

Inter-American Development Bank (IDB) –Perú PROGRESS MONITORING REPORT (PMR) FOR THE FOREST CARBON PARTNERSHIP FACILITY (FCPF)

Operation number of grant:	PE-T1294
Reporting period / Fiscal year:	01/2015-12/2015
Last update:	N/A

OPERATION BASIC DATA

Operation number of grant:	PE-T1294
Recipient country:	Perú
Executing Agency (EA):	Programa Nacional de Conservación de Bosques para la Mitigación del Cambio Climático (PNCBMCC) del Ministerio del Ambiente (MINAM)
Team Leader:	Eirivelthon Lima (team leader); Jaime Fernández-Baca (alternate team leader)
Grant start date / end date:	05/2014 - 05/2018
Overall project stage:	Implementation

FINANCIAL DATA IN USD

Approved project cost (IDB) total:	3,800,000.00
Accumulated disbursements (IDB) total until 31/12/2016:	1,412,092.00
Outstanding commitments: total until 31/12/2016 (report date):	608,876.21
Planned disbursements (IDB) for report period 01/01/2016 to 31/12/2016:	1,024,292.00
Accumulated disbursements (IDB) for report period 01/01/2016 to 31/12/2016 (includes balance from 2015):	1,098,208.69
Outstanding commitments for report period 01/01/2016 to 31/12/2016:	608,876.21

OVERVIEW

Operation objectives:

The main objective of this operation is to support the Government of Peru (GoP) to implement the readiness preparation proposal (RPP). The proposal includes activities for the institutional organization and public consultation for REDD+ activities, the preparation of the National Forest and Climate Change Strategy, the development of national reference scenarios for forest emissions, and support to the implementation of the National Forest Monitoring and Safeguard Information Systems.

Overall progress from 01-01 2015 to 31-12-2016 regarding achieving operation objectives

- Component 1: Organization and consultation

The first version of the Stakeholder Participation and Involvement Plan (SPIP) was developed with the participation of the UN - REDD + Program and the specialists of the PNCBMCC of MINAM. PNCBMCC and the Directorate-General for Climate Change and Desertification of MINAM are currently working on the details for the validation and publication of the SPIP, which includes a communications plan to support activities over the next 5 years.

- **Component 2: REDD+ National Strategy**

The country has developed the National Strategy on Forests and Climate Change, which is Peru's REDD+ Strategy. During the years 2015 and 2016, the project gave logistical and technical support to the dissemination process of the Strategy, including the analysis and incorporation of contributions to the proposed document. The work was developed by a Multi-Sectoral Commission attached to the Ministry of the Environment. This Commission included, among other sectors, the Ministry of Agriculture and Irrigation, and the Ministry of Economy and Finance. The process had a dissemination phase at the national level that included macro regional and national events, to incorporate all contributions received from the public and private entities, and from civil society and indigenous peoples. The Strategy was approved in July 2016 by the Supreme Decree Number 007-2016-MINAM.

- **Component 3: Development of National Reference Scenario.**

On January 2016 Peru officially submitted to UNFCCC its reference scenario for the Amazon, which had previously been presented at COP 21 in Paris. The project has not allocated resources for this process, as it has been funded by another initiative (Betty \$ Gordon Moore and KfW). However, the project has allocated financial resources for the dissemination and use of the reference scenario in regions.

- **Component 4: National Forest Monitoring and Safeguards Information Systems**

A key step to institutionalize the forest monitoring system was the official creation of the module to monitor forest cover (Legislative Decree N° 1220). The Ministry of Environment is the public entity that operates the module. The PNCBMCC will be responsible for setting up the module in one of the scientific institutions ascribed to MINAM. The project has programmed resources to help MINAM and PNCBCC to develop the operational details of the module. The implementation of the module will also be financed with FIP resources.

Overall progress from 01-01 2015 to 31-12-2016 regarding implementation of grant financed activities

The preconditions for the first disbursement were completed in February 2015. A first disbursement of USD 387,800 was made in that same month. Activities were formally launched with the hiring of the Project Coordinator and the Acquisitions Specialist in April. After an initial planning and coordination stage, the implementation of activities is now accelerating, with a second disbursement of USD 1,024,292 having been

Planned activities and achieved milestones:

Component 1 Organization and Consultation:

Sub-component 1a. National REDD+ Readiness Arrangements:

- a) The government has improved efficiency in the execution of activities through better coordination among projects funded by different agencies (IDB, WB, KFW, UN-REDD+), enhancing synergies and avoiding duplication.
- b) The government has appointed a working group to define the REDD+ institutional framework, which will follow the guidelines contained in the law for retribution mechanisms of ecosystem services. The process for hiring the consulting service is in progress, having selected a shortlist of consulting firms.
- c) The National Forest Conservation Program is implementing project activities in close coordination with the Directorate-General for Climate Change and Desertification in MINAM, which is the REDD+ focal point and is responsible for the definition of the climate change policy and strategy.

