

Readiness Fund REDD+ Country Participants Progress Report Peru



FCPF Readiness Fund: REDD+ Country Participant Annual Progress Report

About this document

This template is for use by Readiness Fund (RF) REDD+ Country Participants to report their annual progress on REDD+ readiness activities in general, and on FCPF-supported activities in particular. The data provided through these reports represents a central information source for measuring progress against the FCPF's expected results and performance indicators, as articulated within the FCPF Monitoring and Evaluation (M&E) Framework.

Report preparation

Reports cover progress through 30th June of each year.

When preparing the report, RF REDD+ Country Participants should draw upon the country M&E system for REDD+ (component 6 of the R-PP) and should consult members of the national REDD task force or equivalent body. Inputs from stakeholders including IPs and CSOs should be integrated, with any divergent views recorded as appropriate. Detailed, indicator-by-indicator definitions and reporting guidance are provided within the FCPF M&E Framework (https://www.forestcarbonpartnership.org/monitoring-and-evaluation-0).

Reporting schedule

Completed reports should be submitted to the FCPF's Facility Management Team (FMT) by 15th July every year.

SECTION A: NARRATIVE SUMMARY

- 1. In brief, what were the main REDD+ readiness-related <u>activities</u> and achievements delivered within your country during the last year?
 - Activities For example, strategy / policy drafting, stakeholder consultation events, capacity building / training, awareness raising initiatives
 - Achievements For example, x number of individuals attended REDD+ consultations (sex disaggregated, if available), national REDD+ strategy was finalised, government formally adopted national REDD+ related policy/s, NFMS was established, partnership agreement with private sector association signed
 - Please be as specific as possible, e.g. name, date and number of participants in consultation events (sex disaggregated, if available), name of policy being drafted, institutions involved in policy drafting
 - 1. After a complex process of coordination between the Executive and the Congress, the Framework Law on Climate Change was approved in April 2018. The Law has allowed the establishment and consolidation of certain principles and approaches, which have resulted in the definition of clear roles for public institutions and coordination bodies regarding the issues of climate change and REDD+.
 - 2. Also, during 2018, the formulation of Nationally Determined Contributions (NDCs) was carried out, after a technical and participatory process, whereby 62 mitigation measures and 91 adaptation measures were defined, which would allow the country to achieve its goal of 20% emissions reduction, expandable to 30%, subject to additional financial support. Of these, 12 of the adaptation measures and 8 of the mitigation measures pertain to the forest and LULUCF thematic areas.
 - 3. Another important process is the start of the discussion with multiple stakeholders on a Forest and Climate Change Governance, launched in November 2018, which seeks to establish a definitive multi-level, multi-stakeholder and

- multi-sector coordination and articulation body for forest management and climate change, so as to reduce emissions from deforestation and forest degradation, promote sustainable development and improve the quality of life of local populations.
- 4. Is necessary to highlight the proposal called "Priority Axes to Combat Deforestation", presented during the month of December 2018, in the framework of the last Executive GORE of the year, which seeks to value forest as natural capital, through the impulse of actions in four areas: 1) Institution-building and governance, 2) Integral territorial management, 3) Sustainable production and 4) Fight against illegal economic activities.
- 5. Recently, MINAM has established Dialoguemos (https://drive.google.com/drive/folders/1QR6iphyip-xeceiH9Pk5yTxG9gukckDg?usp=sharing) as the main consultation mechanism for climate change issues. Dialoguemos uses a participatory, multi-stakeholder and multi-level approach aimed to contribute to the implementation and socialization of climate change management through permanent interaction, alliance-building and establishment of agreements between different stakeholders. How many meetings related to REDD+?
- 6. Currently, Peru is completing the preparation of the ER-PD documents to request the signing of an agreement with FCPF's Carbon Fund, in order to acquire carbon credits for avoided deforestation in the regions of San Martín and Ucayali.
- 7. MINAGRI and MINAM in coordination with civil society organizations are leading a public-private coalition to promote sustainable jurisdictions and deforestation-free supply chains. 37 institutions including private sector, small producers' associations, national and subnational governments, and civil society organizations belong to this coalition. Tropical Forest Alliance (TFA) is also a partner of this coalition to connect with global actors.
- 8. The final version of the R-package has been posted in the FCPF website: https://www.forestcarbonpartnership.org/system/files/documents/Peru%20R-Package%20revised.pdf

