

Grant Reporting and Monitoring National REDD+ Process Perú

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1. EXECUTIVE SUMMARY

The grant has helped Peru achieve significant progress in the REDD+ readiness process. Key milestones for each component of the R-PP include:

- **Component 1, Organization and consultation:** The grant supported the participatory process for the design of the National Forest Conservation and Climate Strategy (NSFCC). The grant supported the dissemination of the working document of the strategy among stakeholders, as well as the process to receive, respond and incorporate comments and suggestions made to the draft. A web site was developed to facilitate this process.
- **Component 2, REDD+ Strategy:** After two and a half years of collaboration between national and sub-national institutions, as well as organizations of the civil society, the NSFCC was officially approved in July 2016 (Supreme Decree N° 007-2016-MINAM). The Strategy goes beyond REDD+, seeking to address the sustainable management of forest landscapes. In this sense, the overall objective of the NSFCC is to reduce forest loss and degradation, and thereby the GHG emissions of the LULUCF sector, and improve the resilience of the forest landscape and human populations dependent on these ecosystems, with special emphasis on indigenous peoples and rural dwellers, in order to reduce their vulnerability to climate change. The grant is now supporting the operationalization of the strategy, including the development of instruments to finance implementation such as a Budget Plan, and baseline data to monitor implementation, namely, a land use and land-use change analysis for the 2011/2013, 1995/2000, 2005-2010 and 2013/2015 periods in 15 Amazonian regions in collaboration with other cooperation initiatives.
- **Component 3, Reference Emission Scenarios:** In the beginning of 2016, the government of Peru submitted to the UNFCCC the proposed reference emission levels for forests in the Amazon. This document was accepted in early November of 2016. The grant will support not only the dissemination process, but also the initiatives and activities to be implemented in the regions which will enable them to use both, the forest loss data base generated and the reference level for policy support.
- **Component 4, Forest and Safeguards Monitoring Systems:** the Government of Peru has established that the monitoring of forest coverage will be carried out through a module that forms part of the National Forest Information System (NFIS) and of the National System of Environmental Information (NSEI). The module was officially created through Legislative Decree N° 1220, giving the Ministry of the Environment (MINAM) responsibility over the module, in in close collaboration with the National Forest and Wildlife Service (SERFOR) of the Ministry of Agriculture. MINAM in turn has appointed the National Program for Forest Conservation and Climate Change Mitigation (NPFCCCM) as the entity within MINAM that is responsible for implementing the module for monitoring forest coverage. The grant will support the design of the forest cover monitoring module, including the identification of the complementary legal framework and the required institutional arrangements.

With regards to safeguards, the SESA process started in December 2016 and is expected to be completed in 8 months (SESA, MGSA, and Safeguards Information System).

2. DISBURSMENT SUMMARY

Component	Funds allocated (USD)	Used Funds (USD)		Funds available (USD)
		Funds Committed	Funds Disbursed ¹	
Component 1: Organization and consultation	384,277.00	372,174.12	128,500.00	12,102.88
<i>Subcomponent 1a: Development of institutional design for REDD+</i>	104,277.00	93,497.65	100,000.00	10,779.35
<i>Subcomponent 1b: Implementation of stakeholder involvement plan.</i>	280,000.00	278,676.47	28,500.00	1,323.53
Component 2: REDD+ strategy preparation	1,435,059.00	1,087,549.26	518,900.00	347,509.74
<i>Subcomponent 2a: Evaluation of land use change and updated map of land tenure</i>	330,260.00	327,698.24	245,000.00	2,561.76
<i>Subcomponent 2b: Design and implementation of National REDD + Strategy</i>	1,104,799.00	759,851.03	273,900.00	344,947.97
Component 3: Reference emission level/reference levels	228,380.00	-	200,000.00	228,380.00
<i>Subcomponent 3a: Diffusion of reference level submitted to the CMNUCC</i>	228,380.00	-	200,000.00	228,380.00
Component 4: Development of national forest monitoring system and safeguards information	1,157,500.00	350,620.00	288,500.00	806,880.00
<i>Subcomponent 4a: Definitive study for monitoring forest cover</i>	1,033,350.59	226,470.59	188,500.00	806,880.00

¹ Disbursement reporting refers to funds disbursed from the IDB to MINAM and may therefore differ from disbursements reported by MINAM in the MTR