Sub-component 1b. Consultation, participation and outreach:

- a) The project is supporting the approval and implementation process of the Stakeholder Participation and Involvement Plan. The SPIP was prepared in collaboration with the UN-REDD+ project. The consulting company that will assist in this task was selected and the service is programmed to start in the first quarter of 2017.

Component 2 REDD+ Strategy Preparation:

Sub-component 2a. Assessment of land use, land-use change drivers, forest law, policy and governance:

The Ministry of Environment has conducted the analysis of land use change in the Amazon regions for the years 2011 to 2013. The Project has supported the analysis for 10 of the 15 regions that were considered in the analysis. Additional periods for analysis were defined, to continue the country's national reports to the UNFCCC. These periods are: 2000-2005 and 2013-2015 (to be financed by the project), and 2005-2010 (to be financed by KFW). In all of three cases similar terms of reference were used, to achieve comparable results. The studies are expected to be completed in April 2017.

Sub-component 2b. REDD+ strategy options:

The country has a National Strategy on Forests and Climate Change (NSFCC), which, after a participatory process with a diversity of actors, was approved on July 29 2016 with Supreme Decree number 007-2016-MINAM. The NSFCC is the national policy document that addresses REDD+. The design process was financed in part by the R-PP Project.

To achieve a proper implementation of the NSFCC, a call for expressions of interest was made in April for developing the Strategic Environmental and Social Evaluation (SESA) and the service was contracted in December. The SESA includes an analysis of possible scenarios for implementation of the NSFCC, as a part of the implementation process, and will analyze potential impacts, both negative and positive, of each scenario. The development SESA study is supported by the R-PP project. The IADB safeguards team has provided suggestions for preparing the terms of reference.

Sub-component 2c. Implementation framework:

The NSFCC has defined strategic actions and priority lines of implementation mainly focused on the regional governments.

Sub-component 2d. Social and environmental impacts:

The firm contracted to develop the SESA studies will also develop the pilot version of the safeguards information system, as one of their final deliverables. The study is expected to finish in May 2017.

Component 3 Reference emissions level

MINAM is defining the terms of reference for the studies required to update emission factors used to define the reference levels in the Amazon biome. MINAM is also defining the studies required for defining reference levels in the biomes corresponding to dry forests and Andean forests, including the definition of land use and land use change classification criteria.

Component 4 Monitoring systems for forests and safeguards

Sub-component 4a. National forest monitoring system:

The Project funded a study to propose an institutional and organizational arrangement to monitor forest cover. The study also proposed the required normative framework. The proposal is guiding the MINAM to perform its corresponding mandate, pursuant to Legislative Decree number 1220.

Sub-component 4b. Information system for multiple benefits, other impacts, governance and safeguards:

The Safeguards Information System is being developed jointly with the SESA study and the ESMF.

IMPLEMENTATION OF THE FCPF COMMON APPROACH

Planned environmental and social sustainability standards for the whole project duration:

IDB's social and environmental safeguards and policies will be applied, in accordance to the FCPF Common Approach.

Applied environmental and social sustainability standards:

The environmental and social standards (policies) were taken into account during the elaboration of the terms of reference of all the activities within the four components of the Strategy.

Description of planned stakeholder engagement activities during the whole project duration (incl. timing and target groups):

During the year 2016, the Stakeholder Participation and Involvement Plan (SPIP) was developed. This document took as reference the FCPF, UNREDD Program and the Common Approach methodologies.

Description of progress in stakeholder consultation, participation and the Feedback & Grievance Redress Mechanism for Readiness (FGRM) on the country level related to this grant:

A call for expressions of interest was made in December for the implementation SPIP. The contract is currently under negotiation. The consultancy service is programmed to start in the second quarter of 2017.

Description of progress of preparation of ESMF until 01/05/2015 (report date). Is the ESMF prepared in accordance with the Common Approach?

A consulting firm was hired in December 2016 to develop: (i) the SESA, (ii) the Environmental and Social Management Framework (ESMF); and, (iii) the Safeguards Information System (SIS) proposal. The process is expected to culminate in May 2017. These studies are being done in close coordination with Directorate-General for Climate Change and Desertification, which is the current REDD+ focal point.

