CEO Endorsement (CEO) entry - Full sized Project Child ? GEF - 7

Deforestation Free Commodity Supply Chains in the Peruvian Amazon

Part I: Project Information

Name of Parent Program
Food Systems, Land Use and Restoration (FOLUR) Impact Program

GEF ID
10307

Project Type
FSP

Type of Trust Fund
GET

CBIT/NGI
CBIT **No**
NGI **No**

Project Title
Deforestation Free Commodity Supply Chains in the Peruvian Amazon

Countries
Peru

Agency(ies)
UNDP, FAO, IFAD

Other Executing Partner(s)
The Ministry of Environment of Peru

Executing Partner Type
Government

GEF Focal Area
Multi Focal Area

Taxonomy

Focal Areas, Land Degradation, Sustainable Land Management, Ecosystem Approach, Improved Soil and Water Management Techniques, Sustainable Livelihoods, Integrated and Cross-sectoral approach, Restoration and Rehabilitation of Degraded Lands, Income Generating Activities, Sustainable Forest, Community-Based Natural Resource Management, Land Degradation Neutrality, Land Productivity, Land Cover and Land cover change, Carbon stocks above or below ground, Forest, Amazon, Biodiversity, Mainstreaming, Certification - National Standards, Forestry - Including HCVF and REDD+, Agriculture and agrobiodiversity, Ceritification - International Standards, Biomes, Tropical Rain Forests, Protected Areas and Landscapes, Productive Landscapes, Community Based Natural Resource Mngt, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Consultation, Type of Engagement, Local Communities, Trade Unions and Workers Unions, Civil Society, Beneficiaries, Stakeholders, Gender Equality, Gender Mainstreaming, Women groups, Gender-sensitive indicators, Sex-disaggregated indicators, Gender results areas, Awareness Raising, Access and control over natural resources, Knowledge Generation and Exchange, Access to benefits and services, Participation and leadership, Capacity Development, Integrated Programs, Commodity Supply Chains, High Conservation Value Forests, High Carbon Stocks Forests, Oil Palm Supply Chain, Sustainable Commodities Production, Smallholder Farmers, Financial Screening Tools, Deforestion-free Sourcing, Adaptive Management, Food Systems, Land Use and Restoration, Comprehensive Land Use Planning, Integrated Landscapes, Landscape Restoration, Sustainable Food Systems, Deforestation-free Sourcing, Sustainable Commodity Production, Food Value Chains, Enabling Activities, Targeted Research, Capacity, Knowledge and Research, Influencing models, Convene multi-stakeholder alliances, Transform policy and regulatory environments, Deploy innovative financial instruments, Strengthen institutional capacity and decision-making, Demonstrate innovative approache, Indigenous Peoples, Partnership, Information Dissemination, Participation, Private Sector, Capital providers, Large corporations, Individuals/Entrepreneurs, SMEs, Academia, Non-Governmental Organization, Community Based Organization, Communications, Public Campaigns, Education, Behavior change, Knowledge Exchange, Learning, Theory of change, Adaptive management, Indicators to measure change, Innovation, Knowledge Generation

Rio Markers

Climate Change Mitigation

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 0

Submission Date

6/29/2021

Expected Implementation Start

11/1/2021

Expected Completion Date

11/1/2027

Duration

72In Months

Agency Fee($)

1,220,533.00

A. FOCAL/NON-FOCAL AREA ELEMENTS

Objectives/Programs	Focal Area Outcomes	Trust Fund	GEF Amount($)	Co-Fin Amount($)
IP FOLU	Transformation of food systems through sustainable production, reduced deforestation from commodity supply chains, and increased landscape restoration	GET	13,561,467.00	112,149,960.00
		Total Project Cost($)	**13,561,467.00**	**112,149,960.00**

B. Project description summary

Project Objective

Introduce sustainable (deforestation-free and profitable) commodity production models to reduce deforestation and land degradation caused by the ongoing increasing unsustainable production of agricultural commodities in critical economic-ecological jurisdictions in the north-western Amazon of Peru. To this end, the Project promotes responsible value chains and partnerships with major deforestation-free commodities (DFC) buyers. The strategy aims at reducing deforestation and degradation caused by increasing production of unsustainable agricultural commodities (coffee, cocoa, and palm oil) in critical economic-ecological jurisdictions in the NW Amazon: San Martin, Amazonas, Loreto, and Cajamarca. Consequently, this strategy will contribute to transforming commodity-related food systems in the Peruvian Amazon towards sustainability.

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 1. Development of integrated landscape management (ILM) systems Implemented by UNDP in its entirety.	Technical Assistance	1.1 Sustainable ecosystems services and sound landscape management are supported by an ILM system, and measured by: - Ten provinces have TDP (PDRC y PDLC) supported by ILM systems with Project?s sites, covering 1M hectares. - At least 10 provincial governments have introduced new budget lines and allocated budgets to ILMs; and have started project implementation, with support of guidelines to include sustainability objectives in annual programming and budgets; twenty strengthened IPLP and five governance frameworks under implementation. 1.2 Land use plans, enforcement and monitoring systems support small holders? shift to deforestation free commodities, measured by: - At least 10 local governments develop and implement improved land use	1.1.1 Territorial Development Plans (TDP) supported by ILM systems and fully aligned with key drivers of deforestation and habitat loss. TDPs are defined in accordance with the sectoral and national development policies and plans, covering at least 1 million hectares; and strengthening of Indigenous People?s Life Plans (IPLP), governance and sustainable production. 1.1.2 Public sector capacities strengthened at the level of regional and local governments for ILM planning; and implementation of institutional arrangements and guidelines to include ILM objectives in annual budget planning and programming. 1.2.1 Improved land use policy adequacy and enforcement capacity, technology-based tools and land use plans, including enforcement in Economic and Ecological Zoning (EEZ) and	GET	2,601,000.00	18,157,613.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 2. Promotion of sustainable deforestation-free commodities and responsible value chains. Implemented by UNDP and IFAD (IFAD: Output 4, 2.2.1 only) UNDP: USD 1,846,000 IFAD: USD 3,097,859	Investment	2.1 Private sector engagement and responsible value chains increase sustainability of commodity production (coffee, cacao and oil palm), supported by increased small and medium holders? technical and financial capacity. This Outcome is measured by: - GEF Core Indicator 3: Restored land (RL) (GEF Core Indicator 3): 260,050 hectares of RL; - GEF Core Indicator 11: A total of 120,000 beneficiaries (24,000 families) have improved their livelihoods, through deforestation-free commodities and land restoration/ conservation practices, including 54,000 females (45%) and 66,000 males (55%) - Three DFC value chains and CRA and improvement action plans being implemented in at least 10 local governments. There are at least 3 business agreements with major commodity buyers (e.g., OLAM, ECOM,	2.1.1 Analysis, design and action plans to implement new innovative tech-supported models of DFC, climate-smart agriculture (CSA), SFM and agroforestry; and guidance on DFC sourcing and investing opportunities for private domestic and international buyers. 2.1.2 Assessments and strengthened multi-stakeholder dialogue platforms on DFC coffee, cacao, and oil palm, at national and regional levels, with increased private sector participation (assessment of dialogue platforms? DFC goals vis-?-vis the existing capacity to meet their goals and action plans). 2.1.3 Collaboration agreements with major private sector DFC commodity buyers. 2.1.4 M&E system to monitor sourcing and supply chains, and training programs to increase M&E capacity at national, regional	GET	4,943,859.00	56,609,028.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 3. Reducing biodiversity loss and restoring ecosystems, HVCF and natural habitats Implemented by FAO in its entirety. USD: 3,773,045	Investment	3.1 Conservation and habitat/ecosystem restoration practices contribute to reduce pressures on PAs and HCVF, promote connectivity, and establish wildlife corridors in restored degraded areas and productive areas under degradation risk. This Outcome is measured by: - GEF Core Indicator 4: Area of landscapes under improved practices (LUIP): 1,050,362 hectares of LUIP - GEF Core Indicator 6: Greenhouse gas emission mitigated: 1,310,412 total hectares area under ILM that contribute to store 67,885,652 t of CO2e - GEF Core Indicator 11: A total of 120,000 beneficiaries (24,000 families) have improved their livelihoods, through deforestation-free commodities and land restoration/conservation practices, including 54,000 females (45%) and	3.1.1 Selected and prioritized HVCF and areas for ecosystems restoration (between 500 and 600 thousand hectares), including connectivity corridors, using ROAM . 3.1.2 Tools and methodologies to identify and select HCVF, restore degraded productive landscapes and natural habitats , degraded ecosystems in buffer zones of PA and areas of key ES. 3.1.3 Ecosystems restoration extension services programs with gender, ethnicity and equity approaches and risk management. 3.1.4 Strengthened capacities (of men and women) for biodiversity protection and restoration and connectivity principles are mainstreamed into state-funded restoration schemes. - 3.1.5 Assessment of financial needs to cover the costs of ecosystem?s restoration and a	GET	3,773,045.00	20,293,802.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
Component 4. Coordination, M&E and Knowledge Management (KM) Implemented by UNDP in its entirety.	Technical Assistance	4.1 The successful results of Components 1, 2 and 3 will be achieved with support of a communication and knowledge management strategy (C&KM) that is articulated with FOLUR?s Global K2A Platform; and successful practices are replicated in other regions and support DFC platforms at global level. This outcome is measured by: - Annual reports show FOLUR Peru has participated in at least six national or international lessons exchange events and three international commodity marketing fairs. FOLUR's K2A Platform annual reports verify that FOLUR Peru?s lesson are being processed. - 3 contracts (purchase agreements), DFC commitments or better purchasing policies achieved through the participation in DFC national and international events. Official reports of years 4-6, show an increase of DFC exports (tons) in	4.1.1 A communication and KM strategy to integrate national KM elements of platforms that support DFC, supply chains and value chains at national and subnational level. 4.1.2 Systematized best practices, lessons learned (including lessons on women?s participation) and case studies covering all Project?s components, as well as lessons from other DFC, forest and landscape restoration (FLR) and SFM. - 4.1.3 Empowered national DFC stakeholders (men and women) able to speak and represent at FOLUR international events and could influence global commodity markets; and new global connections and alliances with global buyers interested in DFC established. 4.2.1 M&E reports and feedback to be used to update the Project?s DFC	GET	1,597,779.00	11,749,043.00

Project Component	Financing Type	Expected Outcomes	Expected Outputs	Trust Fund	GEF Project Financing($)	Confirmed Co-Financing($)
				Sub Total ($)	**12,915,683.00**	**106,809,486.00**
Project Management Cost (PMC)						
	GET		645,784.00		5,340,474.00	
	Sub Total($)		**645,784.00**		**5,340,474.00**	
	Total Project Cost($)		**13,561,467.00**		**112,149,960.00**	

C. Sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Ministry of Environment (MINAM) PERU	Public Investment	Investment mobilized	1,359,265.00
Recipient Country Government	Ministry of Environment (MINAM) PERU	In-kind	Recurrent expenditures	340,754.00
Recipient Country Government	Ministry of Agriculture (MIDAGRI) PERU	Public Investment	Investment mobilized	14,450,867.00
Recipient Country Government	AGRORURAL-MIDAGRI	Public Investment	Investment mobilized	15,287,091.00
Recipient Country Government	COFIDE	Public Investment	Investment mobilized	20,000,000.00
Private Sector	Root Capital	Loans	Investment mobilized	40,000,000.00
Private Sector	ECOM	Grant	Investment mobilized	5,708,633.00
Private Sector	OLAM	Grant	Investment mobilized	2,550,000.00
Private Sector	Caja Sullana (local bank)	Loans	Investment mobilized	1,274,500.00
Private Sector	Caja Huancayo (local bank)	Loans	Investment mobilized	1,274,500.00
Private Sector	Caja Mainas (local bank)	Loans	Investment mobilized	1,274,500.00
Donor Agency	SECO	Grant	Investment mobilized	5,000,000.00

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
GEF Agency	UNDP	Grant	Investment mobilized	3,000,000.00
GEF Agency	FAO	Grant	Investment mobilized	300,000.00
GEF Agency	FAO	In-kind	Recurrent expenditures	329,850.00
			Total Co-Financing($)	**112,149,960.00**

Describe how any "Investment Mobilized" was identified

(1 Peruvian New Soles -PEN = 0.2549 USD). Exchange rate of 1/06/2021) MIDAGRI: 59,972,896 PEN (Peruvian New Soles) CAJAS: Sullana, Huancayo and Mainas (5,000,000 PEN each) Government: In the context of the Forest Investment Programme, the Ministry of Environment (MINAM) and the Ministry of Agriculture (MIDAGRI) will implement a Public Investment Project that aims to strengthen forest landscape governance, conservation and sustainable use in and around the Alto Amazonas province found in the target landscape. The Ministry of Agriculture will fund the rehabilitation of coffee plantations and associated technical assistance to farmers throughout the target landscape. COFIDE adds additional government funding to support sustainable commodity production. Private sector: Root Capital, ECOM and OLAM invest in strengthen capacities of producers and producer associations that are suppliers in the target landscape. The expectation is that Root Capital, ECOM and OLAM will continue to invest in downstream supply chain to ensure a stable supply of high-quality products. ECOM and OLAM are amongst the main traders engaged with Peru, GEF Agencies: UNDP and FAO have initiatives in pipeline that will support project objectives. Donor agencies: SECO has recently initiated financing of public-private initiatives that aim to promote competitiveness of commodity supply chains, with emphasis on coffee and cocoa. This funding is expected to continue in the coming years. Local Banks and Cooperatives support supply chain actors, at producers level, to shift to deforestation- free coffee production.

D. Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Peru	Biodiversity	BD STAR Allocation	3,136,009	282,241
IFAD	GET	Peru	Biodiversity	BD STAR Allocation	2,564,679	230,821
FAO	GET	Peru	Biodiversity	BD STAR Allocation	2,356,193	212,057
FAO	GET	Peru	Land Degradation	LD STAR Allocation	917,431	82,569
UNDP	GET	Peru	Multi Focal Area	IP FOLU Set-Aside	3,211,009	288,991
IFAD	GET	Peru	Multi Focal Area	IP FOLU Set-Aside	688,073	61,927
FAO	GET	Peru	Multi Focal Area	IP FOLU Set-Aside	688,073	61,927
				Total Grant Resources($)	**13,561,467.00**	**1,220,533.00**

E. Non Grant Instrument

NON-GRANT INSTRUMENT at CEO Endorsement

Includes Non grant instruments? **No**

Includes reflow to GEF? **No**

F. Project Preparation Grant (PPG)

PPG Required **false**

PPG Amount ($)

200,000

PPG Agency Fee ($)

18,000

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount($)	Fee($)
UNDP	GET	Peru	Biodiversity	BD STAR Allocation	75,000	6,750
FAO	GET	Peru	Biodiversity	BD STAR Allocation	75,000	6,750
IFAD	GET	Peru	Biodiversity	BD STAR Allocation	50,000	4,500
				Total Project Costs($)	**200,000.00**	**18,000.00**

Core Indicators

Indicator 3 Area of land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	260050.00	0.00	0.00

Indicator 3.1 Area of degraded agricultural land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	260,050.00		

Indicator 3.2 Area of Forest and Forest Land restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.3 Area of natural grass and shrublands restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 3.4 Area of wetlands (incl. estuaries, mangroves) restored

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
0.00	1050362.00	0.00	0.00

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	946,000.00		

Indicator 4.2 Area of landscapes that meets national or international third party certification that incorporates biodiversity considerations (hectares)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	60,000.00		

Indicator 4.4 Area of High Conservation Value Forest (HCVF) loss avoided

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
	44,362.00		

Documents (Please upload document(s) that justifies the HCVF)

Title	Submitted
HCV of selected landscape for Peru FOLUR	

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)	0	67885652	0	0
Expected metric tons of CO?e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)		67,885,652		
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting		2021		
Duration of accounting		20		

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO?e (direct)				
Expected metric tons of CO?e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female		54,000		
Male		66,000		
Total	0	120000	0	0

Part II. Project Justification

1a. Project Description

1a. *Project Description*.