Subcomponent 4c: <i>Implementation of safeguards information system</i>	124,149.41	124,149.41	100,000.00	-
Component 5: Administration	489,784.00	340,661.99	276,192.00	149,122.01
Subcomponent 5a: <i>Coordination and technical project management</i>	357,186.00	236,977.06	151,292.00	120,208.94
Subcomponent 5b: <i>Administrative project management</i>	132,598.00	103,684.93	124,900.00	28,913.07
Monitoring and Evaluation	30,000.00	-	-	30,000.00
Audit	75,000.00	-	-	75,000.00
TOTAL	3,800,000.00	2,151,005.37	1,412,092.00	1,648,994.63

3. PROGRAM SPECIFIC QUESTIONS

I. Describe progress in how the Grant activities are being coordinated with other REDD+ related initiatives, included those funded by others:

Coordination across sectors remains a challenging task, as well as coordination among projects, which requires improvement. In spite of the challenges of coordination, the government has made significant progress on issues related to monitoring, stakeholder engagement, and land rights.

The coordination for the execution of the grant activities occurs mainly between the Ministry of the Environment (MINAM) and the Ministry of Agriculture and Irrigation (MINAGRI), since both have competencies on different aspects of forest protection and management. A third sector that has been participating is the Ministry of Economy and Finance, given the relationship of the project with public sector investment.

The NPFCCCM, as a coordinating agency for the implementation of the R-PP, has been improving the coordination between the various initiatives that support or are connected with REDD+. To this end, a work group was established within the NPFCCCM, which is formed by the representatives of the various cooperation projects, in order to define a coordinated plan of activities. This joint planning allowed cooperation initiatives – such as the FCPF – to complement one another and create synergies.

The main cooperation initiatives that contribute to the R-PP, besides FCPF, are:

- **KFW REDD+ MINAM Project:** Reference emissions level; REDD+ registry; land use change; measuring deforestation; methodological assessment to define and measure forest degradation.
- **United Nations Development Program (UNDP):** Capacity building of indigenous organizations; generation of institutional capacities in public sector and civil society to participate in REDD+.

- **UN- REDD+, National Program²:** Support the implementation of the National Strategy for Forests and Climate Change; support the reference levels of emissions from forest degradation; integration of national MRV with the indigenous MRV.
- **Joint Declaration of Intent between Peru, Norway and Germany (JDI):** Results-based mechanism that includes deliverables such as: allocation of land use rights over indigenous territories; conservation of forests through conditioned cash transfers, and deforestation reports among others.
- **Norwegian Agency for Development Cooperation (NORAD):** Supports the implementation of the JDI, especially on the topic on land use rights over indigenous territories, through WWF.
- **Norwegian Agency for Development Cooperation (NORAD):** Implementation of Phase II of the JDI, through PNUD.
- **Japan International Cooperation Agency:** Support the forest conservation between capacity building and technical assistance, in design.
- **Land Titling and Registration Program (PTRT3):** Formalization of rural property in the Amazon regions and in focalized areas in the highlands.
- **Forest Investment Program (FIP):** Reduce deforestation and forest degradation in order to contribute to the reductions in greenhouse gas emissions, as well as improve carbon stocks in sustainable forest landscapes.
- **Program for the Sustainable, Inclusive and Competitive Forestry Development in the Peruvian Amazon (PRODEFAP):** Recovery, conservation and use of Amazonian forests through capacity building of public forestry institutions, forest management, and competitiveness of forestry sector. Program led by SERFOR and financed by a loan from the Development Bank of Latin America (CAF).

II. Describe any important changes in the technical design or approach related to the Grant activities:

Component 2: During the design of the REDD+ strategy, the Government of Peru decided that this strategy should not only be limited to REDD+. Therefore, with the conformity of the Presidency of the Republic, the approach taken was to design the National Forest Conservation and Climate Strategy (NSFCC), which includes as part of its considerations, the REDD+ themes. The NSFCC considers two strategic objectives focused on mitigation and adaptation plus other actions that are of a transversal nature. The NSFCC was developed under the coordination of a multisector group formed by representatives of the various public sectors that have competencies over different aspects related to forests. Representatives of civil society and the private sector were also invited to participate. After more than two years of work by the multisector group, articulated by the NPFCCCM of MINAM, the Strategy was officially approved.

Component 3: In order to facilitate the development of the Reference Emission Level, the Government of Peru decided that the work should be done by biomes. The Amazon forest was the first biome to be analyzed.

² Planeamiento integrado, a la espera de confirmación de financiamiento por parte de Naciones Unidas.

The Government also proposed that the trend line and not the historical average would be used to define the reference level of deforestation. With these considerations, Peru's reference emissions level was presented to the UNFCCC in January 2016. This level was analyzed by the panel of experts, and formally approved in early November of 2016.