2. What were the main REDD+ readiness-related challenges and/or problems during the last year?

- For example, lack of engagement from key stakeholders, political barriers, limited funding
 - 1. Additional funding was required to expand consultation processes, increase information accessibility for a broader range of stakeholders and to increase the capacity for public disclosure.
 - 2. Although the REDD+ Preparation phase has been adequate, it has so far been achieved in a project by project manner, which multiplies the associated coordination costs. Therefore, there is the need to have a better intersectoral coordination that is cost-efficient and enhances synergies.
 - 3. The National Forests and Climate Change Strategy (ENBCC) lacks a clear and robust monitoring and evaluation mechanism to track progress on implementation of its specific objectives and strategic actions. There is also the need to provide the ENBCC with legal and financial instruments that could allow its implementation as a public policy
 - 4. Engage key sectoral ministries such as the Ministry of Transportation in multi-sectoral planning and coordination of REDD+ program activities. The importance of involving this sector cannot be overstated, given the impact that transport infrastructure can have on deforestation if not adequately planned.
 - 5. The establishment of a financial mechanism to receive, administrate, and distribute emission reduction payments is taking time due to a complex decision-making process that requires multi-stakeholder participation and multisectoral coordination.

3. What are the main REDD+ readiness-related <u>activities</u> that you hope to deliver, and <u>achievements</u> anticipated during the <u>next year</u>?

• For example, hold x consultation events, submission of R-Package to the PC, finalisation of SIS, commission research into REDD+ strategy options

- 1. Validation of the SESA and development of an explicit plan for implementing and tracking implementation of the Safeguards.
- 2. Completing the design and implementation of the Safeguards Information System to ensure transparency and make information available to the full range of stakeholders.
- 3. Identification of legal issues related to benefit sharing, land tenure and resource rights and access that need to be addressed to ensure effective program implementation.
- 4. Strengthening the capacity of the Forest Monitoring Module. This includes the development of analytical tools that involve "machine learning" to determine deforestation and fire risks. It also includes capacities to model climate change risks on forests and agriculture activities of communities in the Amazon.

SECTION B: READINESS PROGRESS

4. Please provide your own assessment of national progress against all REDD+ readiness sub-components: (Indicator OV.1.B: Number of FCPF supported countries that have in place a National REDD+ Strategy, FREL/FRL, NFMS and SIS; Output 1.3 indicators)

Progress rating key:

Complete	The sub-component has been completed	
	Significant progress	
	Progressing well, further development required	
	Further development required	
	Not yet demonstrating progress	
N/A	The sub-component is not applicable to our process	

Sub-component	Progress rating (mark 'X' as appropriate)				Narrative assessment (briefly explain your rating)
R-PP Component 1: Readiness Organisation a	and Consultatio	on			
Sub-component 1a: National REDD+ Management Arrangements	Complete N/A	X	From the onset of the REDD+ Preparation activities in 2008 and due to the multi-sectoral nature of the actions needed to control deforestation, REDD+ management in Peru has been characterized by an intense need for coordination and collaboration between different public and private organizations. Recently, since the second half of 2018, interesting discussion processes have been initiated to establish specific coordination and collaboration mechanisms, including: a) the Commission for Multisector and Intergovernmental Priority Public Actions to Promote the Sustainable Development of the Amazonian Territories, b) The proposal of Priority Axes to Combat Deforestation, incorporating a multi-sectoral mandate, which seeks to identify forests as assets for development, by identifying their value as natural capital and c) the proposal for Forest Governance and Climate Change, which seeks to foster coordination and multilevel links. As the national authority on climate change, MINAM has a clear mandate regarding the implementation of REDD+ issues in general and of the ENBCC in particular, something that has been reinforced with the approval of the Framework Law on Climate Change and its regulation proposal, currently under discussion with the Indigenous Peoples under the Prior		