1) The global environmental problems, root causes and barriers that need to be addressed (systems description).

1. The impact of unsuitable commodities production (coffee, cocoa and palm oil) at global and national level is substantial and complex. Globally, commodities production faces significant challenges and in Peru, particularly in the targeted Amazon landscape the challenges are equally significant. Ongoing unsustainable commodity production practices contribute to increase deforestation, land degradation, GHG emissions, decline in the provision of ES such as soil nutrients, fresh water, pollination, climate regulation, habitat for wildlife; including high value biodiversity loss.

2. According to GEOBOSQUES-MINAM, deforestation between 2001 and 2017 is estimated at 2,130,094 hectares (155,914 ha in 2017 alone). On average, 125,301 hectares are deforested annually. It is estimated that 78% of this deforestation occurred in under 5-hectare plots used to expand crops such as coffee and cocoa. Between 2001-2016 commodity expansion represented 25% of national forest loss, and 89% in the target jurisdictions. Regarding degraded lands, the current unsustainable forestry and agricultural practices have led to an estimated 15.4 million degraded hectares at national level, and 3,187.976 hectares in the Amazon Region. In the targeted jurisdictions, for example, in San Martin, the estimated priority areas for restoration is 1.4 million hectares, including areas that range from low to extremely high degradation.

3. Deforestation is causing significant CO2 emissions. According to the III National Communication to the UNFCCC (MINAM, 2012), USCUSS section, forest conversion results in 86,742 Gg of CO2 (50.6% of the total national emissions). In terms of wildlife habitat loss, the list of critically endangered species in Peru is long. As of February 2017, the IUCN Red List of Threatened Species lists 51 species that are currently critically endangered in Peru (with a further 106 endangered). The most important threat to biodiversity in target region is habitat loss and fragmentation due to unsustainable commodity productions and other agricultural practices, widespread illegal logging, cattle farming, and conversion to new areas to monoculture plantations, such as oil palm.

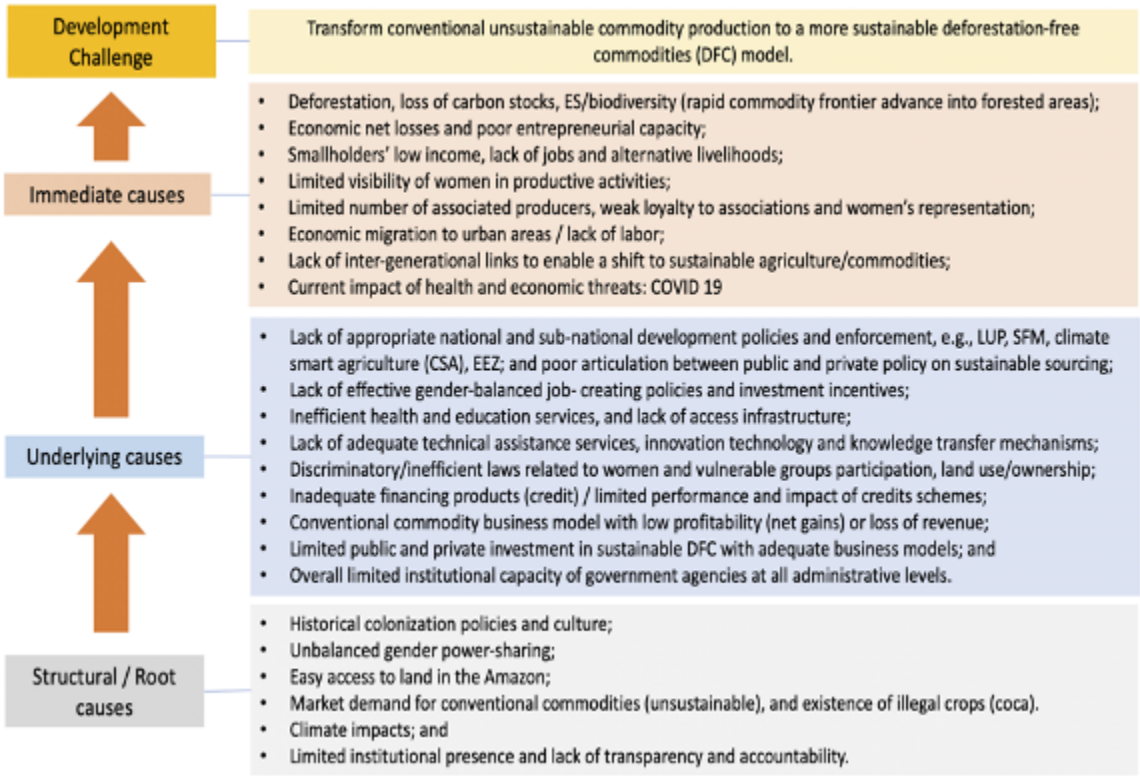
4. Avoiding commodity-driven deforestation (CDD) in the targeted jurisdictions requires a systemic approach which takes into account the following activities: improving land use plans; promoting agricultural production and post-harvest practices and consistency (quality and quantity); redirecting commodity production to restore productive landscapes; increasing and strengthening small holders? associations, cooperatives and cooperatives associations; providing access to technology, markets and private financing; ensuring quality technical assistance and extension services; and ensuring effective governance to support sustainable profitable and responsible value chains (SPRVC). To date, due to limited attention and resources, these challenges have turned into serious environmental threats and drivers of deforestation. The impacts of CDD on ecosystem services in productive landscapes, HCVF,

biodiversity and the local economies (?value? beyond value chains/circular economies) will be minimized through SPRVC.

5. In the Project?s targeted area (intervention landscapes), unsustainable commodities are advancing rapidly, undermining the livelihoods of an estimated 1.3M people. An estimated 78% of deforestation occurs in under 5-hectare plots used to expand crops such as coffee and cocoa. Commodity expansion represented 25% of national forest loss and 89% in the target jurisdictions. Unsustainable practices have led to an estimated 3.2M degraded hectares in the Amazon Region. These landscapes extend along the high and middle Mara??n river basin, on the right-hand bank, covering an estimated 9.5 M hectares, distributed throughout the Department of San Mart?n Region (53 per cent), the Province of Alto Amazonas in the Loreto Region (20.2 per cent), the Provinces of Bagua, Bongar?, Rodr?guez de Mendoza and Utcubamba in the Amazonas Region (16 per cent), and the Provinces of San Ignacio and Ja?n in Cajamarca (10.4 per cent). The targeted jurisdiction covers 9.5M ha in the Abiseo-C?ndor?Kutuk? tropical Andes conservation corridor and Amazon wetlands that provide critical ES that are at risk, e.g., fresh water/ endemic biodiversity in Yungas, flooded forest and terraces essential for CO2 sinking. The environmental threats are linked to the coffee, cocoa and palm production accounting for 58%, 48% and 62% of the national production respectively. For example, from 1999 to 2015, coffee and cocoa areas increased by 160% and 1,178%, respectively, in San Mart?n; and by 67% and 120%, respectively, in Amazonas. Palm increased 223% in San Martin and 19,000% in Loreto respectively. A rigorous process using ad hoc criteria and indicators was used to assess and confirm the existing environmental proles in the Project?s intervention sites. Annexes 2 and 27 include the georeferenced map of the targeted sites and the criteria and site selection/validation process respectively.

6. Figure 1 below summarizes the wide range of environmental problems, including the immediate, underlying and root causes of the environmental problems leading to the development challenge.

Figure 1. Underlying root causes and barriers causing environmental issues and the development challenge



7. Migration to the targeted jurisdictions is also increasing at an alarming rate, which will further aggravate the current environmental conditions, particularly deforestation and habitat loss. This situation is leading to significant economic losses to the Peruvian economy in the long run.

8. The Project targets approximately 120,000 people (24,000 families) affected by environmental and economic factors, including independent and associated smallholders and communities (local and indigenous). Currently, smallholders and communities are not involved in activities related to restoration and conservation of degraded productive land and natural habitats. Besides, the indirect beneficiaries, i.e., stakeholders involved in the different steps of the DFC supply and value chains, are part of the problem.

9. Commodity driven deforestation is the result of several confluent factors originated from the supply and demand sides of the value chain. These factors include, but are not limited to:

- Lack of adequate governance that results in inadequate land use planning and limited enforcement capacity;

Difficult access to affordable credit (designed and targeted to support sustainable commodity production);

- Absence of profitable and sustainable deforestation free commodity (DFC) production models;
- Insufficient number of efficient producers and producer? associations; and
- Inconsistent production (quality and quantity) and lack of articulation between credit supply and demand.

10. The above listed challenges and supply chain-related factors are addressed by the Project?s interventions. The Project?s alternative scenario (links between barriers, causal pathway, assumptions and the Theory of Change (TOC) are discussed in Section 3.

2) The baseline scenario and any associated baseline projects.

11. Approximately US$65M public funds are planned for areas in and around the target jurisdictions (for 2019-2021) to improve agriculture & ecosystem management. Donor initiatives include the GEF6 Sustainable Productive Landscapes in neighbouring Ucayali-Hu?nuco; CI?s Sustainable Coffee Initiative near Alto Mayo; and IFAD?s support to natural resources management and food supply chains.

12. The GEF6 Sustainable Productive Landscapes (SPL) Project will contribute with methodologies and build capacities to integrate environmental sustainability in jurisdictional development plans. These methodologies will be applied and refined based on the FOLUR experience in the priority landscape. Regarding finance, the GEF6 Project will support the design of financial instruments in support of sustainable production. It is expected that GEF7 will contribute to build capacities and remove barriers for actors throughout the supply chain to access finance as well as financial institutions to scale up the provision of green finance, including through instruments other than loans. The GEF 6 SPL targets different priority jurisdictions in Ucayali and Huanuco to the south of San Martin, with distinct challenges resulting from a high degree of deforestation, fewer protected areas and a different mix of economic activities.

13. In addition, the Project will establish partnerships to build on the experience of related commodity projects such as:

? OLAM/Solidaridad/JDE/SERFOR: "Circular Coffee from Peru: Creating value across the value chain" in San Martin with each FOLUR Project component.

? GEF- FAO / UNIDO / IFAD GEF-ID 10198: Building human well-being and resilience in Amazonian forests. This project enhances the value of biodiversity for food security and bio-businesses. In the climate change context, this contributes to reducing deforestation and loss of biodiversity in productive landscapes in Loreto, Ucayali, and Jun?n Departments in the Peruvian Amazon.

? The FAO's Forest and Landscape Restoration Mechanism (MRBP). This project supports the Country's planning and execution of activities to recover its degraded and deforested areas. In Peru, the MRBP includes the following activities: a) Support in the preparation of maps of areas with potential for restoration in 12 regions of the Country with the ROAM methodology (Methodology for the Evaluation of Restoration Opportunities), b) Design and formulation of the National Program for the Restoration of Ecosystems and Degraded Lands (PRO REST).

? FAO's EU FLEGT Program assists the Country's government institutions, civil society organizations, representatives of indigenous peoples, and private sector associations to address their priority needs for forest governance and implementation of the laws.

? MINAM and SERNANP implement the "Heritage of Peru" (PDP) initiative. This initiative aims to generating enabling conditions for the effective management of protected areas within 11 years, ensuring sustainability in perpetuity. The first phase focuses on the Amazon and includes 38 Protected Natural Areas, 5 ANP within the Project's scope.

? The United Nations Collaborative Programme for the Reduction of Emissions due to Deforestation and Forest Degradation in Developing Countries - UN-REDD Program (2016-2020) provides strategic technical assistance to advanced countries to implement REDD+ policies, including Peru.

? USAID Initiative that supports sustainable agroforestry in former coca-producing regions, including the Peruvian amazon, to produce legal sources of income through licit crops, such as cacao, coffee, banana, and local timber trees. USAID provides hands-on technical assistance to farmers, including training in modern farming techniques and access to capital to invest in equipment. In 2020 alone, USAID helped 61,792 families transition to licit livelihoods on over 83,815 hectares of crops, including cacao and coffee. Besides, other USAID initiatives that support the improvement of governance, mobilizing investment capital to the Peruvian amazon, partnerships with the private sector, capacity building, and digital and financial inclusion.

14. On the institutional side, there are two public agencies that are key to improve commodity production and environmental management. Firstly, the Ministry of Environment (MINAM) was created in 2008 as the administrative entity charged with implementing the General Environment Law, which dictates the development of a decentralized land-use planning/zoning process to support Peru?s sustainable use and development of renewable natural resources. MINAM provides technical assistance and overseeing Ecological and Economic Zoning (ZEE) in coordination with the Agency responsible for Territorial Planning at national level, and other relevant agencies.

15. MINAM has updated procedures to classify lands according to multiple use category (CUM), ZEE, Environmental Territorial Planning, and land titling. Importantly, the task of overseeing and coordinating this process is given to Regional and Local Governments that are responsible for executing ZEE and TP in their areas of jurisdiction. Secondly, the Ministry of Agriculture (MIDAGRI) that coordinates and implements the national agricultural policy. MIDAGRI is responsible for implementing key policies such as the National Household Agriculture Strategy, and the National Water Resources Management Strategy. Both MINAM and MIDAGRI?s strategies are linked and support regional and local development strategies. Although there have been significant developments related to policy, institutions and government commitment to implementation, Peru still faces significant challenges. For instance, the number of associated producers is as low as 20% and corporate sector participation is insufficient.

16. To address these gaps, the Project will work, in close collaboration with the private sector, small holders, small holders? associations and commodity platforms to assess and improve each commodity value chains. For example, the Project will mobilize innovative technology from research institutions and private sector technology; blended finance, i.e., public (domestic and international) and philanthropic funding to spur private sector investment and business alliances between producers and buyers (coffee, cocoa and palm). Further, there will be close collaboration with cooperatives such as ACOPAGRO, CENFROCAFE, COPBAM, INDUPALSA, JUNPALMA. Cooperatives will play a catalytic role to channel public and private funding to associated local producers in the supply chain. In addition, the project will work with private banks, capital markets, and key supply chain actors, including micro financial institutions (*Caja Sullana, Caja Mainas, Caja Huancayo and Root Capital*) and large commodity buyers and investors (e.g., OLAM, ECOM). The latter will provide, for

example, in-kind and cash finding to improve technical assistance, capital to develop technical and credit schemes, and introducing DFC long-term purchasing agreements.

3) The proposed alternative scenario with a brief description of expected outcomes and components of the project.

17. The project strategy to address the above-discussed challenges in Peru will improve the alignment of Peru?s commodity production and food systems with FOLUR's objectives. The Project will use an integrated approach to achieve systemic environmental change and support improvements in human well-being, resilience, and economic growth and prosperity. The Project targets large production landscapes with the potential to deliver global environmental benefits at scale and be sustained after the Project ends. One critical element to achieve sustainability is enabling consistency in local production and long-lasting partnerships with producers and CDF buyers that incorporate, for instance, sustainable sourcing policies, including long-term DFC purchasing agreements. Currently, the Peruvian commodities and food system has a large footprint regarding deforestation, natural landscape degradation, greenhouse gas (GHG) emissions, water depletion, pollution. Therefore, the Project covers globally critical geographies in the Amazon region for major commercial commodities (i.e., coffee, cocoa, and palm oil) and supports local communities' development plans incorporating climate-smart production of food staples (e.g., rice maize). The Project is aligned with FOLUR's two levels of operation: *country-level investments* focused primarily on activities at the landscape level while also allowing space for vertical aspects to contribute to transforming the global food systems and commodity value chains. The *global-level engagement* harnesses strategic partnerships with large DFC buyers and initiatives that will support the country-level investment. The Project is also aligned with the FOLUR's Knowledge to Action (K2A) Global Platform's structure, objectives, and outcomes.

