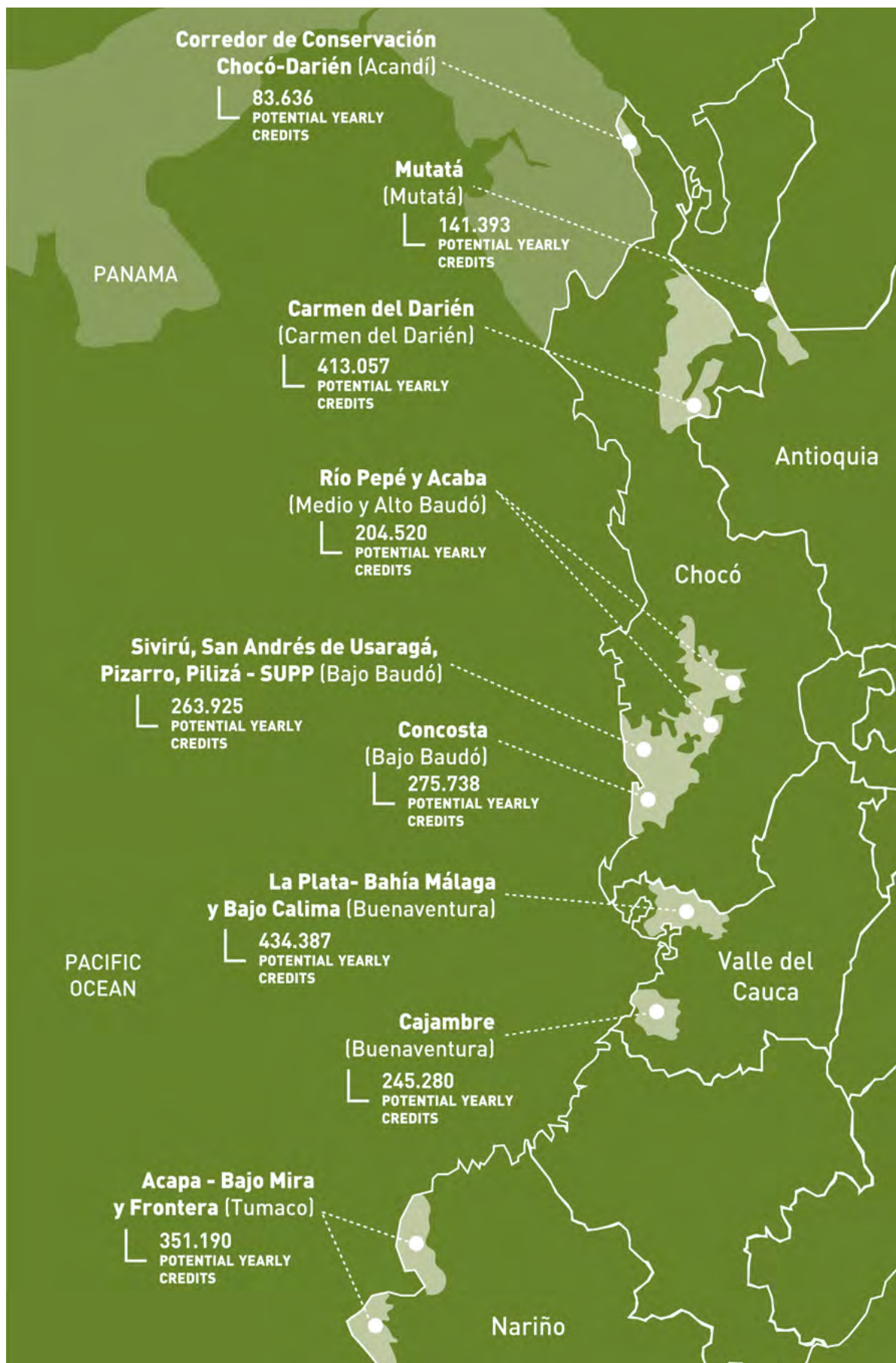
Meanwhile, by 2013, BioREDD+ had brought together 20 ethnic communities to advance the design of REDD+ projects in their lands. However, the executing entity and the donor faced a complex reality related to the strengthening of the communities, the distances to reach the territory, the logistical requirements for the meetings, among other challenges. Given this need and seeking successful experiences, USAID contracted Fondo Acción to design and implement instruments that would bring this component to fruition in REDD+ projects.

The Fund accepted the challenge, and for this, it created an alliance with Cocomasur, due to its knowledge, experience and its capacity to support decision-making processes in ethnic communities with collective territories. Together they designed a tour of the territories to close the gaps in trust and information. Thus, the two organizations carried out visits and training workshops on REDD+ in the territories, allowing community leaders such as Everildys Córdoba, Ferney Caicedo, Rosana Córdoba, and Eusebio Guisao, from their experience, with their own vision and strengthened by strategies, to share their history and contributed to the knowledge of the communities about the development of these projects.