Description of the application of FCPF Guidance on Disclosure of Information until to 31-12-2015 (report date):

All the information that has been generated on the National Forest and Climate Change Strategy, as well as on the other REDD+ elements can be found in the following link:

<http://www.bosques.gob.pe/publicaciones-pnch>

DISBURSEMENTS

Disbursement summary in US\$:

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Outstanding commitments for report period 01/01/2016 to 31/12/2016:	608,876.21
Accumulated administrative costs (IDB) for report period 01/01/2016 to 31/12/2016:	

Committed (contract is signed) money for project-specific activities (not including pre-execution and pre-implementation activities):

(01-01-2016 to 31-12-2016)

No.	Consultancy (Title of consultancy, name of consultant)	Objective of the consultancy	Component(s) supported per consultancy	Contract date (dd/mm/yy)	Contract value in US\$ 2016 (er. 3.25)
1	Technical coordinator of the Project Coordinating Unit.	Lead the implementation activities of the R-PP Project, according to the terms of the Agreement ATN/FP-14403-PE, under the supervision of the PNCB and in coordination with the Inter-American Development Bank (IDB).	Support to Executing Unit	31/12/2015 (*)	62,770.00
2	Procurement Specialist	To execute the procurement processes for goods and services for the execution of project activities according to IDB policies and to the Procurement Plan, and in coordination with the Project Coordinator.	Support to Executing Unit	31/12/2015 (*)	37,141.00
3	Air tickets purchase service	Hire a travel agency to supply domestic and international air tickets for PNCB and project staff.	Support to Executing Unit	07/04/2016 (*)	10,278.00
4	Notarial services	Hire notarial services for public acts.	Support to Executing Unit	07/04/2016 (*)	1,743.00
5	Technical assistance to prepare a data base on academic and scientific evidences to sustain the Budgetary Program "Reduction of Deforestation in Peru".	Provide technical assistance for the elaboration of a data base that systematizes scientific evidences to the design of the Budgetary Program "Reduction of Deforestation in Peru". Also, assist in the construction of the baseline for the monitoring and evaluation system of the PNCB.	Component 2: Preparation of REDD+ Strategy	08/04/2016	4,616.00
6	Media publications	Publication of 17 notices in written media of national circulation.	Support to Executing Unit	14/04/2016 (*)	19,846.00
7	Administrative and logistical support.	Offer support to the project coordination activities, with emphasis in the administrative and logistical management of the project, according to their instruments of management.	Support to Executing Unit	14/04/2016 (*)	18,308.00
8	Hiring of three (3) individual consultants for the 2011-2013 Land Use Change study in 5 Amazonian Regions.	Support the preparation of REDD+ Strategy REDD+ (National Forests and Climate Change Strategy) and the implementation of the R-PP.	Component 2: Preparation of REDD+ Strategy	14/04/2016 18/04/2016	32,308.00
9	Consultancy for the systematization of the NSFCC implementation.	Provide systematization and logistical support to the NSFCC.	Component 2: Preparation of REDD+ Strategy	19/04/2016	18,462.00
10	Consultancy for technical support for the systematization of contributions to the NSFCC proposal in the process of construction of the final document	Provide technical assistance for the processing of contributions generated by the different strategic groups and construction of the NSFCC.	Component 2: Preparation of REDD+ Strategy	12/05/2016	9,847.00
11	Logistics operator for design and implementation activities	Logistical services provider for planning, execution and systematization of 23 workshops.	Component 2: Preparation of REDD+ Strategy	21/07/2016 (*)	111,805.00
12	Individual consultant to prepare the application to a second phase of R-PP.	Prepare technical file that will be submitted to FPCF, in order to apply to a second phase of implementation of the R-PP.	Component 2: Preparation of the REDD+ Strategy	11/08/2016	13,847.00
13	Consultancy to elaborate the guidelines to implement the public institutionality of the module of monitoring the forest cover.	To elaborate a proposal of institutionalization of the monitoring of the coverage of forests at national level.	Component 2: Preparation of the REDD+ Strategy	15/08/2016	13,847.00

14	Consultancy for land use change assessment for 2000-2005 and 2013-2015 periods.	Provide technical assistance to the preparation of REDD+ Strategy (NSFCC) and with the implementation of the R-PP in Peru.	Component 2: Preparation of the REDD+ Strategy	31/08/2016 (*)	138,569.00
15	Service of design and printing of publicity materials related to the project.	Design and printing of publicity materials related to the project.	Component 2: Preparation of the REDD+ Strategy	16/09/2016 (*)	0.00
16	Consultancy to prepare the SESA and ESMF and to propose the Safeguards Information System.	Develop the Social and Environmental Strategic Evaluation (SESA) and the corresponding ESMF applicable to the NSFCC, and propose the scope for the design and implementation of the Safeguards Information System	Component 2: Preparation of the REDD+ Strategy	21/12/2016 (*)	0.00
			Component 4: Development of the National Forest Monitoring and Safeguards Information Systems		
17	Office materials	Provide office materials to Project personnel.	Support to Executing Unit	24/11/2016 25/11/2016	5,915.00
18	Travel expenses	Travel expenses	Support to Executing Unit	feb-dic 2016	6,145.00
TOTAL 2016					505,447.00

(*) The consultancy lasts until 2017. Value only includes amount to be expended during 2016.