18. The Project interventions will improve Peru's food systems related to sustainable commodities and their supply chains. Peru?s contribution will be significant, for example, in 2016, Peru exported 5.2 million 46 Kg sacks of coffee at an estimated value of USD 750 million (Coffee Sector Baseline, 2017).

19. The proposed Project interventions aim at generating multiple GEB, as well as improving local producers? well-being in order to increase long-term sustainability . The Project?s interventions are also designed to address the major risks identified in the Social and Environmental Screening Procedure (SESP) and other risks associated to markets, governance, the introduction of technology-based tools and business models to support DFC. The full SESP is included in Annex 5. Thus, the Project is incorporating *ad-hoc* strategies to ensure:

- Adequate participation of vulnerable/marginalized groups, indigenous peoples, women during the Project?s design and implementation (including strategies to address extended COVID-19 restrictions). To this end, the Project prepared an Indigenous Peoples? Plan (IPP) following the Free, Prior and Informed Consent (FPIC) guidelines that incorporates specific information about their situation in the Project?s intervention areas and verify any potential risks as well as mitigation options. The IPP will be revised and updated during the first year of the Project?s implementation phase.
- Participation of women in the Project?s design;

- Sufficient investment directed to strengthening the institutional capacity of local governments (sub-national level), smallholder associations and commodity dialogue platforms;
- Flexibility of integrated landscape management (ILM) practices and DFC in order to provide adequate and fair access to resources. ILM includes land under improved practices (LUIP), as defined by the GEF Core Indicator 4;
- Promotion of DFC and land restoration models that can contribute to limiting migration to the targeted jurisdictions;
- Control/elimination of child labour and other violations of international labour standards;
- Design of DFC models that reduce conflicts related to the use and / or ownership of land;
- Balanced gender decision-making and equitable benefit sharing;
- A project design and implementation that is fully consistent with the existing socio-economic context;
- Availability of mechanisms to enable trans-generational transfer of DFC technical and business models
- Adequate policy reform, related to ILM/DFC production;
- No indirect adverse impact of Project?s activities on indigenous cultural heritage;
- Adequate assessment of the demand for DFC in order to ensure consistent production and profitability; and
- Net benefits resulting from the sustainable DFC business models are sufficient and discourage producers to continue with traditional practices.

20. A participatory Free Prior and Informed Consent (FPIC[1]) process supported the Project's design. The FPIC targets central, regional, local levels (indigenous peoples and their organizations). The FPIC includes the following six steps:

? Step 1. Identifying the indigenous peoples in the targeted areas, their concerns, and establish connections with their representatives
? Step 2. Participatory mapping to define the geographic distribution of IP and their demographic information.
? Step 3. The IP and gender specialists programmed field visits (and virtual consultations) and a participatory communication approach to provide IP feedback throughout the Project's design process. This step included iterative discussions to disclose the Project's design information transparently. These communication mechanisms will continue throughout the implementation phase.
? Step 4. Using the above-indicated tools, the PPG team reached consent, documented and incorporated IP's needs in the Project document, and agreed on a feedback and complaints mechanism.
? Step 5. During the implementation phase, the Project's team will conduct participatory monitoring and evaluation of the agreements and how they meet IP's expectations.
? Step 6. The Project will continue to document the lessons of the FPIC process as part of the KM component of other technical components. Further, documenting lessons learned and disclosing information about the Project's achievements will be part of the Project's M&E plan.

21. The initial results of the FPIC process are included in the IPPF (Annex 11) and the consultation and Validation Process with Indigenous Organizations, included in Annex 10.

22. During the PPG phase, the Social and Environmental Screening Procedure (SESP) was revised based on further assessments and information gathering. Because of its high risk, the project, during the PPG phase, carried out a gender analysis and prepared a gender action plan (GAP) and an Environmental Social and Management framework (ESMF). These assessments aim at improving women and IP?s participation and access to benefits. In addition, the Project will prepare, during the first months of implementation, a detailed Environmental a Social Impact Assessment (ESIA), an Environmental and Social Management Plan (ESMP), and a Strategic Environmental and Social Assessment (SESA) to ensure compliance with Social and Environmental Safeguards (SES). The ESIA will inform the required ESMP, and the SESA will improve the delivery of benefits under each of the Project?s Outcomes.

23. In addition, during the PPG phase, the project analyzed the participation challenges facing indigenous people engaged in commodity production. Based on this analysis an IPPF was formulated and will be refined during implementation. The above indicated FPIC framework was used in the formulation of the above-mentioned tools. The FPIC will be further obtained, following the steps outlined in the ESMF and the IPPF, during implementation.

24. The Project assumes that given the current and foreseen socio economic and political context, change is feasible and could be triggered by the project intervention in the next 6 years. This assumption is also captured in the TOC below, Figure 2.

25. The Project will introduce sustainable (deforestation-free and profitable) commodity production models in each value chain to reduce deforestation and land degradation caused by the ongoing increasing unsustainable production of agricultural commodities in critical economic-ecological jurisdictions in the north-western Amazon of Peru. To this end, the Project promotes responsible value chains and partnerships with major DFC buyers. The strategy aims at reducing deforestation and degradation caused by increasing production of unsustainable agricultural commodities (coffee, cocoa, and palm oil) in critical economic-ecological jurisdictions in the NW Amazon: San Martin, Amazonas, Loreto, and Cajamarca. Consequently, the Project will contribute to transforming commodity-related food systems in the Peruvian Amazon towards sustainability.

26. The PPG phase identified a wide range of interrelated barriers that lead to the development challenge (Figure 1), i.e., shifting from conventional unsustainable commodity production practices to sustainable and profitable DFC production. These barriers, summarized into the following four critical categories, the corresponding causal pathway, and their fundamental underlying assumptions are:

1) Lack of adequate governance (policies) related to land use planning and enforcement capacity

Causal Pathway 1: Increased areas with sustainable ecosystem services + sound landscape management + sustainable integrated landscape management (ILM) + improved land-use planning (LUP)/enforcement/monitoring > shift to deforestation-free commodities (DFC).

Key assumptions:

- Improved institutional ILM, LUP, enforcement, and monitoring will lead to stallholders' shift from unsustainable agricultural practices to DFC.
- Stallholders will have the necessary technical capacity for managing DFC.

- Project activities will result in the mainstreaming of ILM into the legal and regulatory framework to improve livelihoods through DFC production.

2) Weak commodity supply chains: access to technical and financial resources designed to support DFC and limited engagement of private-sector commodity buyers and traders and financial institutions.

Causal Pathway 2: DFC > assessment of existing value chains > increased access to sustainable and profitable commodity value chains (including national and international markets) > better technology, finance, and private sector investment > sustainable and profitable DFC business models > increased community benefits > increased forest/habitat conservation and land restoration.

Key assumptions:

- Institutions and users with updated and more accurate information and tools can make informed decisions to support DFC at the landscape level.
- Communities and rural organizations with increased capacities and knowledge can manage DFC business models (technical packages and business plans) with public and private sector support, including financial institutions and large DFC buyers and traders.
- Access to DFC markets by strengthening commodity supply chains is feasible.
- The private sector, including financial institutions (rural banks and NGOs) and large commodity buyers and trades, commit to investing and buying DFC, respectively.
- In the post-COVID-19 context, the Project's four project components can address financial and market risks.

3) Increasing ES loss (forests/soil/biodiversity), HCVF, natural habitats, and land degradation and monitoring failures

Causal Pathway 3: Community-based participatory approaches + technology > establish HCVF areas/wildlife corridors >redirecting DFC production to restored land. Improved monitoring and information systems and tools + increased local capacity > enhanced connectivity, cost-effective conservation, and higher value DFC with production.

Key assumptions:

- Conservation and restoration practices can reduce pressures on PAs, HCVF, natural habitats and help establish biodiversity conservation corridors.
- Updated and active monitoring and information systems with strengthened capacities and adequate funding can improve community-based conservation and ES management.
- Effective community-based conservation and restoration leads to sustainable sourcing and improves value chains.
- Improved conservation and restoration practices lead to higher participation of the private sector in sustainable sourcing.

4) Lack of awareness and knowledge about DFC models and limited support from DFC knowledge management platforms.

Causal Pathway 4: Improving access to knowledge for local and indigenous producers and rural organizations + expanding extension services + improved gender-balanced participation + technology-based monitoring tools + systematization of lessons on sustainable sourcing/DFC > Improve KM and informed decision-making > low-carbon anthropogenic activities > sustainable DFC sourcing/value chains.

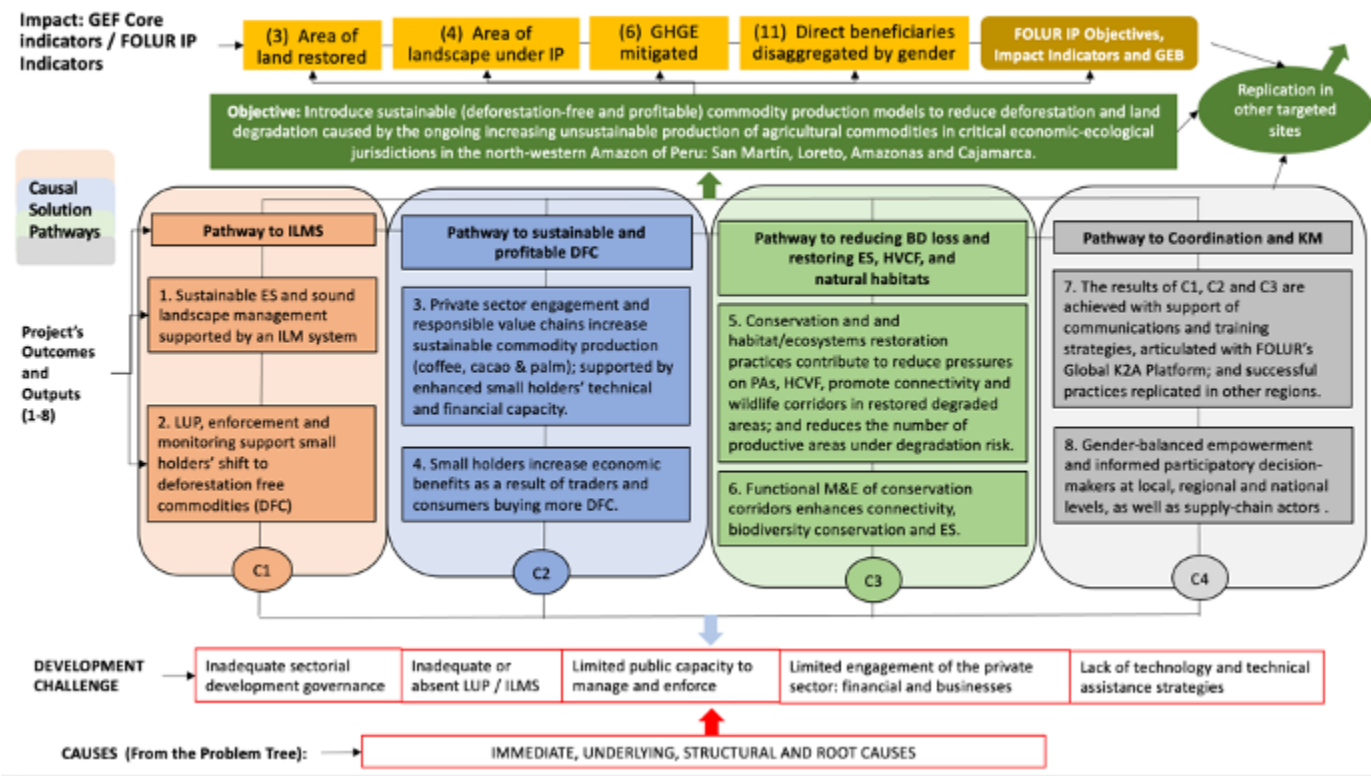
Key assumptions:

- A comprehensive system for monitoring and DFC models that integrate data from the four Project?s components can support lessons exchange and KM systematization (including national, regional KM platforms and FOLUR?s K2A Global KM Platform); and public access to M&E information data ensures transparency standards.
- KM and informed decisions can accelerate replication and mainstreaming DFC production at the landscape level, including policy reform and public and private finance; and generate additional sustainable environmental benefits.

27. The proposed pathways are based on the analysis of structural/root causes and barriers. Figure 2 illustrates the supporting outputs and outcomes for each Pathway. The Project's design is sufficiently explicit and adequately addresses the problems and barriers described above.

28. This Project's interventions aim at generating multiple biodiversity benefits by developing viable, sustainable DFC business models using a multidisciplinary approach. This multidisciplinary approach captures value throughout market chains and ensuring fair and more equitable sharing of DFC benefits while conserving globally significant biodiversity. Besides, the project interventions' design ensures that the estimated impacts are met (GEF Core Indicators).

Figure 2. Project?s Theory of Change



29. Project?s strategy is aligned with (and supports) the following GEF focal Areas: Biodiversity (BD), Climate Chance (CC), Land Degradation (LD), Chemicals and Waste (CW) and the FOLUR Impact Program; as illustrated in the table below. Therefore, the Project strategy is able to generate the multiple GEB, indicated in Section 6.

GEF FOCAL AREA	HOW
BD	Mainstreaming biodiversity conservation in commodity landscapes, promoting community conservation agreements, and addressing direct drivers to protect habitats in the Peruvian Amazon. This will result in 260,050 hectares of land restored including HCVF.
CC	Reduces GHGE at the landscape level. I.e., 67,885,652 CO2 stored.
LD	Supports policy reform to improve land use planning, restoration of degraded landscapes and the ground implementation of integrated landscape management (ILM) to achieve land degradation neutrality (LDN), and contribute to meeting national LDN targets. This will result in 1,310,412 hectares under ILM.
CW	Contributes to reduce agricultural runoffs and phasing out chemical/pollutant agricultural inputs associated with conventional commodities production.
FOLUR IP	Promotes the ground implementation of sustainable and profitable deforestation free commodities through responsible value chains and partnerships with a range of public and private stakeholders, including large deforestation-free commodities (DFC) buyers.

30. The project strategy is also aligned to the original Child Project Concept (CPC). A Detailed description of the project components is provided next, and it is also provided in Section IV: Results and Partnerships of the UNDP-GEF Project Document.

31. The Project?s four components (or pathways) are tailored to address the specific needs of the targeted jurisdictions. Component 1 will address key governance issues such as improving land use planning and enforcement capacity. Component 2 will focus on mobilizing innovative technology and financial products, increasing the number small holders? associations and capacity, introducing profitable and sustainable DFC production models and business plans (including SFM and CSA) in partnership with the private sector. These partnerships are key to improving DFC production consistency (quality and quantity) and access to credit and investment from private enterprises. It is also expected that the Project will improve sourcing and traceability standards by incorporating digital technology-based block-chain systems to link producers and end consumers. Component 3 emphasizes on the restoration of degraded productive lands, natural habitats, ES and biodiversity by developing ecological-economic corridors; and, Component 4 will ensure that adequate monitoring and evaluation data is fed into sector development planning, as well as strengthening knowledge and practice on DFC. This component is also designed to establish an appropriate coordination mechanism and the relevant interactions with the FOLUR K2A IP Knowledge Platform, and other related platforms at national level. The following table summarizes the Project?s components and outcomes.