Component 4: The Government of Peru, through the Legislative Decree N ° 1220, established a forest coverage monitoring module, which forms part of the National System of Environmental Information (NSEI) and the National Forest Information System (NFIS). This module is implemented under the responsibility of the Ministry of the Environment, in collaboration with the National Forest and Wildlife Service (SERFOR). With respect to safeguards, these will be managed through a Safeguards Information System (SIS), which complements the forest monitoring system. The SESA and ESMF studies began in December of 2016 as the main elements of the SIS.

III. Describe progress in addressing key capacity issues (implementation, technical, financial management, procurement) related to this Grant

The main process that has generated capacities during the grant execution was the design of the NSFCC. The Strategy took over two years to construct and involved the organization of events to collect contributions in all areas of the country, with the participation of actors from the public and private sectors, civil society and indigenous peoples. In addition, during the year 2015, the construction of the reference level for deforestation in Amazon forests demanded the organization of several technical meetings, especially with scientists and academia. Finally, another important process that generated capacities was the application of safeguards, both as required by donors and by the national legislation.

Concerning financial management and procurement, a Coordination Unit team, including a coordinator, a logistics assistant and a procurement specialist, was created for these specific matters.

IV. Describe progress in addressing social and environmental issues (including safeguards) related to the Grant. Is the SESA conducted in accordance with the Common Approach? Is the ESMF prepared in accordance with the Common Approach?

The Government of Peru has continuously carried out actions to implement REDD+ safeguards, not only in compliance with its international agreements, but as part of its national regulatory framework. There are clear examples in this regard such the Law of Prior Consultation or the Environmental Assessment Framework under the National Environmental Assessment System.

In the case of SESA and ESMF studies, the Government of Peru has considered to apply the findings to the National Forest Conservation and Climate Strategy. The SESA will determine the potentials and risks of REDD+ implementation scenarios and, in the case of the ESMF, ensure the correct implementation of REDD+ actions included in the strategic approaches proposed by the Strategy. Both analyses will constitute a main input for the construction of the Safeguards Information System (SIS) in addition and complementing the other actions that are being undertaken under the coordination of the NPFCCCM.

The terms of reference for the SESA and the ESMF were elaborated, agreed and jointly approved by the REDD+ team of the NPFCCCM, officials of the General Office for Climate Change and the safeguards specialists of the IDB. A selection process of consultants to support the preparation of these studies is currently under way.

V. Describe the progress in stakeholder consultation, participation and disclosure related to this grant.

Few national processes in Peru have placed so much emphasis on involving stakeholders as the design of the NSFCC has. During the process that lasted for more than two years, several participation events occurred and an enormous amount of comments and suggestions were received. All of these contributions were processed, responded and/or included in the NSFCC document.

The development of the NSFCC included the participation of different actors linked to the forestry public sector (national and local), the academia, scientific entities and civil society. Special attention was given to the case of indigenous peoples (national boards of CONAP and AIDSEP and all of their regional federations), who in addition to attending the events with the rest of the actors, had additional spaces of participation and contribution, where the issues of special interest to this group were addressed in greater depth and care. All of the considerations raised by indigenous peoples were analyzed to assess if these were already addressed by the Strategy or if they should be incorporated into the document.

Other instruments have been developed to support the REDD+ process, such as the National REDD+ Registry (created through Ministerial Resolution N° 197-2016-MINAM), which resulted from a coordinated work between various public and private actors.

4. LESSONS LEARNED AND RECOMMENDATIONS

- Technical coordination among Ministries has been very difficult, which has caused significant delays in project execution. Coordination of MINAM and MINAGRI has mostly been limited to the Forestry and Wildlife Service (SERFOR), while other dependencies of the Ministry of Agriculture have been neglected, in spite of the more significant roles that they have in the implementation of the forest and climate change strategy. It is therefore important to involve all relevant offices within each sector, according to how much influence they have on the definition of public policies to address the drivers of deforestation.
- Besides the actors directly related with forests, such as indigenous peoples and concessionaries, the design of public policies for REDD+ need to include those actors that are linked to the causes of deforestation, especially from the agricultural sector.
- Choosing the participation mechanisms according to type of actor has been very useful to guarantee an adequate participation in the development of public policies, such as the NSFCC.
- The governance levels of local or regional scope have a high potential impact on the implementation of public policies for the conservation of forests. It is therefore crucial for the success of the NSFCC (and thereby of REDD+), to ensure the involvement, empowerment and inclusion of regional and local governments in the design and implementation of activities.

- The importance of coordinating the support that different cooperating sources provide to the country cannot be overstated. Peru has been receiving a large amount of international cooperation finance that supports REDD+ through different cooperation projects. The government has made a great effort to align the activities of these projects in order to avoid duplication and ensure complementarity, but there is still significant room for improvement.