One of the lessons learned from this process was to see that dialogue between peers, and in this case between ethnic communities, is key to i) understanding complex concepts such as REDD+ and ii) building trust for the next steps of the project. Also, HARMOS* was the gateway to identify capacities in the communities, which would enhance the development of the mechanism. In May 2015, BioREDD+ came to an end, leaving eight (8) REDD+ projects designed and validated by an international auditor, on the verge of starting the second phase with the development of project activities, such as alternative production systems to reduce deforestation and forest degradation and, in the end, achieving verification of the tons of carbon not emitted by the project.

Thanks to the previous process of Fondo Acción in Chocó Biogeographic Region, and the progress of this organization in Caquetá for the Connected Landscapes Program, USAID designated Fondo Acción as the project implementer and gave rise to Pacific Connected Landscapes to achieve the validation and verification processes against the VCS and CCB standards.

* HARMOS is a program created by Fondo Acción, which seeks to strengthen organizations and community leaders through coaching. The program strengthens skills of the human being: leadership, communication, conflict resolution; and other capacities that involve “making”: accounting, project development, resource management, project management. The goal is to stimulate personal and professional growth and transformation (Pombo, A. et al. 2014).



Map of REDD + projects. Compiled by authors

Meanwhile, Colombia continued the process of preparation for REDD+ through dialogue processes with key stakeholders, information gathering and analysis, evaluation of impacts, risks and benefits, monitoring of forests and forest carbon, and the national system of environmental and social safeguards. Cocomasur had already validated credits but had also verified that their sale was not so simple and the BioREDD+ projects still needed financial and technical muscle to be successful. With these initial conditions, Fondo Acción, which was now the implementer, shouldered the expectations that the Government had regarding the mitigation potential of the projects, the great hopes of the communities - who still had doubts about the purchase and sale of services— as well as the scope and details of the projects, and the agreement with a donor who had made a significant investment of resources.

At full throttle

In 2015, Fondo Acción began its work as implementer of the projects.

Building on what has already been constructed was not an easy task. It has been said by several of the interviewees for this case study. This is because now the Fund had to execute projects designed between the BioREDD+ executor and the communities.

The first challenge for Fondo Acción was to bring the concepts of REDD+, using a simple language to communities that, after a process of almost four years, were beginning to doubt the materialization of its objectives and benefits. In the words of Bernardo Orobio from Bajo Calima: “How is the intangible harvested?” REDD+ is not easy to understand, so the knowledge and experience gained by Fondo Acción, together with Cocomasur, was decisive in facilitating the knowledge management in an appropriate language in the communities, including translations into the Embera language for the indigenous communities. The interviewees of the case study recall that, by this point, the effectiveness of the mechanism, the transparency in resource management, and distribution of benefits were being questioned. It gave rise to external noise.

To give the communities greater peace of mind and confidence, culturally appropriate tools and materials were developed during this process, from infographics and booklets explaining climate change and REDD+ issues, videos that recounted experiences, territory recognition walks, to meetings of cultural exchange with other community councils.

This fostered conversation and connection between the communities, which led to collectively feeling the territory, thinking about it and dreaming about it, and thus acting for its conservation.

For the external observer, the Afro-Colombian communities of Chocó Biogeographic Region and the indigenous peoples constitute great families that share not only space

but also customs and ideals. But those who walk these lands can observe the existing differences, which need to be recognized, respected, and reflected when looking to make a long-range bet, such as the 30 years that a project of this type can last.

Recognizing these particularities, Fondo Acción developed REDD + with the communities from their feelings, which allowed them to think and identify possible futures and then make them a reality. This internalization of the concepts, this recognition of the project as their own, allowed the next steps to be taken with firmness and quickly.

For both the Afro-Colombian and indigenous communities, REDD+ became the excuse, the springboard, to organize their territories autonomously. In other words, their good living served as a compass to build alternatives and ways of staying, surviving in the territory they inhabit, in harmony with nature from their recognition and culture.

For each community council and indigenous reservation, that good living may have different meanings. For the indigenous communities of Mutatá, the insertion of ancestral knowledge, especially the recovery of their traditional medicine, is of vital importance. In the case of Afro-Colombian communities, the importance of using resources for culture is highlighted “(...) We are artists, we seek to use without violence, we need to cut the tree for the house, for the marimba, the hide of the deer for the cununo”, said one of the interviewees.