COMPONENT 1. Development of integrated landscape management (ILM)[1] systems ***Implemented by UNDP in its entire.***
Outcome 1 1.1 Sustainable ecosystems services and sound landscape management are supported by an ILM system
Outputs to achieve Outcome 1: 1.1.1 Territorial Development Plans (TDP) supported by ILM systems and fully aligned with key drivers of deforestation and habitat loss. TDPs are defined in accordance with the sectoral and national development policies and plans, covering at least 1 million hectares; and strengthening of Indigenous People?s Life Plans (IPLP), governance and sustainable production. 1.1.2 Public sector capacities strengthened at the level of regional and local governments for ILM planning; and implementation of institutional arrangements and guidelines to include ILM objectives in annual budget planning and programming.
Summary of key interventions: ? Analyses of TDPs (PDRC and PDLC[2]) and its governance framework ? Definition of strategy and programs to incorporate ILM principles and actions into TDPs within the 17 targeted provinces. ? Strengthening of IPLP?s design and its implementation, incorporating ILM elements. ? Strengthening of indigenous development plans and governance frameworks. ? Assesses the existing institutional capacity, mainly of GORES and GOLOs vis-?-vis the estimated capacity and resources needed to plan and manage improved TDPs that incorporate ILM principles. ? Design strategies to build individual and institutional strength and mainstream capacities to make institutions stable and efficient in the long-term. ? Produce contextualized ILM guidelines to define the step-by-step approach to mainstream ILM into the Annual Institutional Plan (POI) and multi-year investing planning (PIP Projects) of the GORES and GOLOS.

Outcome 2

1.2 Land use plans, enforcement and monitoring systems support small holders? shift to deforestation free commodities

Outputs to achieve Outcome 2

1.2.1 Improved land use policy adequacy and enforcement capacity, technology-based tools and land use plans, including enforcement in Economic and Ecological Zoning (EEZ) and other planning tools and established areas for forest/habitat conservation.

1.2.2 Individual/Community conservation agreements (CA) and negotiated voluntary set asides of HCVF between plantation companies, individual producers and forest authorities, as well as financial incentives to support ecosystem?s restoration and connectivity. Agreements and voluntary commitments are linked to existing related work of GORES and local authorities.

1.2.3 Strengthened capacities of local and regional governments and private sector to M&E and reporting on enforcement and deforestation from commodity production outside Pas. The Project?s support to improve and expand M&E systems is consistent with existing national (central) and regional monitoring systems, and it includes gender and intercultural elements.

Summary of key interventions:

? Prepare and adequate mix of land use (LU) and DFC policies to improve DFC
? Define enforcement capacity needs.
? Clarify roles, inputs and responsibilities between key agencies responsible of forest/LU management and law enforcement agencies.
? Establish a more efficient and cost-effective tech-based enforcement system
? Propose policy alignments to improve policy, including the assessment of the extent to which local communities (settlers and local indigenous) could support enforcement in their territories.
? Improve policies and procedures for the promotion of DFC commodities
? Assess individual/community CA to determine types, feasibility (including links to DFC), quantity and estimate impact and sustainability

? Develop a strategy to address the legal and regulatory framework (governance), certification & financial incentives, institutional coordination, capacity building at multiple stakeholder level, and monitoring and impact.
? Monitor ILM, extension services (including technology packages and ecosystems restoration, discussed in Component 2 and 3 respectively).
? Support budgeting planning at the GORES? level to ensure that funding for high-tech monitoring is included in their PEI/POIs and provide seed funding to equip and staff SDMUs in priority GORES.
?

COMPONENT 2. Promotion of sustainable deforestation-free commodities and responsible value chains. ***Implemented by UNDP and IFAD (Output 4, 2.2.1), refer to Annex 17 for additional details regarding IFAD implementation of Output 4, 2.2.1)***

Outcome 3

2.1 Private sector engagement and responsible value chains increase sustainability of commodity production (coffee, cacao and oil palm), supported by increased small and medium holders? technical and financial capacity.

Outputs to achieve Outcome 3

2.1.1 Analysis, design and action plans to implement new innovative tech-supported models of DFC, climate-smart agriculture (CSA), SFM and agroforestry; and guidance on DFC sourcing and investing opportunities for private domestic and international buyers.

2.1.2 Assessments and strengthened multi-stakeholder dialogue platforms on DFC coffee, cacao, and oil palm, at national and regional levels, with increased private sector participation (assessment of dialogue platforms? DFC goals vis-?-vis the existing capacity to meet their goals and action plans).

2.1.3 Collaboration agreements with major private sector DFC commodity buyers.

2.1.4 M&E system to monitor sourcing and supply chains, and training programs to increase M&E capacity at national, regional and local levels using tech-based tools to improve jurisdictional traceability (e.g., incorporating blockchain systems).

2.1.5 A financially sustainable landscape-level DFC strategy that increases and expands extension services. The strategy is funded with public and private resources.

Summary of key interventions:

? Support the implementation of action plans to promote the use of integrated DFC packages that combine resilient CSA, SFM, agroforestry and gender-balanced frameworks.
? Optimize the implementation of the cacao, coffee and oil palm national action plans.
? Develop integrated DFC packages, consider the vulnerable population in the targeted jurisdictions and formulate strategies and capacity building plans (including the IPP), adjusted to the targeted population?s needs.
? Strengthen local early climate warning systems to support small producers? decision-making.
? Promote the use of innovative technology designed to provide solutions to fulfil the needs and increase efficiency of the value chains.
? Share information through an information-sharing mechanism linked to the coffee and cocoa chambers and in collaboration with producers? associations such as APP CACAO, Junta Nacional del Caf? (JNC) and JUNPALMA.
? Supported the development of DFC business plans linked to a range of financial products (credit schemes/guarantees) to ensure sustainability in the long-term.
? Assess and strengthen DFC dialogue platforms and formulate annual capacity building action plans.
? Establish collaboration with major private sector partners to mobilize private sector?s technical advisors to provide periodical and long-term advice to support the dialogue platforms.
? Develop collective action agendas with the participation of producers, producer?s associations, the financial sector, and commodity buyers.
? Facilitate access to credit, establish guarantee schemes, and introduce DFC financial products and technology.
? Introduce an information system to ensure that DFCs are traceable and, therefore, verifiable.
? Support the step-by-step process to introduce the traceability systems, including gender and transcultural elements.
? Pilot blockchains, i.e., digital traceability software and hardware solutions.
? Assess the existing unorganized, disperse and short-term (project-based) TA and extension services and formulate a regional extension plan to connect TA demand and supply.
? Identify and establish a set of diversified financial mechanisms to support commodity funds.
? Assess options to include extension services in central, regional, and local government budgets.
? Introduce training packages to support the national commodity action plans of coffee, cacao and oil palm.

Outcome 4

2.2 Smallholders receiving higher net benefits as a result of traders and consumers buying more DFC.

Outputs to achieve Outcome 4

2.2.1 (Implemented by IFAD). Rural Organizations Strengthening Plans (ROSP) and business plans (BP), at different producers? levels, to support the DFC technology packages (or models) for small and medium holders, producers? associations, organizations, and business alliances. Details on the development of ROSP and BP are included in Annex 17.

2.2.2 An integrated landscape-level finance/credit strategy for producers that will organize and program support to DFC models, including diversified, gender-balanced, accessible and affordable DFC financing packages, and an investment portfolio of DFC opportunities available to financial institutions, buyers and investors.

2.2.3 Targeted economic impact analysis at commodity/landscape level to support the establishment of financial instruments, partnerships with the private sector, and DFC (coffee[3]) and related policy reform. The analysis will consider gender, intercultural and trans-generational elements.

Summary of key interventions:

? Carry out a range of analysis to support the development of rural organizations? strengthening plans (ROSP) and sustainable productive business plans (BP).

? Provides grants (cash transfers) and support services for structuring investments at the level of strengthened ROs through business plans.

? Introduce gender-balanced accessible and affordable DFC financing mechanisms/products to support DFC.

? Target DFC packages to producers that have payment capacity and are committed to sustainable DFC production; and work to improve individual male and female producers? access to credit and their payment capacity, by structuring guarantee schemes.

? Promote the participating financial institutions in the design of DFC financial packages.

? Promote the use of blended finance to generate demand and deliver medium-term loans for financing technological packages associated with coffee, cocoa, and oil palm at variable annual rates ranging from 20% -25%.

? Promote profitable models to motivate farmers to accept credit risks.

? In collaboration with the banking sector and DFC buyers, explore designing and introducing DFC bonds at municipal level.

? Harness the above indicated elements in the integrated financing/credit strategy that in turn will become an investment portfolio of DFC investment opportunities available to financial institutions, buyers and investors.

? Carry out a valuation study (Targeted Scenario Analysis -TSA) in the coffee sector to generate evidence-based information for decision makers on the economic impact that a shift to DFC. The TSA will estimate the economic impact of ES loss (e.g., soil fertility, biodiversity, forest) on the volume and value of commodity productivity. It will incorporate the cost of externalities. It will address the economics of land degradation and ecosystems restoration. TSA on cocoa and palm oil are already available in the GEF Sustainable Productive Landscapes GEF Project in the Amazon region. TSA webpage with more information: https://www.greencommodities.org/content/gcp/en/home/tools/TSA.html

? Support gender-balanced capacity building will focus on mainstreaming entrepreneurial knowledge and tools to improve producers? practices and the delivery of credit.

Component 3. Reducing biodiversity loss and restoring ecosystems, HVCF and natural habitats

Implemented by FAO in its entirety (refer to Annex 18 for additional details regarding FAO implementation)

Outcome 5

3.1 Conservation and habitat restoration practices contribute to reduce pressures on PAs and HCVF, promote connectivity, and establish wildlife corridors in restored degraded areas[4] and productive areas under degradation risk.

Outputs to achieve Outcome 5

3.1.1 Selected and prioritized HVCF and areas for ecosystems restoration (between 500 and 600 thousand hectares), including connectivity corridors, using ROAM[5].

3.1.2 Tools and methodologies to identify and select HCVF, restore degraded productive landscapes and natural habitats[6], degraded ecosystems in buffer zones of PA and areas of key ES.

3.1.3 Ecosystems restoration extension services programs with gender, ethnicity and equity approaches and risk management.

3.1.4 Strengthened capacities (of men and women) for biodiversity protection and restoration and connectivity principles are mainstreamed into state-funded restoration schemes.

3.1.5 Assessment of financial needs to cover the costs of ecosystem?s restoration and a financing plan, together with increased GORES? budgets.

Summary of key interventions:

? Apply ROAM process to identify restoration opportunities for each of the four target regions (SERFOR-FAO, 2018).
? Analyse the existing proposals for connectivity corridors in the defined Project sites, prepared by ONGs (e.g., APECO, AMPA, CI) to verify the main issues related to land and natural resources use and their governance in the area.
? Define restoration areas for connectivity corridors supported by a gender-balanced participatory process
? Design and delivery of technological packages and credit for cocoa, coffee and oil palm.
? Promote better guarantees for credits and the mainstreaming of investment in restoration in state-funded programs.
? Include gender, ethnicity and equity elements and risk management in the ecosystem?s restoration TA packages and extension services.
? Support institutional coordination to improve research and technology transfer with support of the private sector.
? Introduce information systems to support ecosystems? restoration extension services.
? Estimate financial needs and different options to cover the significant costs of ecosystem?s restoration in productive landscapes and ecological restoration.

Outcome 6

3.2 Conservation corridors have enhanced connectivity, biodiversity conservation and ES.

Outputs to achieve Outcome 6

3.2.1 Strengthened information systems at landscape level in the targeted jurisdictions including links to MINAM?s National Environmental Information System (SINIA), and connected reporting and feedback system.

3.2.2 Individual/Community conservation agreements (CA) integrated to monitoring systems at different levels: central, GORES and local authorities, including gender criteria.

3.2.3 Conservation approaches mainstreamed into ILM systems.

Summary of key interventions:

? Collaborate with SERFOR and MINAM to assess information overlaps and produce differentiated or complementary information services delivered by SNIFF and SINIA.
? Support modules related to patrolling and surveillance and other actions to minimize risk to ecosystem services and protected areas.
? Support the integration individual/community CA into the GORES and connected to central level systems; applying FPIC measures, gender criteria (following the gender action plan recommendations) and comply with the safeguards of the ESMF.
? Mainstreaming conservation approaches is an integrated part of the ILM systems, in collaboration with GORES, to improve conservation planning and management.

COMPONENT 4. Coordination, M&E and Knowledge Management (KM)
Implemented by UNDP in its entirety.

Outcome 7

4.1 The successful results of Components 1, 2 and 3 will be achieved with support of a communication and knowledge management strategy (C&KM) that is articulated with FOLUR?s Global K2A Platform; and **s**uccessful practices are replicated in other regions and support DFC platforms at global level.

Outputs to achieve Outcome 7

4.1.1 A communication and KM strategy to integrate national KM elements of platforms that support DFC, supply chains and value chains at national and subnational level.

4.1.2 Systematized best practices, lessons learned (including lessons on women?s participation) and case studies covering all Project?s components, as well as lessons from other DFC, forest and landscape restoration (FLR) and SFM.

4.1.3 Empowered national DFC stakeholders (men and women) able to speak and represent at FOLUR international events and could influence global commodity markets; and new global connections and alliances with global buyers interested in DFC established.

Summary of key interventions:

? Support MINAM's KM strategy and the KM component of the Implementing Plan of the National Public Management Modernization Policy, as well as the Institutional Modernization Plan of the Environment Ministry.
? Assess the information and KM, including the supply/value chain stakeholders of cocoa, coffee and oil palm to KM needs across beneficiaries, define the goals, and gain commitment from decision-makers, both public and private.
? Develop a KM strategy including knowledge-based solutions to DFC challenges, KM partnerships and the most appropriate distribution and delivery channels for male and female producers.
? Assess existing KM platforms working on DFC and other related topics to define scope, interrelations, overlaps, and gaps.
? Capture and document good practices and the ?not to do? lessons on DFC, ILM, and FLR.
? Systematize information and share knowledge.
? Establish an inter-connected commodity platforms and FOLUR?s K2A Platform with increased capacity to disseminate lessons and best practices on ?what to do? and ?what not to do? at landscape, national and global levels; an share information with other key Government?s Programmes and the FOLUR?s Knowledge to Action (K2A) Global Platform.
? Select and apply KM indicators and tools, including the K2A GP indicators.
? Promote exchanges with other FOLUR projects: Ethiopia, Guatemala, Indonesia, Malaysia, Papua New Guinea, and Liberia.
? Support the participation in international DFC events to showcase experiences to encourage replication of good practices.
? Introduce a communication strategy will also identify key opportunities to engage capable national DFC stakeholders in international events to influence global commodity markets.
? Develop an action plan and co-finance the participation of different levels of DFC Champion producers in such events.

Outcome 8

4.2 Gender-balanced empowerment and informed decision-making improve governance of local, regional and national public agencies; and supply-chain actors.

Outputs to achieve Outcome 8 4.2.1 M&E reports and feedback to be used to update the Project?s DFC strategies and action plans, in collaboration with public and private stakeholders. 4.2.2 An institutionalized M&E and impact reporting system to facilitate the replication of the Project components to scale up impact. The M&E system includes multiple procedures and protocols to address multiple targets, as well as gender and transcultural matters.
Summary of key interventions: ? Provide ME&F protocols to update and periodically improve the Project's strategies, DFC models and business approach, i.e., an adaptive management approach. ? Provide DFC value chain stakeholders (men and women) with relevant information in respect of DFC performance, according to the Project objectives. ? Enable institutions such as MIDAGRI and MINAM to better account for their expenditure of public funds on DFC and assess the impact of applied technological innovations and research in DFC models and their performance (sustainability and profitability). ? Establish an evaluation and feedback cycle aligned with the proposed Project's innovation and socio-economic goals. ? To ensure the mainstreaming of evaluation feedback into policy reform and related decision-making, the Project will collaborate with platforms such as the National System of Environmental Information (SINIA). ? Distribute lessons and good practices through conventional means such as extension services, workshops, meetings, discussion groups, and farmer to farmer exchanges. ? Apply high-leverage technology tools such as Apps, social media, digital DFC learning, and distant training. ? Use the ME&F protocol to support the "after the Project sustainability" and prepare a phase out strategy. ? Promote that the cost of the replication plan will be mainstreamed in existing government-funded DFC plans such as national action plans of coffee, cocoa and oil palm, and in private sector?s business plans.

