



Mid-Term Review of FAO-GEF Project

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Sustainable Management and Restoration of the Dry Forest of the Northern Coast of Peru

Final Report

**MTR mission conducted between 02 and 14 of November
2025**

FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS

Peru, Lima

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EXECUTIVE SUMMARY

- RE1. The project “Sustainable Management and Restoration of the Dry Forest of the Northern Coast of Peru”—hereinafter referred to as the “Project”—is an initiative financed under the seventh replenishment cycle of the Global Environment Facility (GEF), implemented by the Food and Agriculture Organization of the United Nations (FAO) in conjunction with the International Union for Conservation of Nature (IUCN), and executed by the Ministry of Environment (MINAM), with the Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE) acting as the operating partner.
- RE2. The project has a total budget of USD 65,500,012, of which USD 7,666,491 corresponds to the GEF grant and USD 57,833,521 to co-financing committed by various associated national institutions and FAO.
- RE3. The project formally started in September 2022; its inception workshop was held in December 2023, and according to its design, completion is envisaged for December 2027, for a total implementation period of 60 months.
- RE4. In accordance with the GEF Project Cycle Management guidelines, projects are required to undergo a Mid-Term Review (MTR) at the midpoint of implementation. The present report was prepared within this framework.
- RE5. The objective of the review was to conduct an independent assessment of the relevance of the project’s design and the interventions implemented at mid-term; its effectiveness in delivering outputs and achieving outcomes and objectives; the efficiency in the use of resources; the integration of cross-cutting perspectives; the likelihood that the results achieved will be sustained beyond the termination of GEF financing (sustainability); and other factors that may be affecting Project performance.
- RE6. The above is intended to ensure accountability to stakeholders, capture lessons learned, and formulate recommendations aimed at improving, adjusting, and/or enhancing the project moving forward.

MAIN FINDINGS

Relevance

- RE7. The project is highly relevant. It responds decisively to the needs and interests of the local beneficiary populations, aligns with the strategic priorities of GEF-7, FAO, and IUCN; and is consistent with national priorities regarding the conservation, restoration, and sustainable management of the dry forest ecosystem along the northern coast of Peru.

Effectiveness

- RE8. Outcome targets and the development of planned deliverables for the medium term are lower than originally envisaged. Nevertheless, substantive progress has been observed in terms of territorial deployment, trust-building with local stakeholders, activation of governance mechanisms, and the initiation of community-based restoration, conservation, and promotion of productive activities. The project has achieved positive implementation momentum, activating processes that have the potential to consolidate structural changes over the medium term.

Efficiency

- RE9. At mid-term, the project has executed 45% of the budget planned for the reviewed period and 35% of the total budget. The gap observed between the planned and actual expenditures is reflected in the achievement of technical milestones below what was planned for the mid-point of the implementation period.
- RE10. Key stakeholders consider that the institutional arrangements inherent to the implementation modality through Operational Partners (OPIM), the initial difficulties in assembling a suitably qualified team, and the additional complexity arising from having two implementing agencies led to significant delays during the project's start-up phase and throughout its management.
- RE11. While the MTR acknowledges the efforts undertaken to accelerate implementation and strengthen technical and administrative management—particularly over the past year, during which 93% of the annual budget was executed—it considers that, even with an increased expenditure rate, the remaining implementation period would not be sufficient to fully execute the total budget, consolidate the planned results, and ensure the sustainability of the actions underway.

Factors affecting performance

Design

- RE12. The project was designed in accordance with the procedures and sections required by the GEF. However, the formulated results framework is highly fragmented and limited in its operational usefulness: 9 outcomes with 15 associated indicators, and 31 outputs with 51 linked indicators. A design of this complexity tends to generate programmatic fragmentation, thereby reducing effectiveness, efficiency, and the capacity to implement results-based management.

Implementation and execution

- RE13. Implementation and execution functions have been carried out in accordance with GEF policies. However, the presence of two implementing agencies (FAO and IUCN) and execution under the Operational Partners Implementation Modality (OPIM) have posed significant technical and administrative coordination challenges.
- RE14. The coexistence of multiple reporting lines and formats (FAO, IUCN, PROFONANPE, and MINAM), together with demanding and differentiated procurement regulations for goods and services, diverse programmatic priorities, and heterogeneous information requirements, has generated significant challenges in terms of coordination, harmonization, and operational coherence.