However, all this dream of living in harmony in the territory and its ecosystems would not be possible if the verification and sale of carbon credits were not achieved. The condition was to reduce forest deforestation and degradation, and productive projects were emerging as the main tool to reduce the pressure on the forest. However, it was 2015, and the production alternatives proposed in the original projects did not seem viable at that time because market conditions, potential buyers, and the communities themselves had changed. It was then necessary to work on the expectations that had been generated, updating them, regarding the resources available at that time as well as the reality of the markets and the territory.

It was then decided, together with the communities, to strengthen existing production chains in some community councils. Production activities of cocoa, coconut, annatto, naidí, and chontaduro, as well as fishing and tourism, were selected. To strengthen this process, pilot projects were carried out to market the priority product chains of coconut, cacao, annatto, and naidí. It was also defined to implement a new line of community forestry yet to be developed, for the case of Carmen del Darién.

At the same time, it was important to continue working on the monitoring, reporting, and verification (MRV) line. It meant establishing forest parcels and advancing measurements, both of carbon and social and biodiversity indicators. This information would generate inputs to build verification reports. To coordinate and carry out

activities, including MRV activities, each project, with its characteristics, had a REDD+ unit, whose team included representatives of the communities. For these people, who in many cases had come from working all their lives as sawyers, this process integrated their knowledge of the forest with its protection, generating for them and their families the necessary income from a sustainable alternative, the harvest of carbon and sustainable agricultural production. This process, much longer and more expensive than bringing in professionals from other places, but much more sustainable and equitable, is part of the essence of REDD+ as Fondo Acción has understood it; it is a commitment to the generation of capacities that give rise to a real change in the territory and communities, guaranteeing the sustainability of the efforts.

The role of the communities as implementers yielded important results in terms of improving production chains, strengthening control and decision-making over the territory by the collective instances, and agreements and actions that would allow forest conservation. Thanks to the parallel work between the governance, productive, and MRV components, it was possible for the projects to see the opportunity to verify themselves and finally have carbon credits for sale. In other words, the promise was materializing by the end of 2018. In its role as the implementer, Fondo Acción faced challenges and circumstances that were difficult to overcome: great distances, difficulties in communication and connectivity; difficulties in meeting the legal requirements for contracting by the communities (few people have RUT or legally established associative processes); the high costs of remote sensing images chosen for monitoring deforestation in projects, and risks associated with public order and conditions of climatic variability. Today, when asked how the difficulties were overcome, the managers and the team smile and recognize that creativity and flexibility were the key. In the words of lawyers, accountants, and technicians, it was necessary to find the solution.

All these actions required training and community strengthening processes not only in technical matters but also in financial and administrative knowledge. For this, multiple tools and mechanisms have been developed, for example, internships in the offices of Fondo Acción to strengthen accounting and budget management issues; stimulate agreements and conflict resolution within communities, close technical knowledge gaps with local monitoring teams, and agreements between different international cooperation projects and profit-making organizations, consultants and communities.

However, the main challenge faced by the REDD+ portfolio was the termination of funding by USAID, through Connected Landscapes, at a time when communities did not have the resources to meet MRV requirements for verification.

It was Fondo Acción that assumed a new role as donor and funder. After eight years of working with the communities and with the firm conviction of creating possible territories, the Fund created a figure known as “fondeo”, which consists of providing

resources to community councils to cover the costs of verification activities, resources that had to be fully reimbursed to Fondo Acción. The value borrowed would be returned to the Fund by the community councils without interest, after the sale of the carbon credits. This vote of confidence of Fondo Acción in the communities was finally supported by Fondo Colombia Sostenible FCS-BID, which also provides resources for MRV, governance, and productive development activities, beginning in December 2019, a critical moment for the survival of the Projects. The signing of this agreement would formally launch the project to Support the REDD+ Portfolio in Chocó Biogeographic Region, the first donation in the history of Fondo Colombia Sostenible. The FCS donation was possible thanks to the contributions from the governments of the United Kingdom, Norway, Switzerland, and Sweden to this Fund.

In the words of Fondo Acción's administrative and financial director, Germán Botero, the Fund developed a "mezzanine" figure between the two floors: resource manager and implementer. This supports the development of the portfolio, accommodating to the needs of the communities, ensuring that standards are met, bringing the reality of the projects closer to the expectations of donors and potential investors, and building bridges between these projects and the national processes on the REDD+ mechanism.



Carbon harvesting, market and new challenges

In 2019, the verification of carbon credits for 7'055.091 tons of emission reductions was achieved. Here it became evident how the concept of a portfolio, beyond nine independent REDD+ projects, had been internalized by the communities. Since then, they have talked about “our carbon”, designed benefit-sharing mechanisms and advocated together. For the 2019 verification, the Páramos and Forests Program, funded by USAID, worked together with Fondo Acción to develop documents and support technical components of this work.