32. There are no changes to the Outcomes proposed in the CPC. However, some minor adjustments to the project?s Outputs, which do not represent a departure from the project?s strategy as defined in the CPC nor will they have an impact on the funds originally budgeted. These changes are described below:

Child Project Concept Outputs (Component 1)	CEO Endorsement Outputs (Component 1)
Output 1, 1.1.1: ILM System supported by Territorial Development plans (PDRC and PDLC) and fully aligned with key drivers of deforestation and habitat loss. ILM in 15 Provinces in the targeted jurisdictions are defined in accordance with the sectoral and national development policies and plans, covering at least 1 million hectares.	1.1.1 Territorial Development Plans (TDP) supported by ILM systems and fully aligned with key drivers of deforestation and habitat loss. TDPs are defined in accordance with the sectoral and national development policies and plans, covering at least 1 million hectares; and strengthening of Indigenous People?s Life Plans (IPLP), governance and sustainable production.

Output 2, 1.2.2 became 1.2.3, and a new Output 1.2.2 was added by moving Output 3.2.2 from Component 4. Output 1.2.2 (now 1.2.3): Strengthened capacities of local and regional govts and private sector to M&E and reporting on enforcement and deforestation from commodity production outside PA. M&E systems is consistent with existing national (central) and regional monitoring systems.	New Output 1.2.2 (moved from Component 4, Output 3.2.2): Individual/Community conservation agreements (CA) and negotiated voluntary set asides of HCVF between plantation companies, individual producers and forest authorities, as well as financial incentives to support ecosystem?s restoration and connectivity. Agreements and voluntary commitments are linked to existing related work of GORES and local authorities.

33. In addition, the above changes resulted in the following adjustments to the GEF funding distribution per component. The next table summarizes these changes.

Project's Budget (USD)		
Component	**AT CPC Budget**	**At CEO Endorsement**
Component 1	2,400,000	2,601,000
Component 2	6,535,683	4,943,859
Component 3	2,700,000	3,773,045
Component 4	1,280,000	1,597,779
Subtotal	**12,915,683**	**12,915,683**
PMC	645,784	645,784
Total	**13,561,467**	**13,561,467**

4) Alignment with GEF focal area and/or Impact Program strategies.

31. The alignment with GEF focal areas are consistent with the CPC; there are no changes to be reported.

The Project is aligned with FOLUR's two levels of operation: country-level investments focused primarily on activities at the landscape level while also allowing space for vertical aspects to contribute to transforming the global food systems and commodity value chains. The global-level engagement harnesses strategic partnerships with large DFC buyers and initiatives that will support the country-level investment. The Project is also aligned with the FOLUR's Knowledge to Action (K2A) Global Platform's structure, objectives, and outcomes. The project strategy to address the above-discussed challenges in Peru will improve the alignment of Peru?s commodity production and food systems with FOLUR's objectives. The Project will use an integrated approach to achieve systemic environmental change and support improvements in human well-being, resilience, and economic growth and prosperity. The Project targets large production landscapes with the potential to deliver global environmental benefits at scale and be sustained after the Project ends. One critical element to achieve sustainability is enabling consistency in local production and long-lasting partnerships with producers and CDF buyers that incorporate, for instance, sustainable sourcing policies, including long-term DFC purchasing agreements. Currently, the Peruvian commodities and food system has a large footprint regarding deforestation, natural landscape degradation, greenhouse gas (GHG) emissions, water depletion, pollution. Therefore, the Project covers globally critical geographies in the Amazon region for major commercial commodities (i.e., coffee, cocoa, and palm oil) and supports local communities' development plans incorporating climate-smart production of food staples (e.g. rice, maize). Additional text in Section 10, paragraph 103

5) Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF and co-financing.

35. The project builds on a baseline of the Government?s efforts planned over the next decade to promote deforestation free commodities, with strong collaboration with the private sector. Under the baseline scenario, despite these efforts, expansion of coffee, cocoa and oil palm is likely to continue, increasing the ongoing loss of forests and wildlife habitat and the key ecosystem services that support commodity production. The project aims at an integrated and systemic approach to tackling these challenges, with incremental GEF resources providing the catalyst for transformational change. This will involve engaging in simultaneous efforts to involve valued chain stakeholders in planning and managing land, to restore degraded land to improve deforestation free commodity production, connectivity between conservation areas and HCVF; and consequently, to diversify and strengthen smallholder livelihoods. The components of the project, their expected outcomes and general impact are summarized in the table below. Detailed Outcomes, Outputs and activities area included in Section 3 above.

Component	**Outcome (Result)**
C1. Development of integrated landscape management (ILM) system	1.1. Sustainable ecosystems services and sound landscape management supported by an IML system along the high and middle Mara??n river basin, covering an estimated 9.5 M hectares, distributed throughout 15 provinces in the Departments of San Mart?n, Loreto, Amazonas, and Cajamarca. The target landscape/jurisdictions cover 9,5M ha in the Abiseo-C?ndor?Kutuk? tropical Andes conservation corridor and Amazon wetlands that provide critical ES. 1.2 Implemented land use plans, enforcement and monitoring support small holders? shift to deforestation free commodities in 1 million ha.
C2. Promotion of sustainable deforestation free commodities and responsible value chains	2.1 Private sector engagement and responsible value chains increase sustainable commodity production (coffee, cacao & palm), with participation of 3-5 major commodity buyers such as JDE, OLAM, ECOM, Grupo Romero. 2.2 Increased capacity of an estimated 50.000 small holders technical and financial capacity
C3. Reducing biodiversity loss and restoration of ecosystems, HVCF and natural habitats	3.1 Strengthened restoration practices of productive landscapes in around 9.5 million ha, including HVCF corridors (to protect biodiversity) and productive landscapes; and 67,885,652 tn of GHGe mitigated. 3.2 Increased area of HVCF has enhanced connectivity, biodiversity conservation and secured ecosystem services in key productive landscapes.
C4. Project Coordination, M&E and knowledge management (KM)	4.1 The results of Components 1, 2 and 3 are successfully achieved with support of a communication and training strategies. 4.2 Successful practices are replicated in other regions and support deforestation free commodities platforms at global level; with participation of a wide range of departmental, regional national and global commodity platforms (with increased small holders and private sector engagement) . 4.3 Empowerment and informed participatory decision-makers at local, regional and national agencies, as well as supply-chain actors; with emphasis on gender balance, ethnicity and equity. 120.000 direct beneficiaries (54.000 female and 66.000 male). At least 50.000 small holders shifted to deforestation free commodities.

36. Incremental/additional cost reasoning and expected contributions from the baseline, the GEFTF is consistent with the CPC. The cofinancing, however, is reduced from USD 120,000,000 to USD 112,149,960.The co-financing was reduced due to the cancellation of the Carbon Fund proposal originally expected for the San Martin and Ucayali regions.

37. GEF7 funding combined with IP FOLUR financing will have a significant incremental effect on the project impact. For example, best practices can be scaled up to benefit a large number of coffee/cocoa/palm independent small holders (80% of the total small holders are not members of producer?s associations).

6) Global environmental benefits (GEFTF)

38. There global environmental benefits (GEB) have been updated as follows:

Current situation	**Anticipated GEBs**

The estimated area of degraded land in the four target regions is between 450 to 500 thousand hectares; 262,489 ha in San Mart?n. No information on restored areas in the Project jurisdictions. There are various private and public restoration initiatives, mainly in San Mart?n, with approx. 50,000 ha. Total area of ??coffee, cocoa and palm oil harvested in 2018 in the 17 provinces: 303,429 ha. The area of certified production including the commodities is approx. 87,420 ha. In the targeted jurisdictions, the baseline estimates that the number of people introducing more sustainable commodities is as low as 24,470 (3,820 females and 20,650 males). However, the agriculture frontier continues to increase since the expansion of commodity plots is not directed to restored land but newly deforested areas.	260,050 hectares of Restored Land 1,050,362 hectares of area (of landscapes) under improved practices (LUIP) such as SFM, and climate smart-agriculture. 1,310,412 total hectares area under ILM that contribute to store 67,885,652 tn of CO2e At the local level, the Project will emphasize on gender-balanced, ethnicity, FPIC and equity ? 120,000 direct beneficiaries, including 54,000 females and 66,000 males (24,000 families), at least 50,000 smallholders will shift to deforestation-free commodities, including independent and associated smallholders and communities (local and indigenous people) that will participate in the restoration (and redirecting DFC production to restored lands) and conservation of natural habitats. Beneficiaries will apply DFC production models in the 3 commodities (coffee, cocoa, and oil palm). The direct beneficiaries include existing producers that will improve their current DFC practices and new producers that will shift from unsustainable practices to DFC production models, with support of the Project. Besides, there will be a wide range of indirect beneficiaries, i.e., stakeholders involved in the different steps of the DFC supply and value chains

39. Based on the document "*Guidelines for accounting and reporting of greenhouse gas emissions for GEF projects*? the direct and indirect emissions are defined as follow:

? **?Direct**: Direct CO2 emission reductions achieved by investments that are directly part of the results of the projects.? Therefore, direct emission reductions are detailed in Table below:

Direct GHG emission reductions of the Peru child project FOLUR IP

Years	20	1	10	5
Activities	**Total**	**per year**	**MTR**	**TE**
Avoided deforestation	- 26,896,601	- 1,344,830	- 2,689,660	- 5,379,320
OLUC for perennial systems	- 1,141,331	- 57,067	- 114,133	- 228,266

Perennial system management for former forest	- 1,931,069	- 96,553	- 193,107	- 386,214
Perennial system managemet	- 3,794,295	- 189,715	- 379,430	- 758,859
Forest management	- 34,092,355	- 1,704,618	- 3,409,236	- 6,818,471
TOTAL	**- 67,855,652**	**- 3,392,783**	**- 6,785,565**	**- 13,571,130**

Source: FAO EX ACT tool

40. **?Indirect**: projected emissions that could result from a broader adoption of the outcomes of a GEF project plus longer-term emission reductions from behavioral change. Broader adoption of a GEF project proceeds through several processes including sustaining, mainstreaming, replication, scaling-up and market change. Consequential emission reductions are typically achieved after GEF project closure and occur outside of the project logical framework (logframe).? The Ex-Ante Carbon-balance Tool (EX-ACT) appraisal does not account for indirect emissions, since only focus on the implementation area and not further ?long-term reductions from behavioral change?.

7) Innovativeness, sustainability and potential for scaling up.?

41. Technical and finance innovations will be used to accelerate shifting away from the business-as-usual scenario. Emphasis will be placed on blended finance and other instruments that could engage public and philanthropic funding to mobilized corporate investment, as well as other key innovative financial instruments to accelerate and increase farmers? access to preferential credit. Likewise, multiple sector business alliances, commodity dialogue platforms, a comprehensive M&E and an integrated knowledge management system will be established to generate change at scale (landscape level).

42. To strengthen DFC dialogue platforms (coffee, cocoa, and palm oil dialogue platforms) at the regional level, the Project will assess dialogue platforms? DFC goals vis-?-vis their existing capacity to meet their goals. Based on these assessments, the Project will formulate annual capacity building action plans focusing on adopting and managing new production models, technology use, cost-accounting, business planning (described in Output 4, 2.2.1 in the Project Document), entrepreneurship, credit analysis (for credit analysts) other related topics. The indicated assessments will be carried out in close collaboration with major private sector partners such as OLAM and ECOM. Private sector?s technical advisors will provide periodical and long-term advice to support the dialogue platforms in critical topics such as sustainable sourcing, certification, and entrepreneurship. In addition, DFC platforms will be supported by the FOLUR K2A monitoring indicators.

43. One key innovation is how the Project?s intervention is designed to increase private sector confidence and trigger their investment, i.e., investment to improving consistency of production and increasing buyer?s DFC purchase volume. This approach will pave the way to implement collective action agendas with the participation of producers, producer?s associations, the financial sector, and commodity buyers. Therefore, the Project will catalyze the signing of collaboration agreements with major DFC buyers to:

? Harmonize private sector buyers? policy with national and local public policies. For example, OLAM?s Living Landscapes Policy (LLP) and codes with local jurisdictional land use and commodity production policies;
? Include in an explicit manner, private sector sustainable policy?s objectives in each of the Project?s components.
? Detailed, realistic strategies, targets, and timelines;
? Develop technical models to increase production with adequate financial packages that can sustain durable economic profitability;
? Establish frameworks to ensure support to livelihoods and access to essential services in farming communities that source products;
? Design and implement strategies to eliminate products from unacceptable land-use practices in operations and supply chains[1];
? Adapt the language of corporate policies taking in consideration the technical capacity of small producers and socialize private sector policies with producers;
? Link large scale conservation efforts (projects) and actors into the partnerships, including activities such as the control of impacts and mainstreaming forest, conservation and restoration monitoring into private-funded restoration schemes;
? Defined roles and topics for the private sector to support commodity dialogue platforms;
? Introduce provisions to establish a multi-stakeholder mechanism to review and update the public and private policies and codes on sustainable commodity production, throughout the implementations of the DFC technical and financial packages and other related private sector supported projects;
? Increase investment to improving consistency of DFC production and increasing buyer?s purchase volume.
? Introduce schemes to achieve circularity in the commodity value chains from agricultural production, waste management, and link stakeholders in Peru and the international buyers through financial mechanisms (e.g., commodity funds) and traceability and blockchain technology applications;
? Define specific measures to integrate producers and buyers M&E protocols, different risk assessment tools, and indicators to measure policy impact (positive or negative) at different levels, i.e., financial, economic and environmental;
? Agree on reporting mechanisms, including EIAs, to verify impacts on critical habitats, Pas, HCVF, forest carbon assessments, linked to FPICs and other information access mechanisms;
? Defined areas to strengthen KM, for example, circular commodities, and training content and specific technology-based delivery mechanisms;
? Establish provisions to align critical elements of private sector supported DFC projects;
? Define specific jurisdictions where site-level collaboration will take place;
? Include private sector stakeholders that are already involved in the improvement of circular commodities and value chains;
? Promotion of DFC certifications for small produces and their associations, e.g., DFC, Sustainable Sourcing, and No Child-labour Commodity;
? Incorporate realistic estimates of the cost of the implementation of each collaboration agreement with the private sector actor, and its cash and in-kind contributions; as well as mechanisms to report on the use and impact of the financial input from the private sector; and
? Compliance with the ESMF and FPIC.

44. Further, an innovative monitoring system, developed with Project support, will be used to ensure that DFCs are traceable and, therefore, verifiable. The monitoring system includes two core elements. First, a traceability system geared to help the government to position Peruvian commodities in domestic and international markets. To this end, The Project will support the step-by-step process to introduce the traceability systems including: a) understanding of relevant sustainability issues, b) verification whether traceability is the best way to mitigate risks, c) development of the business case for traceability, and preparation of the traceability scheme in agreement with stakeholders. Traceability systems will include gender and transcultural elements.

45. The Project will work with individual producers, members of producer associations, and retailers to pilot blockchains, i.e., digital traceability software and hardware solutions to ensure real-time visibility into a supply chain?s state of health. The blockchain will ensure the traceability system at the item, lot, batch or case level; it is an answer to a safer and more transparent commodity supply chain. Thus, the valuable data extracted at each level of the supply chain could easily be available to certification agencies, supply chain partners, import authorities and food safety inspectors. It will empower stakeholders to make real-time, informed decisions to create a safer and secure supply chain. The blockchains could improve over 30% of producers? income[2]. The blockchain is key to link producers and end-consumers who are looking for safer and healthier foods, particularly in advanced consumer markets in Western Europe and North America.