Cofinancing

- RE15. As of June 2025, the institutions that committed co-financing have reported contributions equivalent to 52% of the total pledged, amounting to USD 30,017,972 out of USD 57,833,521. While most institutions, in line with GEF co-financing policy and guidelines, have documented their contributions through official sources, others—such as the Ministry of Agrarian Development and Irrigation (MIDAGRI) and private sector companies—have yet to do so, and this situation should be duly regularized.

Communication

- RE16. The project has designed and implemented a communications plan that has contributed to strengthening its positioning in the intervention areas and to consolidating trust-based relationships with regional governments and communities. However, the Mid-Term Review (MTR) finds that this component requires further strengthening, particularly in expanding its reach at the national level, enhancing the visibility of MINAM and the implementing agencies, disseminating results more effectively, and leveraging communications to support knowledge management and institutional advocacy.

Knowledge management

RE17. The project has initiated the collection and organization of experiences from other initiatives implemented in the territory. Complementing this effort with a systematic documentation of the project's own lessons learned, as well as those of the executing and implementing institutions, would significantly enhance the quality, usefulness, and influence of the knowledge products generated and yet to be developed.

Cross-cutting dimensions

Gender

RE18. The project has promoted and facilitated women's participation in productive, restoration, and conservation initiatives, generating progress in their organization and leadership.

RE19. The results observed thus far at the community level are positive and constitute a key strength of the project. They have the potential to contribute—and are indeed contributing—to closing gender gaps in access to and control over natural resources, increasing women's participation, and generating socioeconomic benefits in the territory, three core priorities of the GEF.

Safeguards

RE20. In accordance with its Moderate Risk classification and GEF guidelines, the project has taken the necessary measures to avoid causing adverse effects on the communities and habitats in which it operates.

Stakeholder Engagement

RE21. Stakeholders have reported active participation in the project. During implementation, in line with GEF policy and in accordance with the provisions of the formulation, key actors report that they have been invited and have actively participated in the project's internal governance spaces, the governance bodies that the project is supporting, and the exchange and training opportunities offered.

Sustainability

RE22. While the project has begun to lay certain foundations for sustainability, the consolidation and continuity of the processes initiated will require sustained institutional continuity, ongoing technical support, and adequate financial conditions to enable communities and institutional stakeholders to maintain, scale up, and replicate the promoted processes and the effects to be achieved over the remaining implementation period.

LESSONS LEARNED

Lesson Learned 1. The Project Management Unit's territorial presence, technical quality, and in-depth knowledge of the context have constituted a decisive advantage.

GEF Classification: 2. Project Management, including Financial and Human Resources Aspects

The establishment of the project management unit (PMU) in Piura, combined with its high technical competence and prior knowledge of the territory, has become a fundamental pillar for the project's implementation. Thanks to its territorial proximity and the quality of the team, the project has been able to effectively engage with the various stakeholders and maintain operational continuity despite institutional changes and staff turnover among the different counterparts.

Lesson Learned 2. Simple systems for complex projects

GEF Classification: 1. Project Design, Monitoring and Planning

A highly disaggregated results matrix, heterogeneous and complex monitoring formats, detailed annual planning, unclear indicators, and fragmented administrative processes create bottlenecks that consume critical time from both the project team and the executing and implementing institutions. Simple, practical, and use-oriented planning and monitoring systems would help reduce the administrative burden on all parties, optimize inter-institutional coordination, and allow greater focus on field-level action and strategic support to the intervention.

Lesson Learned 3. Good social and cultural understanding of territorial dynamics enabled successful implementation start up

GEF Classification: 17. Local Context / Project Site Challenges

Successful entry into the territory and the establishment of trust-based and collaborative relationships with communities, public officials, and local authorities do not depend solely on technical and methodological excellence in conservation, restoration, and sustainable management. They also require a deep understanding of, and the effective integration of, the territory's social and cultural dynamics into project action.

Lesson Learned 4. The adoption and sustainability of good practices depend on a positive economic balance for those who implement them

GEF Classification: 3. Integrated Approaches

It is not possible to adopt and maintain good conservation, restoration, and sustainable management practices in the long term if this is not accompanied by an improvement in the livelihoods of the beneficiary groups that implement them.

Lesson Learned 5. Conservation and restoration also mean protecting community livelihoods and ways of life

GEF Classification: 3. Integrated Approaches

The dry forest and the ecosystem services it provides are deeply linked to the livelihoods, economy, and cultural identity of the communities that inhabit it. From this perspective, landscape conservation and restoration are more likely to thrive when traditional productive activities are promoted. At the same time, the recovery of this ecosystem is a fundamental condition for sustaining these economic activities and preserving the territory's cultural identity.