Sub-component	Progres (mark 'X' as a		Narrative assessment (briefly explain your rating)
	Complete	X	Notable progress has been made in developing plans to increase the scope and diversity of participation; but it is important to formalize and expand consultation processes, increase information accessibility for a broader range of stakeholders and increase capacity for public disclosure and
Sub-component 1b: Consultation, Participation and Outreach	N/A		dissemination of information to constituents that lack or have limited access to digital "portals". These needs are recognized in documents such as the Stakeholder Participation and Involvement Plan (PPIA) and can be addressed with the implementation of systems such as the Safeguards Information System, the REDD+ grievance redress mechanism, use of "traditional" public media and greater engagement of regional authorities and civil society. These needs are recognized, and planning is already underway to design and implement broader capacity for communication, including in indigenous languages, and to receive feedback.
R-PP Component 2: REDD+ Strategy Prepara	ation		
	Complete	Х	The National Forest and Climate Change Strategy (ENBCC) adopted in 2016, is based on the "sustainable forest landscape management" approach and integrates elements for the mitigation of greenhouse gas emissions from land use change, including REDD+, as well as those related to the role of forests in actions to adapt to the effects of climate change. The ENBCC recognizes the significant contributions forests can make to national development, and to the welfare of the peoples that
Sub-component 2: REDD+ Strategy	N/A		live and depend on forests. The ENBCC includes a detailed analysis of direct and indirect drivers of deforestation and describes the relative importance of the direct causes of deforestation stemming from their relative contribution to the problem. It identifies twelve fronts of deforestation that together account for about 77.1% of deforestation in the Amazon for the period 2001-2013 with a particular focus on montane regions where deforestation has been occurring most rapidly. The analysis identifies three direct causes of deforestation: 1) Expansion of the agricultural frontier; 2) Illegal and informal extractive activities, and 3) Expanded communication, energy and extractive industries.
	Complete	Х	Considerable high quality analytical work was done in the course of preparing the National Forest and Climate Change Strategy (ENBCC) to document the importance of forests and land use to achieve Peru's NDCs and to identify direct and indirect drivers of deforestation for the country overall, and for specific regions or "fronts" where current or future risks of
Sub-component 2a: Assessment of Land Use, Land Use Change Drivers, Forest Law, Policy and Governance	N/A		deforestation and forest degradation are most severe. Specific needs for future work include addressing the links between drivers and barriers and the implementation of REDD+ actions, as well as developing action plans to address natural resource rights, land tenure, and governance in the context of REDD+ initiatives. There is also the need to establish formal legal mechanisms to implement the ENBCC and appropriate instruments to achieve better inter-sectoral coordination.
Sub-component 2b: REDD+ Strategy Options	Complete	X	Both the ENBCC and the recently completed process to identify the Nationally Determined Contributions (NDCs)clearly describe the strategic options and mitigation measures in

Sub-component	Progress rating (mark 'X' as appropriat	Narrative assessment (briefly explain your rating)
	N/A	LULUCF to meet the national emissions reduction goals. The ENBCC and NDCs have benefitted from public input through a variety of participatory processes. The task of reconciling sectoral policies to align with the ENBCC and NDC is ongoing; Implementation of the required measures will require strong cooperation among sectoral ministries and regional authorities, as well as a transparent process of public consultation to achieve the impact that is needed to reach these ambitious goals.
Sub-component 2c: Implementation Framework	Complete X	There is a substantial amount of work and planning required in order to achieve an adequate legislative agenda and establish the necessary regulatory framework to move from the policy level to the operational level. Development of a benefit-sharing mechanism is pending and will require a process to include the meaningful participation of a diverse universe of stakeholders and a well-structured method to carry out this task with transparency. The establishment of a competent and well-respected fiduciary agent operating with transparency and public accountability is needed. Also necessary is to finalize a comprehensive mechanism for registering and tracking transactions that will enable the monitoring of mitigation projects or activities during their life cycle, including the design and registration of the project, the approval of the emissions reduction credits (including the steps of the approval process), and the transfer and eventual retirement of the credits.
Sub-component 2d: Social and Environmental Impacts	X X	Peru has made progress on its analysis of environmental and social safeguard issues that includes: (1) Adoption of a methodology for the national interpretation of safeguards for REDD+, which aims to specify how the principles foreseen in the REDD+ safeguards of the UNFCCC translate into concrete principles or objectives in the Peruvian context; and (2) An initial information brief describing the way REDD+ safeguards are being addressed and met in Peru and providing a summary of the country's progress on safeguards during its preparation phase for REDD+. The evaluation of environmental and social safeguards applicable to REDD+ in Peru has been progressing through a participatory process aimed at generating a National Safeguards Approach to establish a harmonized response to Peru's various safeguards commitments but it is still pending of approval; is also necessary to advance in establishing an Environmental and Social Management Framework.
R-PP Component 3: Reference Emissions Lev		
Component 3: Reference Emissions Level/Reference Levels	Complete X	Peru has submitted a Forest Reference Emissions Level FREL) to the UNFCCC, based on a linear projection of historical emissions (2001-2014) of GHG to estimate deforestation for the 2015-2020 period. An update of the FREL's is a necessary process and must include among others two main actions: i) the development of the degradation emissions baseline, and ii) the update of the deforestation emissions baseline. It is necessary to start the discussion between the institutions related to the MRV system (SERFOR, PNCB and DGCCD) on the