46. Besides being a driver of innovation, private sector participation is at the core of the Project's sustainability and scaling up. Long-term private sector financing is critical to introduce technology and financial packages for farmers and establish long-term purchasing agreements. The private sector partners, including Root Capital, ECOM, OLAM, local banks (Cajas), and COFIDE, provide USD 71.7 Million (i.e., 63% of the total co-financing of the Project). Large DFC buyers and rosters such as ECOM and OLAM will provide technical assistance and equipment to improve local capacity and DFC consistency (quantity and quality) to ensure the success of long-term purchasing agreements. Institutions such as COFIDE, Root Capital, and the local banks will facilitate credit at reduced rates, establish guarantee schemes, and introduce DFC financial products (with preferential credit and guarantees) and technology. Technology packages include digital communications and monitoring technology and matters related to carrying out cost-effective approaches to adopt sustainable DFC packages, reforestation, and land restoration (including detailed costing and profit estimation models supported by risk analysis). Likewise, the partnerships between private sector stakeholders and local producers will increase access to higher market prices, reduce market risks, and meet demand trends. These elements are critical for sustainability and scaling up sustainable business models.

47. The Project's private sector partners include the leading exporter of cocoa and coffee, existing under the laws of Peru, with its headquarters in Lima, Peru. For example, Cafetalera Amazonica S.A. (CAMSA) is a subsidiary of Ecom/Agroindustrial Corporation Ltd., a global commodity trading and processing company in over 40 major producing countries worldwide. CAMSA will contribute as co-financier to the Project's integrated sustainability activities and partnership for securing sustainable DFC supply chains.

48. OLAM Agro Peru and associated partners will co-finance with cash or kind parallel funding to promote Circular Coffee from Peru, i.e., creating DFC sustainable value chains. Peru's

Joint Sustainability Initiative, MOCCA Partnership, RAIZ Sustainable Coffee Supply Chain, and Coffee Renovation in Peru are Olam Agro Peru's partners. The indicated co-financing is programmed to pay a premium of close to 650,000.00 Dollars (over the next three years) to purchase DFC from local producers, including producers in the GEF Project's targeted geographies in the Peruvian Amazon.

49. ACCDER/Root Capital Inc. will contribute by lending capital to coffee and cocoa agricultural businesses participating in this Project. The Project activities will help producers' organizations meet the lending requirements and risk profile established by Root Capital. The lending program includes seasonal working capital (loans), tailored to the harvest and sales cycles, and repayment schedules that work in harmony with seasonal cash flows.

50. The Project?s sustainable and profitable DFC models are essential to ensure the business interests while protecting the rich environment of the Amazon upon which the DFC business depends. This model is crucial to reducing climate change risks that threaten smallholders' communities, i.e., farmers' livelihoods and ecosystem conservation. Thus, private sector financing focuses on unlocking the success and growth of sustainable agricultural enterprises on the frontlines of climate change. Root Capital, for example, is a specialized lender and trainer and provides agricultural enterprises with the information, management skills, and capital to prepare for climate change and promote DFC in the Peruvian Amazon.

51. The lasting sustainability of the Project?s outcomes is based on establishing solid long-term profitable busines partnerships between producers, private sector (DFC buyers and financing institutions). These partnerships will be constructed on viable technical and financial DFC models that enable sustainable sourcing, sound business management, adequate governance structures and tangible global environmental benefits. The Project?s work on establishing ILM in the targeted jurisdictions is central to improve governance, particularly, at the local level. Likewise, the Projects support to indigenous peoples? development plans (that have a strong focus on governance) will help to mainstream ILM, SFM and climate-smart agriculture.

52. The Project?s DFC models can be replicated in neighboring landscapes and in other regions because it is profitable socially and environmentally sustainable. To this end, the private sector and financial institutions play a key role in formulating the Project?s replication strategy in collaboration with other Project?s stakeholders. The formulation of the replication strategy will follow the Project's mid-term review (MTR). In addition, the transformational nature of the Project's KM strategy will catalyze knowledge sharing and lesson exchanges at the national and international level; therefore, it will provide additional critical support to scale up the project results.

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.

Please refer to Annex D: Project Map and Coordinates.

1c. Child Project?

If this is a child project under a program, describe how the components contribute to the overall program impact.

53. The project strategy will improve the alignment of Peru?s commodity production and food systems with FOLUR's objectives. The Project will use an integrated approach to achieve systemic environmental change and support improvements in human well-being, resilience, and economic growth and prosperity. The Project targets large production landscapes with the potential to deliver global environmental benefits at scale and be sustained after the Project ends. One critical element to achieve sustainability is enabling consistency in local production and long-lasting partnerships with producers and CDF buyers that incorporate, for instance, sustainable sourcing policies, including long-term DFC purchasing agreements. Currently, the Peruvian commodities and food system has a large footprint regarding deforestation, natural landscape degradation, greenhouse gas (GHG) emissions, water depletion, pollution. Therefore, the Project covers globally critical geographies in the Amazon region for major commercial commodities (i.e., coffee, cocoa, and palm oil) and supports local communities' development plans incorporating climate-smart production of food staples (e.g., rice maize). The Project is aligned with FOLUR's two levels of operation: *country-level investments* focused primarily on activities at the landscape level while also allowing space for vertical aspects to contribute to transforming the global food systems and commodity value chains. The *global-level engagement* harnesses strategic partnerships with large DFC buyers and initiatives that will support the country-level investment. The Project is also aligned with the FOLUR's Knowledge to Action (K2A) Global Platform's structure, objectives, and outcomes.

54. The Project?s KM component will be implemented in close collaboration with the FOLUR?s K2A Platform to increased capacity to disseminate lessons and best practices on ?what to do? and ?what not to do? at landscape, national and global levels. The KM platforms will incorporate key elements of initiatives on LU, ILM, LDN, FLR, EBD, Climate and Forest; and other key Government?s Programmes connected and feeding/sharing information to the FOLUR?s Knowledge to Action (K2A) Global Platform. To ensure adequate impact, in addition to the Core GEF indicators and the Results Framework indicators, the Project will apply K2A GP indicators related to gender in capacity/training, and policies/value chains.

2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Civil Society Organizations Yes

Indigenous Peoples and Local Communities Yes

Private Sector Entities Yes

If none of the above, please explain why:

55. The project stakeholders include a variety of actors at different levels of the supply chain: independent producers, associated producers (producers associations), financial institutions (national

and local), commodity buyers/exporters. The following table provides an overview of the committed and potential key potential partnerships at different levels (some are already included, providing cofinancing). These stakeholders were consulted during the identification phase. A more detailed partnerships table and partners? information is included in the Project Document, Section IV and in the SEP in Annex 8.

Project?s committed and potential key potential partnerships

Private sector Financial sector ? AGROBANCO ? Local banks (Cajas): Maynas, Sullana, Huancayo ? COFIDE ? FEPPMAC ? Forest Finance DFC Buyers ? ECOM ? Grupo Palmas ? Jacobs Douwe Egberts (JDE) ? OLAM/OLAM Peru ? Nestl? (through the partnership with the NAMA Caf?-Peru) ? ROMEX Cooperatives/ associations ? Corporaci?n Alto Mara??n ? Coop. de Servicios Sol y Caf? ? Coop. CENFROCAFE ? Coop. Norandino ? Coop. Cafe Bagua Grande ? Coop. Agraria Cafetalera Oro Verde ? Coop. Naranjos ADISA ? Coop. Cacaotera ACOPAGRO ? Coop. Allima Cacao ? Coop. Cacao Aroma Tocache ? Coop. ACEPAT-Tocache ? Oleaginosas del Per?-OLPESA ? FREDEPALMA	Other Organizations (NGO?s) ? Solidaridad (NL/Peru) ? CIMA ? Conservation International ? Fundaci?n Amazonia Viva-FUNDAVI ? Rainforest Alliance Women organizations ? Mishki Cacao Association Indigenous organizations ? AIDESEP and CONAP Bilateral Cooperation ? SECO Government Municipal level ? Tocache Municipality Regional Government ? Gerencia (GORE) ? Proyecto Esp. Ja?n San Ignacio Bagua - MIDAGRI National ? AGROIDEAS ? INIA ? PNIA (National Agrarian Innovation Program) ? Procompite ? DEVIDA (PCM) ? INNOVATE (Ministry of Production)

56. The Project has an organizational structure designed to engage all stakeholders in the decision-making and managing process in all four Project components; this structure is illustrated in Figure 3 (in the Governance Section).

57. Further, the Project?s **Stakeholders Engagement Plan** (SEP) outlines how the stakeholders will be engaged in decision-making. The plan identified the main stakeholders concerning their potential contribution to the Project's objectives, institutional objectives, essential functions linked to the components, and the current degree of influence and importance. For instance, indigenous peoples will be active members of the Project's Consultative Committee (CC) (refer to Figure 2). The Project will also carry out periodical consultations with the Indigenous People?s Organizations composed of a representative of regional organizations of AIDESEP and CONAP.

Components 1, 2, 3, and 4 involve specific FPIC consultations with indigenous peoples on topics such as resolving complaints or claims and reviewing the Stakeholder Response Mechanism (SRM). The SRM will respond promptly to the requests for review of compliance with the social and environmental standards procedure (SESP).

58. The indigenous organizations that participate in the validation process (PPG Phase) are those that represent indigenous communities located within the project?s target landscape. It is important to note that this list was reviewed and validated by representatives from the two national indigenous organizations involved (AIDESEP and CONAP), to ensure all relevant organizations were included. These organizations are include in the table below.

Indigenous organizations participating in the validation process

National indigenous organization	Affiliated regional indigenous organization
AIDESEP	CORPI-SL
	CODEPISAM
	ORPIAN-P
CONAP	ORDEPIAA
	OCCAAM

59. The scope of the project is interrelated with a wide range of actors from the national and subnational governments; civil society organizations; platforms and networks; financial entities; private businesses; certification institutions; representatives of producer organizations; women's organizations small producers; indigenous peoples. In order to facilitate their participation in decision-making, the Project will identify their organizations and community leaders. The Plan is comprehensive, and its gender and intercultural approaches are cross-cutting to all project components.

60. Stakeholders? roles and responsibilities have been defined, and the M&E will report on the number of stakeholders that, through participation in decision-making, are fully committed to the Project?s interventions; as well as the number of resolved complaints or requests for review of compliance with commitments of the SESP.

61. At the level of financial institutions, the Project secured the participation of three (3) Municipal Savings and Credit Funds with the presence of agencies in the area of??influence (CMAC Sullana, CMAC Maynas and CMAC Huancayo). These stakeholders will be involved in participatory decision-making related to the design of credit packages and TA through the Project?s Specialized Technical Unit (UTE). Lastly, the Project will implement a communications strategy to engage small producers and other stakeholders of the DFC supply chains.

62. The successful implementation of the Project will largely depend on the effective communication and coordination with the multiple project stakeholders and the implementation of mechanisms to ensure these stakeholders? participation. The Project?s SEP (included as Annex 8 of the UNDP-GEF Project Document contains information summarizing the main PPG workshops convened, stakeholder meetings and consultations conducted (before COVID-19), and grievances mechanism. Besides, based on the SEP and the ESMF, the main strategies to engage stakeholders include, but are not limited to:

- PRODOC validation workshop (virtual, due to COVID-19 restrictions);
- Strategic bilateral meetings will be held with target groups of stakeholders, with representatives of the national, regional and / or local government, private sector and other key stakeholders;
- Apply the FPIC protocol throughout the entire project cycle;
- Partner capacity assessments to compare the stakeholder capacity vis-?-vis one or more of the Project components needs;
- Following FPIC guidelines and the IPP, carry out meetings / workshop / formalizing collaboration agreements with women and indigenous organizations of Amazonas and Loreto in San Mart?n;
- Decentralized implementation of the Project?s activities;
- Collaboration agreements with major DFC buyers and the financial sector; and
- M&E Plan and field visits to the project area are essential to promote and increase engagement of stakeholders at national and subnational level (public and private).

63. Further, the Project will engage in specific actions on south-south and triangular cooperation to present opportunities for replication in other countries, and to facilitate dissemination through global ongoing South-South and global platforms, such as:

- World Bank?s FOLUR IP K2A Platform;
- UN South-South Galaxy knowledge sharing platform;
- PANORAMA[1];
- UNDP?s Green commodities Program KM platforms;
- UNDP regional and global network of GEF FOLUR and commodities projects. I.e., Guatemala, Ecuador, Colombia, PNG, Indonesia, Malaysia, and Ethiopia;
- Government?s SINIA, SIEA, SIARs, and PAGCC.

64. In addition, to bring the voice of the Peruvian commodity sector to global and regional fora, the project will explore opportunities for meaningful participation in specific events where UNDP, FAO, IFAD or other key partners could support engagement with the global development discourse on DFC, FLR, CSA, Sustainable value chains, DFC fairs and trade events. The project will furthermore provide opportunities for regional cooperation with countries that are implementing initiatives on DFC, ILM, FLR in geopolitical, social and environmental contexts relevant to the proposed project in the Peruvian Amazon region.

65. The stakeholder consultations will continue throughout project implementation. To this end, the project will make use of several mechanisms, including:

a) Project Inception Workshop: the project will be presented to both direct stakeholders, including indigenous peoples, and the public;

b) Project Board: comprised of representatives of the government agencies and representatives of direct project beneficiaries, it will be responsible for approving the work plans, participating in the recruitment processes, and providing overall strategic guidance to the project;

c) Project Management Unit (PMU): responsible for the implementation of the comprehensive stakeholder engagement plan, gender action plan, indigenous peoples plan, grievance redress mechanisms, and M&E;

d) Communication and Information Management: MINAM, MIDAGRI are responsible for maintaining fluid communication amongst stakeholders through conventional and new informational technologies. Key communication will be registered on a monthly basis *ad hoc* scorecards.

e) Governance role for project target groups: project target groups will be represented on the Project Board;

f) Gender Action Plan: will secure the involvement of both genders, especially women; a Gender Expert will be hired to review and update the implementation of the Gender Action Plan on a periodic basis;

g) the Indigenous Peoples Plan (IPP) ensures the adequate participation of Indigenous Peoples;

g) the Grievance Redress Mechanism (GRM) is available for addressing complaints or grievances that might arise during the implementation of the Project; the grievance mechanism will be published so that all stakeholders are aware of its existence, documenting any potential grievances and ensuring they are addressed in a timely manner;

h) assess emerging opportunities to increase the participation of interested parties at the local, regional and national level.

i) Decentralized M&E with emphasis on rural organization, extension workers, and local governments; and meetings with special groups such as women to verify gender ?based indicators.

Please provide the Stakeholder Engagement Plan or equivalent assessment.

In addition, provide a summary on how stakeholders will be consulted in project execution, the means and timing of engagement, how information will be disseminated, and an explanation of any resource requirements throughout the project/program cycle to ensure proper and meaningful stakeholder engagement

Select what role civil society will play in the project:

Consulted only; Yes

Member of Advisory Body; Contractor;

Co-financier; Yes

Member of project steering committee or equivalent decision-making body; Yes

Executor or co-executor;

Other (Please explain)

3. Gender Equality and Women's Empowerment

Provide the gender analysis or equivalent socio-economic assesment.