At the same time that the harvest was being reached, another challenge arose: the sale of the credits. When Bioredd+ and Cocomasur began to design and develop their REDD+ projects, there were incredibly positive expectations for the sale of carbon credits in the voluntary market. However, as Thomas Black, a climate change specialist with the USAID mission in Colombia, remembers, the REDD+ market did not take off as expected, the Kyoto Protocol did not work, and international markets collapsed, leaving a long period of time in which carbon projects around the world were left without a buyer. And although the risk was high, the country was undergoing a political and regulatory change that would bring the national carbon market to life.

In Colombia, while the REDD+ Pacific Portfolio was moving forward, the country was also moving forward in terms of REDD+ readiness. By 2018, the Comprehensive Deforestation Control and Forest Management Strategy, the name given to the national REDD+ strategy, was approved. There, Fondo Acción has played a fundamental role thanks to the support it has provided to the national government in the administration of the resources of the Forest Carbon Partnership Facility (FCPF) and the participation in the UN REDD+ capacity building program, specifically with Afro-Colombian communities and black women's groups in the Chocó Biogeographic Region. This vertical integration between the public policy environments and the territory has facilitated the participation of communities in the decision-making and policy construction processes.

An example of this was the capacity strengthening tours to the Cocomasur territory by indigenous, Afro-Colombian and peasant communities from different regions of the country, as well as representatives of national government entities and environmental authorities. Also, the recognition of the Cocomasur project as a successful experience for cooperation exchanges between South-South countries, with the support of APC-Colombia.

REDD+ Strategy, Comprehensive Deforestation Control and Forest Management Strategy

The objective of this strategy is: “to reduce deforestation and forest degradation by promoting and establishing forest management in the Colombian territory, under a sustainable integral rural development approach, which contributes to the good life of local communities, contributes to local development, increases ecosystem resilience and promotes adaptation and mitigation of climate change”.

To achieve this objective, the following lines of action were established:

Line 1. Socio-cultural management of forests and public awareness.

Line 2. Development of a forest economy and closure of the agricultural frontier.

Línea 3. Line 3. Transectorial management of the land use planning and the environmental determinants.

Line 4. Monitoring and permanent control.

Line 5. Generation and strengthening of legal, institutional and financial capacities.

The experience that was consolidated in the monitoring of forests and their natural resources by communities through the REDD+ Portfolio also enabled the Fund's active and effective participation in the Inter-Institutional Participatory Community Monitoring Roundtable led by IDEAM; a space that seeks to articulate the actions and efforts of the Forest and Carbon Monitoring System (SMBByC) with the monitoring initiatives led by communities in the national territory. It also allowed communities to actively participate in the National Community Monitoring Table, achieving the exchange of knowledge and experiences with communities throughout the country.

In 2016, the national government, through Law 1819, created the carbon tax, which energized the market that, until then, was marginal and dominated by buyers outside the country. The tax consists of the payment of a fee for the amount of carbon emitted, derived from the consumption of liquid fossil fuels.

Under this same framework, the possibility of not paying this fee was also generated if the company's investments in becoming carbon neutral were certified.

This law was regulated by Decree 926 of 2017, which determines that it is possible to certify 'being carbon neutral' only when the GHG emissions generated by the use of fossil fuels are neutralized, that is, carbon credits corresponding to the emissions generated, generated in one's own operation or acquired from third parties are presented. Among the projects eligible for this scheme are all those that can demonstrate, through the verification of an accredited third party, the generation of reliable GHG

mitigation results. This includes REDD+ projects that comply with the verification of an independent standard and are registered on a platform, as in the case of VCS, CCB and VERRA.

The new context opens the possibility for carbon credits produced by the REDD+ portfolio to be offered in this new market. Thus, Fondo Acción made an agreement with the communities to play a role as a commercial facilitator in the sale of the carbon credits. This required an understanding of the regulations, their scope and conditions, in order to be able to search for potential buyers. The legal director of Fondo Acción, along with her team, had to learn the ins and outs of this new market, in order to take it to the communities and the buyers.

It was also necessary to prepare the management agreement and the verified emissions reduction purchase agreement (ERPA), so that they were fully understood by the communities that own the projects and were satisfactory not only for them but also for the buyers.

Fondo Acción's team and the communities themselves recognize the challenge of moving from oral and verbal agreements to written agreements and contracts. The challenge was to overcome the communities' fears that, in many cases, had been addressed by intermediaries offering unfair percentage allocation deals on the sale of carbon credits. It was key to learn how to determine and be clear about the rules of the game from the beginning, to show that communities can take on responsibilities within projects, beyond being field assistants for inventories, attending workshops or measuring trees. As Everildys Córdoba of Cocomasur says: "Communities are not a "drone", we are partners and companions".