Sub-component	Progress rating (mark 'X' as appropriate)	Narrative assessment (briefly explain your rating)
		options to establish a new baseline to continue the process. It is also important to carry out this process with the participation of stakeholders.
R-PP Component 4: Monitoring Systems for	Forests and Safeguards	
	Complete X	Peru has made substantial progress in building the capacity for forest and land use change monitoring over the last ten years and can now provide periodic reports accurate down to 1/10 of an hectare for the tropical forest biome. This has facilitated the development of sophisticated tools to manage forests, such as land use maps, and to identify changes in deforestation and
Sub-component 4a: National Forest Monitoring System	N/A	issue deforestation alerts at regular intervals. The transition has required the consolidation of several monitoring initiatives formerly dispersed among various divisions within MINAM and connecting them through the GEOBOSQUES platform, as well as finding ways to operate them jointly with other monitoring mechanisms, such as GEOSERFOR. The monitoring approach of the Forest Cover Monitoring Module (MMCB) uses different methods that deploy internationally recognized remote sensing techniques, complementing them with field-level data produced as part of the National Forest Inventory. The methods are complementary and internally consistent, and are based on established protocols, all compatible with UNFCCC guidelines.
	Complete	Peru is currently designing its Safeguards Information System (SIS). This instrument is one of the four elements that outline the structure for REDD+ implementation, pursuant to UNFCCC provisions. The SIS is the instrument that will collect, process,
Sub-component 4b: Information System for Multiple Benefits, Other Impacts, Governance, and Safeguards	X	manage and provide periodic information on how to approach and enforce the safeguards, through REDD+ actions consistent with the guidelines set forth by the national authority on matters of climate change.
	N/A	The system(s) for measurement and monitoring of non-carbon benefits, impacts, safeguards and governance are still at an early stage of design.

SECTION C: NON-CARBON BENEFITS

5. Does your national REDD+ Strategy or Action Plan include activities that directly aim to <u>sustain and enhance livelihoods</u> (e.g. one of your program objective/s is <u>explicitly targeted at livelihoods</u>; your approach to non-carbon benefits explicitly incorporates livelihoods)?

(Indicator 3.2.b: Number of RF REDD+ Country Participants whose REDD+ Strategies include activities that directly aim to sustain and enhance livelihoods)

If yes, please provide further detail, including attachments and/or references to the documentation that outlines your approach:

During the design of mitigation measures for LULUCF and agriculture NDCs (https://drive.google.com/open?id=13VMt4yT4tyNEO2Bw0smic2PAQPdZjMJw), benefits beyond carbon

of environmental, social and economic nature were identified, such as biodiversity conservation, Climate regulation, Improvement of the quality of life of local populations, including native communities and rural producers), both through higher incomes resulting from better natural environments, Stronger local associations and organization, New sources of jobs and formal revenues for local households, less informal and illegal local economic dynamics, more diverse sustainable local economic activities, such as ecotourism, increased forest productivity, and improved food security, mainly through production of agroforestry and non-timber goods.

6. Does your national REDD+ Strategy or Action Plan include activities that directly aim to <u>conserve biodiversity</u> (e.g. one of your program objective/s is <u>explicitly targeted at biodiversity conservation</u>; your approach to non-carbon benefits <u>explicitly incorporates biodiversity conservation</u>)?