Please refer to Annex 12 of the UNDP-GEF Project Document for the Gender Analysis.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women?s empowerment? (yes /no) If yes, please upload gender action plan or equivalent here

Table 10. Gender Action Plan for the Deforestation-free Commodity Supply Chain in the Peruvian Amazon												
Description of the activity/ activities (associated with results framework activities)	**Associated outputs**	**Monitoring**										
		Goal	**Goal**	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	Frequency of monitoring	**Means of verification**	**Responsibility**
		Mid-term: 10,500 women (20%).	**At the end of the intervention: 54,000 women (45%)**									
Component 1. Development of integrated landscape management (ILM) systems												
Outcome 1: Sustainable ecosystems services and sound landscape management supported by an ILM system.												
Outcome 2: Land use plans, enforcement and monitoring systems support smallholders shift to deforestation-free commodities (DFCs)												

In coordination with GORE/GOLO: 1) Design training programme for officials in territorial planning and management of TDP, incorporating ILM, gender and intercultural approaches. Identification of participants in the programme Implementation of training programme GORE/GOLO budgets allocated for ILM and gender and intercultural approaches. (Indicator 6. act. 1.1.2 results framework [RF]).	Training programme for GORE/GOLO officials designed. Directory of officials, and officials identified as participants in the programme. Report on results of capacity building.	8 officials (men and women) from planning teams of 2 GORE/GOLO have increased capacities and skills and incorporate ILM principles and approaches in TDP planning and management.	30 officials (men and women) from planning teams of 10 GORE/GOLO have increased capacities and skills and incorporate ILM principles and approaches in TDP planning and management.		X	X	X			Annual	Reports on participation, knowledge and skills.	Gender Officer Component 1 specialist Responsible party for M&E

1) Participation of women commodity producers in PDRC and PDLC that contribute to the incorporation of TDP principles and actions and gender and intercultural approaches. (Indicator 6, linked to act. 1.1.1 RF).	Report on the results of the contributions of women who have received training.	5) 20 women producers having received training participate and incorporate their agendas in TDP meetings in 2 GORE/ GOLO. <u>Assessment</u>: In the PDRC of San Mart?n, Cajamarca, Amazonas and Loreto, women?s participation is not expressly mentioned. They are considered as a vulnerable population and are only considered active members of family farming in Amazonas.	5) 30 women producers having received training participate and incorporate their agendas in TDP meetings in 6 GORE/GOLO.		X	X	X			Semi-annual	5) M&E reports on participation	Gender Officer Component 1 specialist Responsible party for M&E
Component 2: Promotion of sustainable deforestation-free commodities and responsible value chains.												

Outcome 3: Private sector engagement and responsible value chains increase sustainable commodity production (coffee, cacao and oil palm), supported by increased small and medium-holders? capacity.												
1) Action plans for DFC model incorporate the needs and interests of women producers. (Indicator 9, linked to act. 2.1.1-RF).	1) Action plan for DFC model incorporates the contributions of women producers in value chain (sex, age, ethnicity).	1) 1 action plan for DFC model incorporates women?s needs and interests.	1) 1 action plan for DFC model has incorporated women?s needs and interests.		X					Semi-annual		Gender Officer Component 2 specialist

2) Effective participation of women in DFC dialogue platforms at national and local level (Indicator 9, linked to act. 2.1.2 - RF).	2) Documents on the contributions of women producers in DFC dialogue platforms (national and local).	2) 3 meetings with the participation of 20 women linked to value chains in national and regional DFC dialogue platforms. Assessment: There are two national plans: Plan Nacional de Caf? (2018) and the Plan de Palma Aceitera 2016-2025 (2016). The Plan Nacional de Cacao y Chocolate 2020-2030 is in process. In San Mart?n, platforms for these products are active.	2) 8 meetings with participation of 50 women in DFC platform.		X	X	X	X			Reports on participation in DFC dialogue platforms.	Gender Officer

3) Modification of statutes, regulations or internal policies of associations and cooperatives to facilitate women?s membership (as members and on executive boards).	1) Internal documents of associations and cooperatives modified to include women members and 30 per cent representation of women on executive boards.	1) 5 statutes and regulations include 2000 women as members and 30 per cent representation of women on executive boards.	1) 10 statutes and regulations of producer organisations include 10,000 women as members and 30 per cent representation of women on executive boards.									
(Indicator 10, linked to act. 2.1.5 - RF).		Assessment: in 1 cooperative (Cooperativa Oro Verde), both men and women who run farms belong as members (San Mart?n). TA and extension services have not incorporated a gender approach.			X	X	X			Semi-annual	Report on the number of women and men who participated in the design	Gender Officer Specialised consultant Component 2 specialist

In coordination with GORE/GOLO, Indigenous People?s organisations, producer organisations: 1) Design of training programme for women producers that includes basic elements (self-esteem, identity, women?s rights, and Indigenous Peoples and spokesperson skills), ILM, TDP, DFC, CSA concepts and approaches, food security, project M&E (in-person and virtual). 2) Identification of participants and selection by area.	Training programme for women producers: 1) Directory of women producers participating in the programme (profile of participants). 2) Identification of local advocates. 3) Report on results of capacity building. 4) Action agenda of DFC women producers elaborated.	1) 30 women smallholders selected and participate in a training programme. 2) 2 strategic partnerships with formal and informal centres (universities, DRA, AA, GORE, MIMP) for implementation of training programme. 3) 10 community advocates selected and implemented (backpack, materials, flipcharts, boots, tablet, EPP). 4) 1 meeting	1) 50 women smallholders have participated in a training programme. 2) 3 agreements with formal and informal training centres are being implemented. 3) Reports on the implementation of community advocates. 4) Monitoring of implementation of the agenda in DFC meetings.		X	X	X			Semi-annual	1) Report on training programme (participation and capacities and skills). 2) Report on agreements and conditions. 3) Report on advocates implemented.	Project Manager Gender Officer Specialised consultant Responsible party for M&E

5) Technical assistance and extension services to improve women?s production of DFC. (Indicator 10, linked to act. 2.1.5 RF).	5) Reports on TA and extension services on farms.	3) At least 500 women producers receive TA in their restoration areas.	3) At least 2000 women producers receive TA in their restoration areas.		X	X	X				M&E reports	Project Manager Gender Officer Agricultural technician
Outcome 4: Smallholders receiving higher net benefits as a result of traders and consumers buying more DFC.												

1) Elaboration of commercial plans with technical packages and DFC financing that incorporate women?s interests, contributions and proposals. (Indicator 12, linked to act. 2.3.1 - RF).	1) Plans elaborated for DFC model that favour women producers ? initiatives.	1) Three business plans that incorporate the participation of 200 women. <u>Assessment</u>: 10.4% of men and 6.4% of women in Cajamarca and Amazonas applied for and accessed credit, the highest percentage in the area. Variables of those who applied for credit: more than 9 ha, irrigated production destined for sale, members of an organisation, speak Spanish and have property title.	1) Ten DFC business plans implemented with 5 women producer organisations, involving 500 producers.					X	X	Annual	M&E reports and reports from producer organisations	Project Manager Gender Officer Component 2 specialist

2) Analysis of women?s access to technical and financial packages for DFC models (value chain, ethnicity, age). (Indicator 12, linked to act. 2.3.3 - RF).	2) Financial strategy document directed towards women.	2) 1 financial strategy for DFC models that are diversified, accessible and affordable incorporates women?s participation.	2) 1 diversified, accessible and affordable financial strategy implemented with women.	X	X					Annual	M&E reports	Project Manager Specialised consultant Gender Officer Component 2 specialist

3) Implementation of financial strategy with women producers. (Indicator 12, linked to act. 2.3.2 - RF).	3) Document on the implementation of financial strategy with women producers.	3) Number of women producers who access credit and technological packages. <u>Assessment</u>: Women who have accessed credit are producers of palm oil and process cacao, and they are non-indigenous.	3) 40% of women who have accessed credit increase production volume and economic incomes.		X	X	X			Semi-annual	M&E reports	Project Manager Gender Officer Component 2 specialist
Component 3: Reducing biodiversity loss and restoration of ecosystems, HVCF and natural habitats.												
Outcome 5: Habitat conservation and restoration practices contribute to reduce pressures on protected areas and high conservation value forests (HCVF), promote connectivity, and establish wildlife corridors of wildlife in restored degraded areas and productive areas that are at risk of degradation.												

In coordination with GORE/GOLO, DRA, AA and producer organisations and local advocates: 1) Restoration areas are defined with the active participation of women, youth and Indigenous Peoples. (Indicator 14, linked act. 3.1.1 - RF). 2) Identification of the needs and interests of women, youth and Indigenous People so they are incorporated into the design of TA and extension services tools and methodologies. (Indicator 14, linked to act	1) Document on agreements related to defined restoration areas. 2) Document on TA and extension services tools and methodologies has identified and incorporated needs and interests of women, youth and indigenous people.	1) 4 meetings and 80 participants have defined restoration areas. 2) 1 TA and extension services tool with gender and intercultural approach. <u>Assessment</u>: TA and extension service tools have not incorporated gender and intercultural approach.	1) 6 meetings and 200 women producers have defined restoration areas. 2) 4000 producers have participated in TA and extension services with gender and intercultural approaches.		X	X				Semi-annual	M&E reports	Project Manager Gender Officer Component 3 specialist M&E specialist

3) Capacity-building programme for women producers incorporates approaches related to conservation, restoration, and the needs and interests of women, youth and Indigenous Peoples and risk management. (Indicator 14, linked to act. 3.1.4 - RF).	3) Design of capacity-building programme.	3)Number of DFC women producers with increased capacities.	3) Number of DFC women producers with increased capacities.		X	X	X			Annual	M&E reports	Gender Officer Specialised consultant Component 3 specialist M&E specialist
4) TA and extension services in restoration areas for DFC production practices. (Indicator 14, linked to act. 3.1.4 - RF).	4) Technical staff visits producers ? restoration areas.	4) At least 500 women producers receive TA in their restoration areas.	4) At least 2000 women producers receive TA in their restoration areas.		X	X	X				M&E reports	

5) Development of conservation agreements (CA) with women?s participation. (Indicator 16, linked to act. 3.2.2)	1) CA signed with agreement of indigenous women.	1) 20 CAs of members of producer organisations incorporate women?s interests, participation and contributions. <u>Assessment</u>: In San Mart?n there are 609 active CAs with 43,000 ha. There is no systematised information on the participation of women in CAs.	1) Number of CAs that have incorporated women?s interests and needs.		X					Semi-annual	M&E reports	Project Manager Gender Officer Component 3 specialist M&E specialist
Component 4: Coordination, M&E and Knowledge Management (KM)												
Outcome 7: The successful results of components 1, 2 y 3 are achieved with the support of a communications and knowledge management (CK&M) strategy that is articulated with FOLUR?s K2A Global Platform; and successful practices are replicated in other regions and support DFC platforms at global level.												

1) C&KM incorporates the interests, needs and proposals of women, youth and Indigenous Peoples in DFC, FLR and ACI, differentiated by gender, ethnicity, age and value chain. (Indicator 17, linked to act. 4.1.1 RF).	1) C&KM system implements strategy.	1) 1 C&KM strategy incorporates women?s interests and needs in reports. <u>Assessment</u>: In addition to differences between genders (m-w), there are intra-gender differences (w-w) and differences between value chains, age groups and ethnicities (indigenous and non-indigenous).	1) C&KM reports on women producers ? proposals and interests, differentiated by sex, ethnicity, age and value chain.		X	X				Annual	Participation and dissemination reports	Gender Officer Component 2 specialists Responsible party for M&E

In coordination with MINCETUR and DIRCETUR (national and regions): 1) Selection of women and representation in international, national and local events (ethnicity, age, value chain link). 2) Systematisation of best practices and lessons learned from purchasing agreements in international, national and subnational events. (Indicator 18, linked to act. 4.1.3 - RF).	1) Commercial agreements promoted in DFC markets. 2) Systematised document.	1) 1 commercial agreement promoted with the participation of 5 producer women as ?DFC champions?, 3 youth and 3 indigenous women from the value/supply chain participate in DFC, FLR and ACI. 2) Systematisation plan. <u>Assessment</u>: Women producers participate in local fairs (MINCETUR). Low representation of women in international events.	1) 2 commercial agreements promoted with the participation of 10 women producers as "DFC champions", 6 youth and 5 indigenous women from the value/supply chain participate in DFC, FLR and ACI. 2) Interviews, testimonies and reports incorporated in systematised document.				X	X	X		Participation reports	Project Manager Gender Officer Component 2 specialists Responsible party for M&E

3) Public presentation of systematisation of best practices and lessons learned from the purchasing agreements in international, national and subnational events on sustainable DFC, ACI, FLR and SFM. (Indicator 18, linked to act. 4.1.2 RF).	3) Public news story on systematisation disseminated through main media.	3) Identification of women.	3) 6 women present their experiences in a public event.						X	Semi-annual	Presentation report	MINAM Agencies Project Manager Gender Officer Component 2 specialists Responsible party for M&E

4) Dissemination of best practices, lessons learned and studies of the project components to stakeholders through digital media and other formats. (Indicator 18, linked to act. 4.1.2 - RF).	4) Dissemination of audio-visual and print materials to stakeholders.	4) % of stakeholders informed (print and digital media) on the participation of women.	4) 80% of stakeholders have been informed (print and digital media) on the participation of women.						X	Semi-annual	Implementation report	Project Manager Gender Officer
Outcome 8: Gender-balanced empowerment and informed decision-makers improve the governance of local, regional and national public agencies; and supply-chain actors.												

1) Design of baseline that measures access, control and participation of women (indigenous and non-indigenous, youth and adults) in the value chains (initial, intermediate and final goals format). (Indicator 19, linked to act. 4.3.1 - RF).	1) Baseline report.	1) Project M&E implements GAP baseline.	1) GAP baseline monitored by project M&E.	X						Annual	Annual M&E reports on baseline indicators incorporate variables of sex, age, ethnicity and value chain	Project Manager Specialised consultant Gender Officer
2) Intermediate evaluation of GAP implements recommendations.	2) GAP mid-term evaluation report with socialised recommendations.	2) 1) mid-term and final evaluations of GAP with women?s participation (indigenous, non-indigenous) and baseline variables.	2) Updated GAP implements recommendations of mid-term evaluation.			X				Annual	M&E reports on baseline incorporate recommendations from evaluations from mid-term evaluation and gender and intercultural gap assessment.	

3) Final evaluation of GAP.	3) GAP final evaluation report.	3) M&E reporting according to goals and baseline variables.	3) GAP final evaluation with lessons learned disseminated to stakeholders, State and agencies.						X			
4) Participation of women producers in baseline, intermediate and final evaluations of M&E. (Indicator 19, linked to act. 4.3.2 RF).	4) Documents registering participants in evaluations.	4) Record of women participants in baseline and evaluations.	5) Record of participants in final evaluation.	X		X			X			

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment?

Yes

Closing gender gaps in access to and control over natural resources;

Improving women's participation and decision making Yes

Generating socio-economic benefits or services or women Yes

Does the project?s results framework or logical framework include gender-sensitive indicators?

Yes

4. Private sector engagement

Elaborate on the private sector's engagement in the project, if any.

67. As global markets increasingly demand sustainably produced goods, Peru will facilitate the production & trade of sustainable DFC /foods, and thereby, the Project will advance the emerging agenda with the private sector.

68. In order to improve DFC value chains, the Project requires to work closely with major private commodity players in the value chain, therefore, the Project?s design recognizes that the participation of the private sector is instrumental for achieving the proposed results. The Project will support the establishment of innovative alliances with the private sector to support smallholders? associations, cooperatives and government counterparts.

69. The Government is committed to protect forests, PAs and the integrity of production landscapes by overcoming barriers to develop sustainable DFC sectors. To this end, in 2016 a multi-stakeholder process to engage coffee producers, companies and CSO in joint efforts to transform the sector started. Thus, the Project envisions strong alliances with high-impact global coffee/cocoa buyers such as ECOM and OLAM, and palm oil producers such as JUNPALMA and INDUPALSA. The following table provides an overview of the Project?s existing and potential private sector partners, including the region where they operate (LO: Loreto; SM: San Martin; CA: Cajamarca; and AM: Amazonas), their expertise to strengthen the Project, and the type of commodity.