Lesson Learned 6. Early adjustments as enablers of effective implementation

GEF Classification: 1. Project Design, Monitoring and Planning

It is essential to include a sufficiently robust inception phase to review the Project Document (ProDoc), assess changes in context, and make the necessary adjustments to the results matrix before initiating technical implementation.

Lesson Learned 7. The OPIM modality requires early clarity to ensure smoother implementation, particularly in multi-agency projects

GEF Classification: 2. Project Management, including Financial and Human Resources Aspects

In projects executed under the OPIM modality, an early induction phase is necessary to revisit applicable standards, administrative procedures, and associated responsibilities. A well-structured update is key to aligning expectations, clarifying roles, reducing initial operational complexity, and ensuring a smooth transition into implementation—particularly when the project is implemented by more than one agency.

Lesson Learned 8. Unified mechanisms to optimize management

GEF Classification: 2. Project Management, including Financial and Human Resources Aspects

Implementation becomes more complex when each institution operates with its own procedures, different forms, and responsibilities that are not always clearly defined. The coexistence of parallel monitoring systems ends up fragmenting management and generating additional effort that does not always translate into better performance. Having clear rules and unified mechanisms from the outset would have facilitated coordination and reduced the operational burden on all parties.

RECOMMENDATIONS

Recommendation 1. To the PMU, PROFONANPE, FAO, IUCN and MINAM on the optimization of processes and the updating and streamlining of planning, monitoring, and accountability instruments

1a. Review, update, and simplify the results matrix at the product level

With the aim of ensuring a results matrix structure that facilitates monitoring, reporting, and use in decision-making, and that aligns with the current context in which the project operates, the MTR recommends carrying out an update at the output level and to their associated indicators, focused on simplification and operational feasibility. This adjustment should be undertaken without introducing substantial amendments to the project's programmatic orientation.

1b. Simplify and harmonize the annual planning and accountability instruments as part of building a more agile and user-oriented system.

As part of a continuous improvement pathway aimed at facilitating decision-making, reducing administrative burdens, and strengthening collaborative relationships among executing and implementing entities, it is recommended to standardize and simplify the annual planning instruments and quarterly accountability reports.

1c. Optimize processes through the aggregation of products

With the aim of improving administrative efficiency and increasing effectiveness in project implementation, it is recommended to assess the feasibility of grouping certain related technical outputs into integrated packages that can be awarded to a single provider.

1d. Complete and simplify the indicator sheets

Complete the development of the indicator sheets that still raise questions, prioritizing simplicity and practicality, and incorporating clear definitions along with verifiable criteria for estimating the project's targets.

- **Suggestion 1.** Establish a working group whose sole objective is to promptly address the issues raised.
- **Suggestion 2.** For the adjustment of the results framework, it is recommended to pay special—but exclusive—attention to the outputs and indicators marked in red in Appendix 7.
- **Suggestion 3.** Conduct one or two in-person working sessions (workshop-style).
- **Suggestion 4.** Consider the possibility of hiring an external facilitator to guide the process and systematize the agreements and final instruments produced from the sessions.

Recommendation 2. To the PMU, PROFONANPE, FAO, IUCN and MINAM regarding the development of integrated community plans

As a way to consolidate the integrated approach promoted and implemented by the project, and to increase the likelihood of community ownership and sustainability, it is recommended to transition from conservation agreements toward the development and formalization of medium- and long-term community planning instruments.

- **Suggestion.** Link the community plans to financing mechanisms for the planned activities.

Recommendation 3. To the PMU, PROFONANPE, FAO, UICN and MINAM regarding Project sustainability

Design and implement a sustainability and exit strategy that includes, at a minimum:

- The consolidation, systematization, and promotion of an integrated intervention model.
- The approval and implementation of public policy instruments that have been developed and are yet to be developed.
- Designing financing mechanisms that enable the continuity of restoration and sustainable management actions both inside and outside of NPAs and OMECs.
- The institutionalization of training processes such as diploma programs and the creation of a body of community promoters capable of sustaining and replicating the practices adopted.
- Institutional consolidation and anchoring of territorial governance bodies in the relevant institutions (SERNANP, regional governments, MINAM, MIDAGRI, SERFOR, or others).
- Demonstration that the promoted production models can evolve into profitable businesses.