(Indicator 3.3.b: Number of RF REDD+ Country Participants whose REDD+ Strategies include activities that directly aim to conserve biodiversity)

If yes, please provide further detail, including attachments and/or references to the documentation that outlines your approach

The ENBCC includes as a strategic activity the consolidation of the System of Natural Areas Protected by the State (SINANPE), as well as the regional conservation systems, including the National Protected Area, Regional Conservation Areas and other land use planning units

(http://www.bosques.gob.pe/archivo/ff3f54_ESTRATEGIACAMBIOCLIMATICO2016_ok.pdf) .

The NDC also includes in the Ecosystems Component, the implementation of an early warning system of climate and non-climate hazards to reduce their impact on conservation and sustainable use of biodiversity. It also includes the restoration of ecosystems in the ambit of SINANPE to maintain connectivity and reduce impacts of extreme climate events (https://drive.google.com/open?id=13VMt4vT4tyNEO2Bw0smic2PAQPdZjMJw).

SECTION D: FINANCE

(Please complete in US\$ ONLY)

7. Please detail the amount of <u>all</u> finance received in support of development and delivery of your national REDD+ readiness process <u>since the date that your R-PP was signed</u>. Figures should only include <u>secured finance</u> (i.e. fully committed) – ex ante, (unconfirmed) finance or in-kind contributions should not be included: (Indicator 1.B: Amount of finance received to support the REDD+ Readiness process (disaggregated by public, private, grants, loans))

Amount (US\$)	Source (e.g. FCPF, FIP, name of gov't department)	Date committed (MM/YY)	Public or private finance? (Delete as appropriate)	Grant, loan or other? (Delete as appropriate)
\$ 4,140,000	Conservation of community forests - First Phase- BMU ¹ / GIZ	2010-2014	Public	Grant
\$9,701,878	Strengthening of technical, scientific, and institutional capacities	2011-2016	Private	Grant

¹ Ministerio Federal de Medio Ambiente, Conservación de la Naturaleza y Seguridad Nuclear

	for REDD+ KfW/ Moore Foundation			
\$4,550,000	National Forest Inventory and Sustainable Forest Management of Peru in the face of Climate Change/ Finland FAO	2014-2015	Public	Grant
\$370,000	Promotion of private sector involvement in forest conservation and REDD+/ UNEP	2015-2016	Public	Grant
\$ 544,050	National preparation for the future implementation of REDD+ UNREDD/UNDP	2015-2016	Public	Grant
\$ 3,800,000	Implementation of the R-PP FCPF/IADB	2015-2017	Public	Grant
\$ 5,696,000	Support for the Joint Declaration of Intent Germany/Norway NICFI/NORAD/WWF	2016-2017	Private	Grant
\$ 650,000	Preparation of the ER- PD /FCPF	2016-2019	Public	Grant
\$ 6,895,026	Conservation of Community Forests – Second Phase BMU/GIZ	2014-2018	Public	Grant
\$ 6,156,000	Implementation for the Joint Declaration of Intent Germany/Norway (by UNDP) NORAD/NICFI/UNDP	2016-2018	Public	Grant
\$ 1,561,557	Mitigation of Deforestation in Brazil Nut Concessions in Madre de Dios GEF/PROFONANPE	2015-2018	Private	Grant
\$ 5,500,000	Dedicated Mechanism for Indigenous Peoples and Local Communities CIF/World Bank/WWF	2015-2020	Private	Grant
\$ 2,120,000	Development of capacities for forest conservation and REDD+ JICA	2016-2020	Public	Grant
\$ 3,800,000	Preparation for REDD+ UNREDD/UNDP/FAO	2017-2020	Private	Grant
\$ 50,000,000	FIP-Peru (including grant for design for US\$ 1.5 million) CIF/IADB/World Bank	2017-2021	Public	Grant / Loan
\$ 73,208,000	Sustainable Forest Development in the Peruvian Amazon / CAF(30%)+ Regional governments (12%) /SERFOR	2016-2021	Public	Loan / Other

\$ 6,200,000	Building the Resilience of Wetlands in the Province of Datem del Marañón GCF/PROFONANPE	2016-2021	Private	Grant
\$ 19,998,150	Sustainable Productive Landscapes in the Peruvian Amazon GEF/UNDP	2017-2023	Private	Grant
\$ 63,000,000	NPFCCC in Amazonas, Lambayeque, Loreto, Madre de Dios, Piura, San Martín, Tumbes, and Ucayali / JICA	2010-2020	Public	Loan / Other
\$5,000,000	Implementation of R-PP	2019-2021	Public	Grant
\$ 73,208,000	Sustainable Forest Development in the Peruvian Amazon / CAF /SERFOR	2015-2020	Public	Grant / Loan / Other