By this time, thanks to the domestic market, finding buyers stopped being the challenge and became the vehicle to channel corporate sector resources to conservation and climate change mitigation. Once again, trust between communities and Fondo Acción made the difference. It was important for the communities to know who was going to buy the carbon that they had harvested with so much effort; to know that it was not going to be used by companies that were not committed to the country, to peace, to the communities and to environmental protection. It was also important for the buyers to know that this investment was backed by reliable standards, that this carbon had a robust scaffolding that ensured its permanence, making the credits to be purchased valid. With these interests in mind, both the communities that owned the carbon credits and the interested buyers began the business rounds in which both parties got to know each other and where trust was key to reaching a successful conclusion.

Prodeco, a multinational company in the energy mining sector, was one of the first buyers of these credits, opening the way for other companies that decided to believe in the REDD+ Pacific community portfolio. In the words of Sergio Petro, the

socio-environmental manager at that moment, this purchasing process requires prior knowledge and understanding on the part of the purchasing company, along with a deep commitment to the environmental aspect, beyond what is required by current legislation. Fortunately, in the case of Prodeco, these conditions were met, thanks to the interest of this company and the commitment of the communities, who even visited the company's facilities to learn about its operation and performance in the field.

British Petroleum p.l.c. also bought credits from this portfolio when it found, in the words of Andrés Huby, creator of environmental products, some robust credits, verified by VCS and CCB, extremely attractive due to their community origin and supported by the good name of Fondo Acción.

The carbon harvest and the first sales left lessons for Fondo Acción, buyers and communities. Moving from the dream of having a verified portfolio to the sale also required strengthening capacities, designing clear instruments for all parties and, of course, leaving behind fears and closing gaps between communities and private enterprise. Of course, the Colombian regulatory framework that creates the incentives and facilitation for the Fund was crucial.



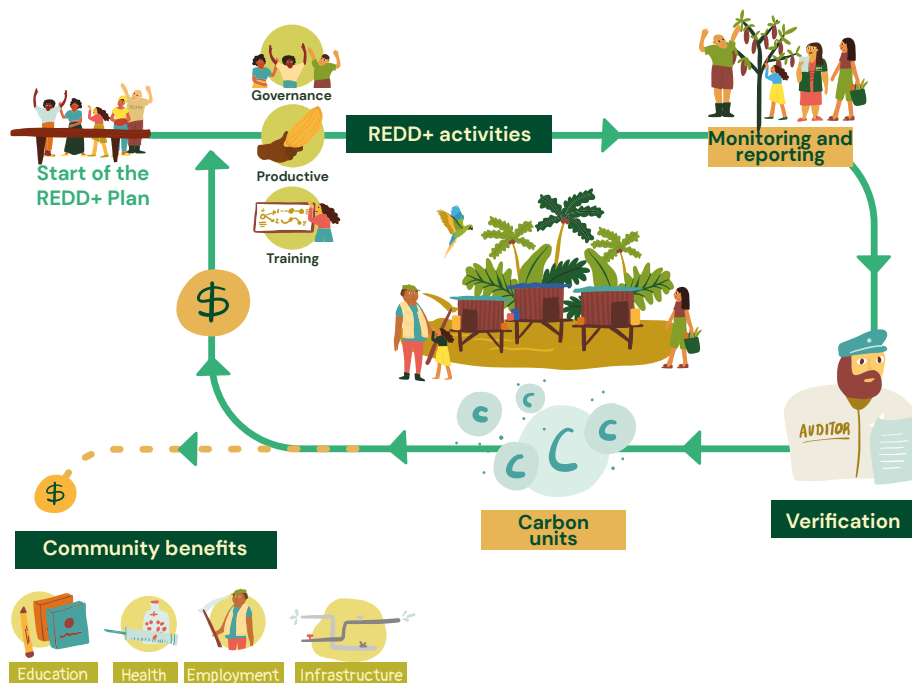
►► Benefit Distribution Mechanism

Fondo Acción assumes a new responsibility with the portfolio, this time as administrator of the resources derived from the sale of credits. In each project, the money from the sale of carbon credits would be executed following an Annual Operational Plan (AOP) designed by the communities with the support of the Fund. In this phase, the governance of the communities is a central pillar of construction. Ruth Valencia, from the Community Council of La Plata Bahía Málaga, defines it as follows: “Reaching agreements, understanding and feeling that it is our own project; that Fondo Acción and all the external organizations can leave, but what we are doing is for us, to defend our territory”.