Recommendation 4. To the PMU, MINAM, IUCN, FAO Perú and FAO RLC regarding the identification and visibility of the productive, social, and environmental role of participating women

Promote explicit recognition of women's contributions by fostering the establishment and strengthening of a macro-regional network of women for the conservation and restoration of the dry forest.

- **Suggestion:** Create exchange opportunities to connect and advise the PMU on the work that FAO and/or IUCN carry out with women across Latin America.

Recommendation 5. To the PMU, PROFONANPE, FAO, IUCN and MINAM on Knowledge Management

Develop systematizations of intervention experiences in pilot sites. These should document costs and multidimensional effects, have a clear demonstrative emphasis, and be oriented toward promoting learning and replicability and/or scalability on the part of State institutions or other stakeholders.

Recommendation 6. To the MINAM, FAO RLC, IUCN and other relevant stakeholders, regarding the establishment of experience-sharing spaces

Establish regular forums for the exchange of regional experiences contributed by FAO and UICN, as well as national experiences shared by executing partners and other interested stakeholders.

- **Suggestion 1.** It would be advisable to consider topics such as effective management of OMECs, landscape-scale restoration, regenerative livestock systems, community-based environmental planning, among others.
- **Suggestion 2.** Promote exchange spaces among teams of similar projects in the region implemented by FAO and/or IUCN, and by the Ministry of Environment at the national level.

Recommendation 7. To the PMU, FAO and MINAM on prioritizing and consolidating spaces for multi-stakeholder and multi-level coordination.

It is recommended to redouble efforts to strengthen—and firmly anchor—the Macro-Regional Platform as a coordinating space among regions, sectors, and territorial stakeholders, while prioritizing support for and consolidation of the governance arrangements associated with the Regional Conservation Systems.

- **Suggestion.** Promote the incorporation of one or two additional strategic milestones into COREFOR to enhance the visibility, relevance, and legitimacy of the Macro-Regional Platform.

Recommendation 8. To FAO RLC, IUCN and MINAM on a possible temporary extension of the Project

Technically and financially assess the possibility of extending the Project's duration by 12 to 18 months.

- **Suggestion.** Take into account the time limits that the donor considers reasonable and note that any potential extension would not include additional financial resources.

Recommendation 9. MINAM on the feasibility of public policy instruments

It is recommended that MINAM, with the support of the project management unit, establish an inter-institutional technical committee whose main objective is to facilitate the approval of public policy instruments that the project has already developed and will develop in the future.

Recommendation 10. To FAO Perú and UICN regarding the strengthening of technical and operational oversight

Considering the available technical and budgetary margins, and in light of the general technical support role of FAO and UICN as implementing agencies, and as a means of reinforcing the project's technical and operational follow-up, it is recommended that:

- a) The FAO technical team in Lima and UICN in Ecuador strengthen their presence in the intervention territory; and:
- b) Opportunities be fostered for exchanging experiences on project monitoring with other offices in the region.

Recommendation 11. To the PMU and PROFONANPE regarding the continuity of field technicians.

To ensure the continuity of field technicians—and, consequently, of the intervention—it is recommended to explore, within the legal framework in place, administrative and budgetary alternatives to modify the current modality of their contractual arrangements.

Appendix 4. GEF Rating Table

GEF FAO criteria/sub-criteria	Rating ¹ y ²	Summary comments
A. STRATEGIC RELEVANCE		
A1. Overall strategic relevance	HS	The project is highly relevant. It responds decisively to the needs and interests of the local beneficiary populations, to the priorities of GEF-7, to the strategies of FAO and IUCN, and to the priorities of the Peruvian State in the areas of restoration, conservation, and sustainable management.
A1.1. Alignment with GEF, IUCN and FAO strategic priorities	HS	
A1.2. Relevance to national, regional and global priorities and beneficiary needs	HS	
A1.3. Complementarity with existing interventions	HS	
B. EFFECTIVENESS		
B1. Overall assessment of project results	MS The level of results achieved is broadly in line with expectations and/or there were moderate shortcomings.	The project is experiencing delays. However, progress is being observed toward achieving the project's intended changes and results.
B1.1 Delivery of project outputs	MU The level of results achieved is below expectations and/or there have been significant shortcomings.	The project is experiencing delays. A significant number of deliverables are still pending delivery.
B1.2 Progress towards outcomes and project objectives		
Component 1. Promoting governance with multi-sectoral, multi-level and multi-stakeholder approach for the sustainable development of dry forests in Peru	MS The level of results achieved is broadly in line with expectations and/or there were moderate shortcomings.	Progress has been made in the development of public policy instruments and in the establishment of governance bodies.
Component 2. Strengthening ecological connectivity of dry forests and restoration through effective management and financial sustainability of conservation areas and buffer zones	MS The level of results achieved is broadly in line with expectations and/or there were moderate shortcomings.	Progress has been made in the development of management instruments, and the establishment of conservation and restoration areas has begun, along with the formation of governance bodies.
Component 3. Sustainable production practices for the conservation of the natural heritage of the dry forest on the Northern Coast of Peru	MS The level of results achieved is broadly in line with expectations and/or there were	The project has successfully established itself in the intervention territories, effectively articulating key stakeholders, and has begun implementing restoration and conservation actions in conjunction with support for sustainable productive startups.

