

IDB reporting on the Peru's Readiness Package

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IDB Support to Forest Sector in Peru

- The project is fully aligned with the IDB Group's Strategy for Peru (2017-2021), specifically with the priority areas of climate change, environmental sustainability and natural disaster risk management.
- REDD+ readiness has strong complementarities with other initiatives supported by the Bank:
 - Forest Investment Program (US\$ 36.3M),
 - Rural Land Titling and Registration Project – Third Phase (US\$ 80M),
 - Support to implementation of Joint Declaration of Intent (US\$ 0.5M),
 - Mitigating Deforestation in Brazil Nut Concessions (US\$ 1.3M).

Development Objective

- To support the Government of Peru in the implementation of its REDD+ Readiness Proposal.
- The proposal includes activities for:
 - i. Institutional organization and public consultation for REDD+,
 - ii. Preparation of the REDD+ National Strategy,
 - iii. Development of Peru's forest reference emission levels,
 - iv. Supporting the implementation of the national forests monitoring system and the respective environmental and social safeguards.

Overall progress by Component

Component 1: Institutional organization and public consultation

- The Ministry of Environment and the National Program for Forest Conservation for Climate Change Mitigation have a clear mandate for REDD+ implementation
- Comprehensive stakeholder participation and consultation processes for the National Strategy on Forests and Climate Change
- Initial version of Stakeholder Participation and Engagement Plan

Component 2: Preparation of the REDD+ National Strategy

- National Strategy on Forests and Climate Change approved. Includes REDD+ as main mechanisms for GHG mitigation
- Land use and land use change maps for the Amazon (2000-2016).
- SESA and ESMF prepared, currently under review.

Overall progress by Component

Component 3: Forest reference emission levels

- FREL for the Amazon based on historical data from 2001-2014.

Component 4: National Forest Monitoring System

- Forest Cover Monitoring Module producing periodic data on deforestation and land use change
- Early warning system in operation
- Information reaching a variety of users, including regional governments, the Forest Oversight Agency and prosecutors.
- Public institutions and civil society with increased capacity to analyze monitoring information.

Financial summary / disbursement

First Grant \$ 3.8 million	Additional Funds \$ 5 million
May 2014 – May 2018	Grant signed August 2018
Executed: \$ 2,753,174.00	Disbursed (Jan 2019): \$ 844,780.00
Technical cooperation was closed in May 2018. Undisbursed funds will be executed under the new TC	Will focus on areas for improvement identified in self-assessment (MTR and R-Package)

Challenges / Key risks

- Government changes – more frequent than expected
- Factors that limit rate of execution (fiduciary and technical)
- Limited capacities of sub-national governments
- Response protocol to the early warning system
- Forest zoning/ allocation of user rights
- How to involve private sector
- How to involve other sectors that may drive deforestation (e.g. transport)
- FREL and existing avoided deforestation projects

Opportunities / Next steps

- Improvements in financial and administrative procedures to facilitate procurement processes and accelerate execution by PIU.
- Implementation of forest governance scheme and multisectoral initiatives
- The main activities to be carried out in the second phase (\$ 5M) include:
 - Design and operation of the Grievance Mechanism
 - Implementation of the Stakeholder and Participation Plan
 - Strengthening Indigenous REDD+ roundtables
 - Establishment of the National REDD+ Registry
 - Support sub-national governments for implementation of REDD+ Strategy
 - Update SESA and ESMF
 - Consolidate National Forest Monitoring System and design strategy for financial sustainability
 - Prepare and operate Safeguards Information System



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