The mandate is clear, incoming money must be directed to the implementation of activities to reduce deforestation and forest degradation, biodiversity conservation and social benefit. These activities include the components of governance, production systems, monitoring, reporting, and verification, as well as training and project management. Social activities are developed, such as the improvement of housing, educational centers or infrastructure for the provision of public services, once the mandatory activities described in the project document are fulfilled.

Once the project's inherent costs are separated, the surpluses are calculated and the resources to be allocated to social activities are assigned. These resources will be managed with the Benefit Distribution Mechanism, always under the concept that these funds are communitarian, must be invested for the common good and in a strategic way, under the principles of unity, territory, culture and autonomy, as Jhon Jairo Tuberquia, from the Cabildo Mayor Indígena de Mutatá reminds us.

►► Project cycle



Lessons learned

The confidence, faith and work done by the communities has not been less, as well as the commitment of the donors, who have pointed out to real changes in the most bio-diverse and remote territories of the country. Among the results and lessons learned, the following stand out:

1. 7'055.091 tons of CO2 equivalent emissions reduced. 466,828 ha were set aside for biodiversity conservation, protecting more than 70 species in danger of extinction. These numbers speak for themselves and show the depth of the commitment and effort of the communities, as they far exceeded the goal initially set.
2. Strengthening sustainable value chains as alternative options to forest logging in order to maintain the good life of the communities has been key to the success of the portfolio. The prioritized production lines were improved, resulting in 1,783 hectares of improved crops; 2,005 households received technical assistance and 2,672 families were trained in sustainable production practices.
3. Ownership of the REDD+ project. Today the communities own their project and they let it be known. For this, Fondo Acción, the partners and the communities had honest dialogues and processes to understand concepts, establish rules and fulfill agreements. This was also achieved thanks to the training process, whose focus was always to reach as many people as possible from different social groups, seeking to improve their expertise in different areas and their capacity for leadership, participation, and decision-making. More than 220 training courses were held with more than 8,550 participants, of which 2,543 were women.
4. The development of culturally appropriate materials to work on complex, new issues, not always close to the reality of the territories, proved to be fundamental. This type of material was not only represented in REDD+ primers, but also in ethnic and cultural exchanges, legal documents and contracts applied to the Chocó Biogeographic Region, among others; role plays such as Trato Hecho, which seeks to bring the concept of carbon markets closer to the communities, were very successful. All this generated a real knowledge of the project, its approach, results and benefits, and improved the management of expectations, allowing the development and sustainability of the portfolio.
5. Strengthening community monitoring. Everildys Córdoba highlights the importance of knowing and walking the territory, "those who do not know,

cannot live the territory”, and part of that knowledge is given thanks to the participatory community monitoring (PMC), very related to the valuation of ancestral knowledge and to the recovery of the direct relationship of the communities with the territory. The empowerment of the PMC made monitoring and the practices required for verification processes easier and made it part of community development.

6. Linking the system. There are important opportunities to link with national progress on the REDD+ mechanism, such as the insertion and concatenated work for the implementation of the National Safeguard System and the Community Forest Monitoring System, as well as the National Forest Inventory.
7. Developing the activities with a local team financed by the projects represented a general benefit for the region, by improving employment conditions (102 people employed) and generating new opportunities for the consolidation of sustainable production chains (320 production technicians).
8. The actions carried out within the framework of the portfolio allowed to obtain quality results, which means that today the projects comply with the gold, VCS and CCB standards.

The history of Fondo Acción within the REDD+ framework has made the organization grow and learn from the daily challenges involved in consolidating a portfolio of this nature in the country. Today, after this process, national, private and regional entities recognize this effort as an example of real and sustainable construction of possible territories. These are some of the main lessons learned by the Fund in the framework of the REDD+ history:

1. Researching to finally understand in depth the needs and interests of the communities in the framework of their search for good living was key to spreading trust, routing the paths of the portfolio, and generating community ownership of their projects. The trust between the communities and Fondo Acción constitutes the success of the results of this process.
2. To have an interdisciplinary team from the natural, social and economic sciences and engineering capable of seeing the challenges from different perspectives and proposing integral solutions to each difficulty, always listening to the community, the donors and reconciling visions between one and the other.
3. Find and strengthen leaders, men and women recognized by the community. Those key people who accompanied Fondo Acción in its work with the community, but who also became replicators and pillars for other

communities, both of the success experiences and of the opportunities for improvement and risks. These leaderships were created from the project, not by cooperative selection, but by the awareness-raising of people in the community about the importance of their participation in the project.