¹ Altamente Satisfactorio (AS); Satisfactorio (S); Moderadamente Satisfactorio (MS); Moderadamente Insatisfactorio (MI); Insatisfactorio (I); Altamente Insatisfactorio (HI); No se pudo evaluar (NE)

² Algunos criterios, además de calificación cuentan con descriptores específicos. Se incluyen en tabla y se también se detallan al final del apéndice.

	moderate shortcomings	
Component 4. Knowledge management, monitoring and evaluation (M&E) based on adaptive management principles and the delivery of measurable and objectively verifiable outcomes.	MS The level of results achieved is broadly in line with expectations and/or there were moderate shortcomings.	The project has implemented a communication strategy and knowledge management plan. Although there are important areas for improvement, M&E has managed to meet the required accountability standards.
Overall rating of progress towards achieving objectives/ outcomes	S There were no/or minor shortcomings	Although the project has experienced delays, it has established a solid presence in the territory, built trust among stakeholders, and is beginning to demonstrate results that contribute to its theory of change.
C. EFFICIENCY		
C1. Efficiency	MS	The project has executed 45% of the budget planned for the mid-term and still has a significant margin of resources available (65% of the total for the five years). While this situation represents a weakness, it is also an opportunity to strengthen investment in pending products and to adjust actions in the second phase of implementation.
D. SUSTAINABILITY OF PROJECT OUTCOMES		
D1. Overall likelihood of risks to sustainability	ML There are moderate risks to sustainability.	While the project has laid important foundations for sustainability, the consolidation and long-term continuity of the processes initiated will require sustained institutional commitment, ongoing technical support, and adequate financial conditions to enable communities and institutional stakeholders to maintain, scale up, and replicate the promoted processes and their intended outcomes.
D1.1. Financial risks	ML There are moderate risks to sustainability.	Although funding has not yet been secured, the project has developed specific outputs aimed at designing and operationalizing mechanisms to help ensure long-term financial sustainability.
D1.2. Sociopolitical risks	L There is little or no risk to sustainability.	The project has sought to ensure adequate representation of women and local communities and has implemented the necessary safeguards to actively engage them without adversely affecting their interests.
D1.3. Institutional and governance risks	ML There are moderate risks to sustainability.	The successive changes in public administration in Peru constitute an evident political risk. Each time this has occurred, the project has managed to transfer and rearticulate institutional support, ensuring continued backing for its implementation.
D1.4. Environmental risks	ML There are moderate risks to sustainability.	A pest is affecting the algarrobo tree, the origin and causes of which have not yet been clearly determined. Although addressing this issue falls beyond the scope of the Project, it represents a significant risk to the sustainability of its results.