Brief Description with commitments and plans for 2017: The following table shows the activities planned per component as well as their objective, expected date and costs for 2017:

(01-01-2017 to 31-12-2017)

No.	Expected consultancy (Title of consultancy, name of consultant)	Objective of the consultancy	Component(s) supported per consultancy	Expected contract date (dd/mm/yy)	Contract value in US\$ 2017
1	Technical coordinator of the Project Coordinating Unit.	Lead the implementation activities of the R-PP Project, according to the terms of the Agreement ATN/FP-14403-PE, under the supervision of the PNCB and in coordination with the Inter-American Development Bank (IDB).	Support to Executing Unit	31/12/2016 (Contracted)	26,154.00
2	Procurement Specialist	To execute the procurement processes for goods and services for the execution of project activities according to IDB policies and to the Procurement Plan, and in coordination with the Project Coordinator.	Support to Executing Unit	31/12/2016 (Contracted)	15,476.00
3	Air tickets purchase service	Hire a travel agency to supply domestic and international air tickets for PNCB and project staff.	Support to Executing Unit	07/04/2016 (Contracted)	14,354.00
4	Notarial services	Hire notarial services for public acts.	Support to Executing Unit	07/04/2016 (Contracted)	1,852.00
5	Media publications	Publication of 17 notices in written media of national circulation.	Support to Executing Unit	14/04/2016 (Contracted)	3,452.00
6	Administrative and logistical support.	Offer support to the project coordination activities, with emphasis in the administrative and logistical management of the project, according to their instruments of management.	Support to Executing Unit	31/12/2016 (Contracted)	10,770.00
7	Logistics operator for design and implementation activities	Logistical services provider for planning, execution and systematization of 23 workshops.	Component 2: Preparation of REDD+ Strategy	21/07/2016 (Contracted)	74,537.00
8	Consultancy for land use change assessment for 2000-2005 and 2013-2015 periods.	Provide technical assistance to the preparation of REDD+ Strategy (NSFCC) and with the implementation of the R-PP in Peru.	Component 2: Preparation of the REDD+ Strategy	31/08/2016 (Contracted)	138,569.00
9	Service of design and printing of publicity materials related to the project.	Design and printing of publicity materials related to the project.	Component 2: Preparation of the REDD+ Strategy	16/09/2016 (Contracted)	93,450.00
10	Consultancy to prepare the SESA and ESMF and to propose the Safeguards Information System.	Develop the Social and Environmental Strategic Evaluation (SESA) and the corresponding ESMF applicable to the NSFCC, and propose the scope for the design and implementation of the Safeguards Information System	Component 2: Preparation of the REDD+ Strategy	21/12/2016 (Contracted)	432,931.00
			Component 4: Development of the National Forest Monitoring and Safeguards Information Systems		

11	Consultancy on REDD+ Authority REDD+ in MINAM.	Prepare operational proposal for REDD+ Authority in MINAM.	Component 1: Organization and Consultation	Ene-2017 (To be contracted)	97,813.00
12	Consultancy to support Stakeholder Involvement Plan and Communications Plan	Implementation of the Stakeholder Involvement Plan and Communications Plan.	Component 1: Organization and Consultation	Ene-2017 (To be contracted)	267,188.00
13	Consultancy to prepare case study on recognition of land tenure in the department of Loreto	Contribute to land recognition, registering and titling processes in native communities of Loreto.	Component 2: Preparation of the REDD+ Strategy	Feb-2017 (To be contracted)	200,000.00
14	Consultancy to assist the elaboration of the National Forest and Wildlife Plan.	To have the base document of the National Forest and Wildlife Plan, in order to begin the participatory process of civil society and, if applicable, the prior consultation process.	Component 2: Preparation of the REDD+ Strategy	Feb-2017 (To be contracted)	200,000.00
15	Emission factors for use and change of land use / Update of the NERF according to studies of change of use / Use and application of reference levels in jurisdictional areas for nesting purposes.	Updating of the Reference Level of forest emissions.	Component 3: Development of the National Reference Scenario	Feb-2017 (To be contracted)	228,380.00
16	Installation of the Forest Coverage Monitoring Module Operating Unit / Development of protocols by thematic lines of the Monitoring / Matrix of uncertainty in land use change maps and aggregate uncertainty / Integration of use change maps.	Development of the national forest cover monitoring module.	Component 4: Development of the National Forest Monitoring and Safeguards Information Systems	Feb-2017 (To be contracted)	1,033,350.59
TOTAL EXPECTED committed amount by the end of 2017					2,838,276.59