7a. Disbursements of FCPF Technical Cooperation

Technical cooperation	Total Grant	Disbursed
Implementation of the R-PP Phase I	\$3,800,000	\$2,753,174
Implementation of the R-PP Phase II	\$5,000,000	\$844,000

8. Please detail any ex ante (unconfirmed) finance or in-kind contributions that you hope to secure in support of your national REDD+ readiness process:

Amount (US\$)	Source (e.g. FCPF, FIP, name of gov't department)	Public or private finance? (Delete as appropriate)	Grant, loan or other? (Delete as appropriate)
\$65,000,000	KfW German Development Bank	Public	Loan/ Othe r
\$250,000,000	Joint Declaration of Intent Germany/Norway, results-based payments (Phases II and III) NICFI/NORAD/UNDP	Public	Grant

SECTION E: FCPF PERFORMANCE

9. To help build an understanding of the FCPF strengths, weaknesses and contributions to REDD+, please indicate the extent to which you agree with the following statements:

(Indicator 4.B: Participant Countries' assessment of FCPF's role within and contribution to national REDD+ processes)

Mark 'X' as appropriate

	Completely disagree	Disagree	Neutral	Agree	Completely agree
The FCPF's support has had a central influence on the development our national REDD+ systems and processes					X
The FCPF's support has improved the quality of our national REDD+ systems and processes					X
The FCPF's support has improved national capacities to develop and deliver REDD+ projects				X	
The FCPF's support has helped to ensure substantive involvement of multiple stakeholders (including women, IPs, CSOs and local communities in our national REDD+ systems and processes					X

Comments / clarifications, if appropriate:

In general, the FCPF has been instrumental in helping Peru advance with its REDD+ readiness process. FCPF has financed or co-financed most of the accomplishments mentioned in section D. One of the achievements of highest visibility has been the implementation of the Forest Cover Monitoring Module, through the GEOBOSQUES tool, which has received several prizes such as the 2018 Special Prize for Open Data in Public Service, the Effective Environmental Management Prize in 2017, given by the non-profit "Ciudadanos al Día", and the 2018 edition of the "ConectaRSE para Crecer" award.

However, to ensure its continuity, this platform requires increased support from public funds or the design of a financial mechanism to generate funds, which is one of the tasks in the second phase of the FCPF technical cooperation. Another area of improvement is building the capacities of regions to use the information generated by the Forest Cover Monitoring Module, which the FCPF is currently addressing.

10. To help assess the usefulness and application of FCPF knowledge products (<u>publications</u>, <u>seminars</u>, <u>learning</u> <u>events</u>, <u>web resources</u>), please indicate the extent to which you agree with the following statements:

(Indicator 4.3.a: Extent to which FCPF learning, evidence and knowledge products are used by Participant countries)

Mark 'X' as appropriate

	Completely disagree	Disagree	Neutral	Agree	Completely agree
We regularly access FCPF knowledge products to obtain REDD+ related information			X		
FCPF knowledge products are relevant to our REDD+ related information requirements			X		
FCPF knowledge products are sufficient to address all of our REDD+ related information requirements				X	
The FCPF website is a useful resource for accessing FCPF and REDD+ related information				Х	

Comments / clarifications, if appropriate:

We suggest FCPF to have a platform where best practices of R-PP implementation in each country can be shared. This platform could include key products from each Project, as well as standardized operational tools, such as models of terms of reference for key services.

SECTION F: FINAL COMMENTS

11. If appropriate, please provide any further comments or clarifications relating to your work on REDD+ Readiness during the last year:

The grant agreement for the implementation of the second phase of the R-PP was signed on August 8th, 2018. The project management team was hired in April 2019 and the procurement processes began in May of the same year, once the project executing unit (PEU) received authorization from the Ministry of Environment to start the procurement processes.

To date one disbursement of US\$ 844,000 has been made to the PEU of which US\$ 690,000 are already committed.