E. FACTORS AFFECTING PERFORMANCE		
E1. Project design and readiness	MS	A fragmented results framework design, combined with unrealistic targets, is limiting the Project's ability to undertake efficient, effective, and results-based management.
E2. Quality of project implementation	MS There were some short-comings, and the quality of implementation/execution more or less met expectations	FAO, in its role as implementing agency, has satisfactorily supported the identification, preparation, formulation, and implementation of the project, ensuring technical and administrative quality throughout each phase of the project cycle.
E2.1. Quality of project implementation by FAO (BH, LTO, PTF, among others)	MS There were some short-comings, and the quality of implementation/execution more or less met expectations	The programmatic and administrative areas of FAO Perú, FAO Regional Office for Latin America and the Caribbean, and UICN in Ecuador have maintained regular oversight of the project. However, improving the fluidity of the project's internal and external accountability mechanisms remains a bottleneck that needs to be addressed.
E3. Quality of project execution	MS There were some short-comings, and the quality of implementation/execution more or less met expectations	MINAM and PROFONANPE, as the executing and operational entities respectively, have successfully carried out the project's day-to-day activities. However, there is room to improve the fluidity of accountability processes and to strengthen the initiative's M&E system.
E3.1. Project execution and management (PMU and executing partner performance, administration, staffing, etc.)	MS There were some short-comings, and the quality of implementation/execution more or less met expectations	
E4. Financial management and co-financing	S There were no short-comings, or only minor ones, and the quality of implementation/execution meets expectations	As of June 2025, the institutions that committed co-financing have reported contributions equivalent to 53% of the total pledged—i.e., USD 29,997,558 out of USD 57,833,521.
E5. Project partnerships and stakeholder engagement	S There were no deficiencies, or only minor ones were identified, and the quality of implementation/execution meets expectations.	The various stakeholders have been kept informed. In addition, the project has established consultation and community participation mechanisms to ensure that the voices of local communities and other interest groups are heard and duly considered.
E7. Overall quality of M&E	MU There were significant short-comings, and the quality of the M&E design or implementation is below expectations	The project has fulfilled its accountability responsibilities through quarterly, semi-annual, and annual reporting. However, its monitoring and evaluation system presents limitations in ensuring fluid internal and external tracking and reporting aligned with the information needs of stakeholders.
E7.1. M&E design	MU There were significant short-comings, and the	

	quality of the M&E design or implementation is below expectations	
E7.2. M&E plan implementation (including financial and human resources)	MU There were significant short-comings, and the quality of the M&E design or implementation is below expectations	
E8. Overall assessment of factors affecting performance	MS There were some short-comings, and the quality of implementation/execution more or less met expectations	Although there are areas for improvement, these factors have not negatively affected the project's performance.
F. CUESTIONES TRANSVERSALES		
F1. Gender and other equity dimensions	S There were no or minor shortcomings	The project has consistently integrated gender perspective into the intervention cycle.
F3. Environmental and social safeguards	S There were no or minor shortcomings	In accordance with its moderate risk classification and GEF guidelines, the project has adopted the necessary measures to prevent adverse impacts on the communities and ecosystems in which it operates.
Overall project rating	MS The project is progressing more or less as expected, and/or the identified short-comings are generally correctable.	The progress achieved so far indicates that the necessary conditions are beginning to be established to move toward the expected outcomes outlined in the Theory of Change (ToC). These initial advances demonstrate concrete progress in creating conditions conducive to improving the prospects of achieving conservation, restoration, and sustainable management of the dry forests of Peru's northern coast (the proposed medium-term change reflected in the revised ToC). However, it is not yet possible to demonstrate the achievement of results-level targets, given the still incipient nature of the processes and the need for clearer monitoring and verification mechanisms.

Appendix 6. Risks to Achieving Outcomes

RISK CATEGORIES	RATINGS	ASSESSMENT AND MITIGATION MEASURES
CONTEXT		
Climate	Moderate	Although there have been no unusual climatic phenomena to date, there is evidence of a pest infestation affecting the algarrobo tree. Mitigation of this pest is beyond the scope of the project.
Environment and Social	Moderate	Measures have been taken to avoid harmful impacts on the communities and habitats where the project is being implemented. Efforts have been made to encourage community participation, including that of women.
Political and Governance	Moderate	Successive changes in the administration of the Peruvian state constitute an evident political risk. The successive changes in public administration in Peru constitute an evident political risk. Each time this has occurred, the project has managed to transfer and reestablish institutional support, ensuring continued backing for its implementation.
INNOVATION		
Institutional and Policy	Moderate	Many of the public policy instruments developed—and those still to be developed—by the project require formal approval from the relevant institutions. The risk is that they may not be approved or that their approval may be delayed. The MTR has recommended establishing a working group to address this situation.
Technological	Low	No technological risks associated with the project have been identified.
Financial and Business Model	Moderate	While sustainable financing has yet to be fully secured, the project has incorporated specific outputs aimed at establishing and activating mechanisms to ensure continued funding over the long term.
EXECUTION		
Capacity for Implementation	Low	Local capacities need to be further strengthened to ensure the continuity of project actions. The project has been actively supporting this process and plans to continue doing so as part of its ongoing implementation.
Fiduciary	Low	There are no fiduciary sources in the area of intervention of the dry forest.
Stakeholder	Low	No substantial risks have been identified.
Overall Risk Rating	Moderate	Overall, no significant risks have been identified for the project. For those considered more likely, the necessary measures are being adopted to mitigate or reduce their potential impacts.