4. Developing tools that are culturally appropriate and coherent with the realities of the territory allowed for a clear dialogue with the communities, as well as the appropriation of the projects by them. The dialogue between peers, between people from the same community and the communication and reproduction of the project's knowledge was also fundamental.
5. Changing unsustainable harvesting and use practices that result in deforestation and forest degradation is only possible if there are real opportunities for sustainable and alternative production projects. Here, the development and implementation of the value chain approach is fundamental to making conservation meaningful.
6. Generate local jobs for the people who performed the specific work for the project (REDD+ unit), ensuring income for these families, green, local and sustainable jobs.
7. Facilitating the dialogue and relationship between the communities as harvesters and sellers of the carbon credits and the buyers was fundamental to build trust between the parties.
8. Working in the system. While there is a team focused on the execution of activities, the technical unit coordinates its efforts to make economies of scale, share, replicate and scale up field learning to national policies and decision-making spaces.
9. Develop clear rules, transparent procedures and instruments (e.g., ERPA) that bring dialogues to life from the territory where no one knows everything. Community, Fund, public entities and entrepreneurs can learn.
10. Develop a portfolio of REDD+ projects from which the efforts and dreams of an entire region can be united. Independent projects would not have had the same effect in the region.
11. To focus not only the projects on issues of deforestation reduction and sustainable productive alternatives, but to include a complete package of capacity building and improvement of social conditions. This allows for the sustainability of REDD+ projects by also ensuring the opportunities that these credits generate for communities and what this implies in social development (improvement of health infrastructure, education, participation processes, among others).

12. Connecting and articulating actions with existing or emerging normative and policy instruments was key to facilitating experiences and knowledge in the territory and decision-making in the national context, but also to land these instruments and apply them in the territory.
13. The role of women as knowledgeable and knowledge replicators is fundamental in the design, implementation, and monitoring of REDD+ projects, and therefore it is necessary to promote their active and effective participation in different decision-making spaces and project activities.
14. Establish direct dialogues with communities, in other words, speak “ face to face “ and recognize the responsibilities and commitments that project owners have to achieve the results they expect and their benefits. This transparency also contributed to the generation of trust between the communities and Fondo Acción.

Where are we going

In December 2019, the Board of Directors of Fondo Acción decided to create a business unit for the design and replication of REDD+ projects in the country. This unit includes expertise and technical capacity for all aspects of a REDD+ project, administrative capacity for benefit sharing, commercial facilitation and funding, and draws on experience and lessons learned from consolidating the Pacific REDD+ portfolio. This unit responds to the interests of those interested in developing new REDD+ projects in Colombia. Fondo Acción also continues to contribute to the fulfillment of national mitigation and adaptation goals by strengthening capacities, generating information, facilitating spaces for dialogue and participation, and developing pilots that show that it is possible, profitable and viable to act in the territories and sector.



**Design and
establishment
of the project**



**Management of
benefit distribution
mechanisms**



Financing

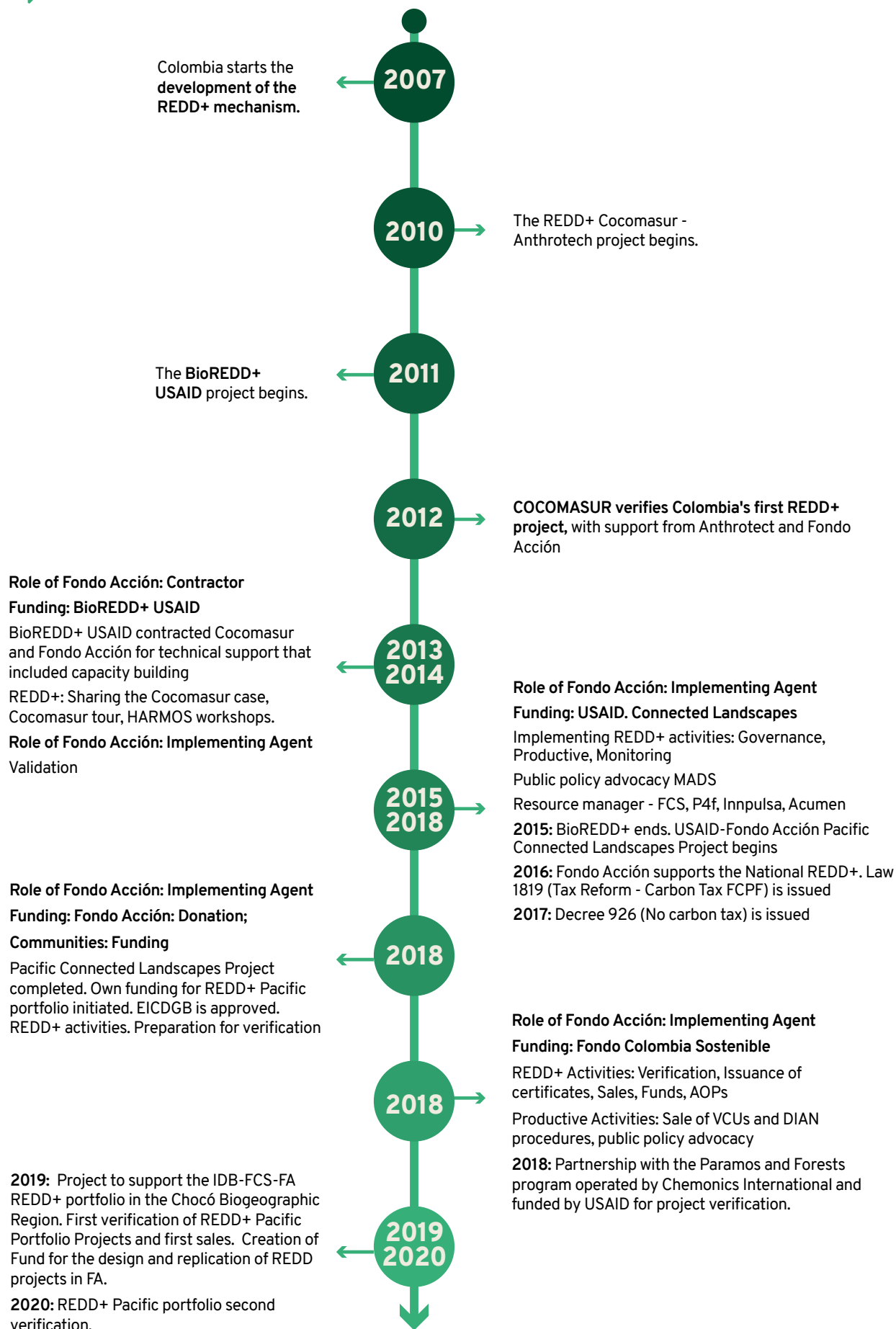


Sale

Forest Carbon Unit. Own elaboration.



Timeline



References

- Congress of Colombia. (December 29, 2016) Law 1819 of 2016. *Through which a structural tax reform is adopted, mechanisms to combat tax evasion and avoidance are strengthened, and other provisions are issued*. OJ: 50.101.
- United Nations Framework Convention on Climate Change. (n.d). REDD+ Web Platform. Retrieved from <https://redd.unfccc.int/>
- Ministry of Environment and Sustainable Development. (2018). REDD+ Documents. Retrieved from <https://www.minambiente.gov.co/index.php/bosques-biodiversidad-y-servicios-ecosistematicos/reduccion-de-emisiones-de-gases/documentos-redd>
- Ministry of Finance and Public Credit. (June 1st, 2017). *Decree 926 of 2017. By which the heading of Part 5 is amended and Title 5 is added to Part 5 of Book 1 of Decree 1625 of 2016 Single Regulatory in Tax Matters and Title 11 of Part 2 of Book 2 to Decree 1076 of 2015 Single Regulatory of the Environment and Sustainable Development Sector, to regulate paragraph 3 of Article 221 and paragraph 2 of Article 222 of Law 1819 of 2016*. <http://es.presidencia.gov.co/normativa/normativa/DECRETO%20926%20DEL%2001%20DE%20JUNIO%20DE%202017.pdf>
- Pombo, A., Ferguson, B., Guisado, E., Córdoba, E., Caicedo, F., Salazar, M. Arango, N. & Córdoba, R. (2014). *REDD+, una nueva forma de vivir con la naturaleza. Experiencia del Corredor de Conservación Chocó Darién, Colombia* [PDF]. Retrieved from <https://www.Cocomasur.org/libros/libro-conservacion.pdf>
- Environmental Information System of Colombia. (n.d). Pacífico. Instituto de Hidrología, Meteorología y Estudios Ambientales. Retrieved from <http://181.225.72.78/Portal-SIAC-web/faces/Dashboard/Biodiversidad2/pacifico/pacifico.xhtml>
- Forest and Carbon Monitoring System. (August 21, 2020). Instituto de Hidrología, Meteorología y Estudios Ambientales. Retrieved from <http://smbyc.ideam.gov.co/MonitoreoBC-WEB/reg/indexLogOn.jsp>
- USAID. (2011). *BIOREDD Brochure*. Retrieved from https://www.climate-links.org/sites/default/files/asset/document/bioredd_brochure_22513.pdf



We are a private Colombian fund with 20 years of experience in sustainable investments in environment and children. We detonate opportunities and generate connections that facilitate learning and collective work within the organization and with other public and private institutions.

www.fondoaccion.org • (+57) 1 285 3862 ext 101 • Cra 7 N° 32 - 33 27th floor • Bogotá - Colombia

   @FondoAccion