Private sector	**Region**	**Expertise to strengthen the Project**	**Commodity**		
			coffee	**cocoa**	**palm**
Financial sector					
AGROBANCO	All	Forestry Credit, FIFPPA-Financial Inclusion Fund, Agriculture Insurance, direct credit.	x		
Cajas: Piura, Maynas, Trujillo, Sullana, Huancayo, Andino	All	Direct Credits	x	x	x
COFIDE	All	Guarantee Funds	x	x	x
FEPPMAC	All	Technical assistance (TA)/green financial products	x	x	x
Root Capital	All	Cofinancing investment in DFC.			
Forest Finance	SM	Direct investment reforestation/SF products		x	
DFC Buyers					

ECOM	SM	Sourcing, marketing, processing, exporting	X		
Grupo Palmas	SM/LO	Link markets, processing, technology		x	x
Jacobs Douwe Egberts (JDE)	SM	Marketing, processing, exporting (coffee roster and tea buyer)	x		
OLAM/OLAM Peru	SM/CA	Sourcing, marketing, processing, exporting (coffee trader and agribusiness)	x		
Nestl? (through the partnership with the NAMA Caf?-Peru)	SM	Sourcing, marketing, processing and exporting		x	
INDUPALSA	SM	Buyer and palm oil processing			x
JUNPALMA	SM	Buyer and palm oil processing			x
ROMEX	SM	Stockpiling, processing, marketing and export	x	x	x
Technology providers					
Blockchain Life Solutions S.A.	CA	Blockchain based digital traceability systems	x		
Cooperatives/ associations					
Corporaci?n Alto Mara??n	CA	Organizational strengthening of cooperatives, commercial and business management.	x		
Coop. de Servicios Sol y Caf?	CA	TA, harvesting, marketing, credits.	x		
Coop. CENFROCAFE	CA	Technical assistance, harvesting, marketing, diversification, SFM	x		

Coop. Norandino	CA/AM/SM	Direct Credits	x	x	
Coop. Cafe Bagua Grande	AM	TA, commodity gathering, merchandising.	x		
Coop. Agraria Cafetalera Oro Verde	SM	TA, harvesting, merchandising, credits. Alliance with ACOPAGRO, FUNDAVI, PUR, SFM, Certified wood marketing and concessions management	x	x	
Coop. Naranjos ADISA	SM	TA, harvesting, social assistance, agroforestry	x		
Coop. Cacaotera ACOPAGRO	SM	TA, harvesting, merchandising, marketing, credit		x	
Coop. Allima Cacao	SM	TA, harvesting, marketing, micro-credit, sustainable production (cocoa), diversification, production clusters and alliances (AGRITERRA, IDSA, PUR)		x	
Coop. Cacao Aroma Tocache	SM	Marketing, financing and project management, Organizational strengthening of cooperatives		x	
Coop. ACEPAT-Tocache	SM	TA, finance training, harvesting, business planning			x
Oleaginosas del Per?-OLPESA	SM	Palm oil processing and commercialization			x
		Production of biofuels, and forest monitoring			x
FREDEPALMA	SM	Strengthening of producer?s associations			x

70. Cooperatives such as ACOPAGRO and CENFROCA in the target jurisdictions represent over 5,000 farmer families exporting to USA, Italy, France, Switzerland, Germany and Holland; and palm oil producers that aim to affiliate to RSPO include INDUPALSA, JUNPALMA, and Grupo Romero (the largest national producer and buyer).

5. Risks to Achieving Project Objectives

Elaborate on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and, if possible, the proposed measures that address these risks at the time of project implementation.(table format acceptable):

71. During the PPG, the project risks were updated and mitigation measures were proposed based on UNDP?s Social and Environmental Screening Procedure (SESP) and other risks identified at the time of the PIF, including climate change. The project has been classified as high risk; project activities have been designed to ensure that adverse social and environmental risks and impacts are avoided, minimized, mitigated and managed. The most critical health (COVID-19) and the financial/markets were identified in close collaboration with producers, producer?s associations and the private sector stakeholders; in addition to climate change and political instability/governance risks. These risks are included in Table (a) below. The social and environmental risks and the mitigation strategies, from the SESP, are summarized in the Table (b) thereafter. Additional details on SESP risks are provided in the SESP in Annex 5, and in the Stakeholders Engagement Plans (included in Annex 8).

(a) Critical health (COVID-19), financial/markets risks, climate change and political instability/governance.	
Critical health (COVID-19) risks	
Risk	Mitigation strategy

1. COVID-19's impact on peoples' health and the related restriction could disrupt supply chains (supply and demand) by: Increasing the cost of production, transportation, inputs for the harvest, access to and cost of seasonal labour (from outside, and family labour due to illness or death). These factors could decrease supply. COVID-19 can lower demand since people's confinement reduces coffee/cocoa consumption outside the home (but retail sales may increase). The decline in harvest volumes and sales may put at risk the production of DFC commodities. Further, COVID-19 lockdowns and restrictions could also reduce TA's availability, slower stakeholders' engagement, and the Government's reaction to address the COVID-19 challenges could be slow. Lastly, the economic crisis generated by COVID-19 could compromise co-financing because the Government and stakeholder's priorities may be refocused to support the response to COVID-19 (e.g., lockdowns to mitigate and contain spread; resources and personnel shifts, etc.)	To manage COVID-19 impact, during the Project design (PPG Phase) and implementation, the Project will continue to apply biosafety and sanitation protocols established to reduce the impact of the pandemic. Throughout its design process, the Project will follow the GEF?s 2020 Project Design and Review and Considerations in Response to the COVID-19 Crisis and the Mitigation of Future Pandemics. As indicated in Section II, the GOP's reaction to COVID-19 aims to ensure food production continuity and marketing and support rural families (including small coffee/cocoa producers). Thus, the GOP critical responses include delivering the Bono Rural and the rescheduling payments of credits guaranteed by AGROPERU Fund, without interest. Further, the GOP introduced the Reactivate Peru Programme to provide fast support to companies impacted by COVID-19. I.e., guarantees to micro, small, medium, and large enterprises to enable access to working capital loans, with low-interest rates and more extended grace periods and instalment payment plans. At the field level, farmers show an extraordinary capacity and willingness to adapt, reduce risk, and secure cash by integrating new crops for self-consumption and potential sale of surplus; and COVID-19 national protocols are supported. E.g., in commodity-producing areas, rural patrols control the compliance of health measures and access to producers' collection centres. Cooperatives are adapting operations and support investing in the implementation of security protocols to maintain their technical capacity. For instance, the FEPCMAC is assessing how to adjust their business to the post-COVID-19 situation, including small subsidies to help support households. It is expected that in the post-COVID-19 scenario, the GOP will prioritize investing in the agriculture sector, including commodity sectors. The MIDAGRI has launched the Sectoral Working Group to articulate sectoral and regional actions linked to the coffee value chain. Similar measures are expected for the cocoa and oil palm. These groups will help implement the National Action Plan on Coffee, Cocoa, and Oil Palm and contribute to competitiveness and sustainable farming. Besides, GOP has launched financing funds to support the coffee sector. Despite the risk, the post-COVID-19 scenario appears favourable for the Project. The Project's implementation will coincide with the agricultural sector's post-COVID-19 reactivation starting in the second quarter of 2021. The Project provides a range of post-COVID opportunities to improve food production (DFC in the Peruvian Amazon). For instance, The Project aligns with the OECD's response to coronavirus (COVID-19) in the food and agriculture sector. This alignment results in a range of opportunities for the project stakeholders and beneficiaries. The overall Project's strategy aims at making DFC/food systems more sustainable and resilient, and therefore, today, the Project is, even more, an urgent priority for the Government of Peru. The Project provides an opportunity to assess the current resilience tools in the national food system to identify which policy measures have proven most effective and what new measures may be needed to respond to system-wide shocks. In addition, it will be crucial to understand the factors that enable local producers and farming businesses to adapt their business models fast enough to avoid the most damaging consequences. Finally, the Project will provide the opportunity to integrate lessons from the COVID-19 pandemic into more comprehensive responses to challenges confronting the national and global food system. For instance: 1. How to make food systems more resilient to weather

Financial and market risks	
Risk	Mitigation strategy
1. Global market demand for sustainable products does not support investments necessary to ensure DFC. If the market demand for sustainable commodities (e.g., cocoa and coffee prices and premiums) does not sustain itself and pays for itself, companies like OLAM, ECOM, JDE and NESTLE will have no alternative that step back of the area (hence leaving the field open for opportunistic traders (who are not looking so much at origin and source of production).	Increase promotion and communications at international level on the global environmental benefits and the benefits to the local economy linked to DFC. Expand traceability, introduce blockchain systems to strengthen the consumer-producer connections. Develop new marketing strategies to promote the purchasing and consumption of DFC, as part of a greener economic reconstruction after CODID 19. Strengthen monitoring, surveillance and reporting to support DFC and control opportunistic traders.
2. Financial agencies raise the interest rate on green agricultural credit or credit for sustainable crops due to the increased risk in the sector, discouraging credit or financing of technological packages.	Implement a Guarantee Fund in favour of financial entities that allows covering the payment quotas of coffee, cocoa and oil palm producers financed by them in the face of variations in production and the sale price
3. Coffee, cocoa and oil palm producers cannot meet the payment of credits received by financial entities due to natural disasters or pests.	Implement an Agricultural Insurance in favour of coffee producers against pests or natural disasters (floods, etc.) and allow covering their financial and commercial obligations
3 The destination of the credit does not finance technological packages. The coffee, cocoa and palm producer allocate the loan to personal needs or to the payment of other obligations	That the financing is aimed at financing raw materials, supplies and equipment; in such a way that the disbursement of credits is granted directly to the suppliers and not to the producer. Besides, through the project extension agents, the producers will be monitored to verify, among other aspects, that the producer allocates the credit as expected.
4 Financial entities do not finance medium and long-term technology packages, as is the case of reforestation packages, because they prioritize short-term and fast-recovery loans.	Provide technical assistance and training to credit analysts, credit promoters, and agricultural credit supervisors, providing more information and details on technology packages. Establish lines of financing for medium and long-term loans and allow financial entities to match their credit operations
5 The producer of coffee, cocoa or oil palm receives more than one credit and from more than one financial institution, over-indebting their ability to pay.	Implement an information system where financial entities can review and update information on costs, behaviour of crops and financing of credits to producers, verifying whether or not the producer accessed other financing.
Climate change	
Risk	Mitigation strategy

Climate change related disasters have an impact in local livelihoods and food security by destroying CDF plantations and crops. The increase in temperature will affect production systems such as coffee and cocoa and will have particularities at the local level. For example, with climate change, the potential area for coffee cultivation will decrease by 2050, and for cocoa cultivation, the potential area will increase. In national terms, the current potential distribution of coffee estimated based on the ecological niche without considering the different categories of land use shows a decrease of 33,026 ha compared to the current potential estimated at 2050 (current potential area 11,584,382 ha. - future 11,551,356 ha). In addition, there will be a variation in the location of the coffee towards higher elevational levels (current average altitude 1391 m a.s.l. - future 1587 m a.s.l.). Regarding cocoa, at the national level, an increase of 10,018,064 ha is estimated by 2050 (current potential area of ??18'333,117.00 ha - future 28'351,181 ha). For example, by 2050, for the departments of Cusco, Ucayali, Hu?nuco, Madre de Dios, Pasco, and Jun?n, the effective potential distribution of coffee will show a decrease of 40,358.00 ha (7% reduction). On the other hand, in the same departments, the future scenario for cocoa will be characterized by an increase of 197,323.36 ha (20% increase) in the potential effective area.	The Project cannot directly affect climatic events; however, its interventions are designed to direct investment in activities that limit exposure to hazards and increase the ability of farmers and the coffee/cocoa and palm oil trees themselves to adapt to the new conditions. The Project will work with a range of stakeholders (e.g., CI and commodity platforms) to carry out site-level climate assessments to inform adaptation decisions at the farm level while not losing the landscape perspective. For example, the Climate Impact Chain (CIC) assessment framework will be tested by the Project. Analysis such as CIC will help stakeholders understand the relationship between cause and identified problem and target investments and interventions. The project strategy, particularly under components 1-3 introduces activities that aim at reducing the potential negative impact of climate change. Key activities include the introduction of: ? Improvement ecosystems management, ? Integrated landscape management ? DFC models that incorporate SFM, LDN and climate-smart agriculture. ? Shifting the expansion of DFC production to restores agricultural land ? Expanding biodiversity corridors and community and conservation agreements ? Promoting the use of HCVF in land restoration models ? Intensive capacity building at governmental and producers levels, with strong participation of large DFC buyers, financial institutions, local banks and specialised national and international civil society organizations. ? Improving monitoring and evaluation of the impact and mitigation measures at central and local levels.
Political instability/governance	
Risk	Mitigation strategy

The project implementation, starting in 2022, will follow a continuous period of political instability in Peru. As a result, Peru has had, up to date, four presidents between 2016 and November 2020. In the new presidential election in April 2021 (first round) and June 6 (second round), Peruvians will select the new President between candidates Keiko Fujimori and Pedro Castillo. In recent years, Peru's democratic instability has directly impacted the Ministry of Environment (MINAM) and other key central agencies, and Projects? local partners because of the frequent staff turnover and the consequent decision-making gaps. If political instability continues, decision-making gaps and implementation delays could compromise the Project. Unfortunately, to make matters more complex, Peru faces a strong second wave of the COVID-19 pandemic.	Although the political instability id out of the Project?s control, the Project has strategically organised a governance structure with a participation of a wide range of stake holders. The Project?s governance structure includes clear roles and responsibilities, and representatives of the private sector (DFC buyers, financial institutions, local banks, producers associations. The Project is also supported y three implementation agencies UNDP, FAO and IFAD. Being UNDP the leading agency. Further, a solid Project Board (also called Project Steering Committee) is part of the governance structure. The board is responsible for taking corrective action as needed to ensure the Project achieves the desired results. Some essential functions of the board include: ●Provide overall guidance and direction to the Project, ensuring it remains within any specified constraints; ●Guide on new project risks, and agree on possible mitigation and management actions to address specific risks; ●Agree on project manager's tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager's tolerances are exceeded; ●Ensure coordination with various government agencies and their participation in project activities; ●Ensure proactive and effective quality assurance coordination across all the Project's components; and ●Ensure the highest levels of transparency and take all measures to avoid any actual or perceived conflicts of interest. UNDP, FAO, and IFAD are working on a collaborative action plan to ensure that the new authorities fully understand the scope and benefits of the Project and support its implementation

(b) Social and environmental risk (from SESP)	
Risk	Mitigation strategy

SESP Risk 1: Some vulnerable groups, such as Indigenous Peoples, women and youth, may be only marginally involved in the project?s implementation and, as a result, may not support or benefit from the activities.	During the PPG phase, the SESP was revised based on further assessments and information gathering. Because of its high risk, the project, during the PPG phase, carried out a gender analysis and prepared a GAP and an ESMF. These assessments aim at improving women and IP?s participation and access to benefits. In addition, the Project will prepare detailed ESIA, ESMP, and a Strategic Environmental and Social Assessment (SESA) to ensure compliance with SES during the first months of the project?s implementation. The ESIA will inform the required ESMP, and the SESA will improve the delivery of benefits under each of the Project?s Outcomes. In addition, during the PPG phase, the project analyzed the participation challenges facing indigenous people engaged in commodity production. Based on this analysis an IPP was formulated and will be refines during implementation. The FPIC framework was used in the formulation of the above-mentioned tools. The FPIC will be obtained, following the steps outlined in the ESMF and the IPPF. During the PPG, a stakeholder analysis and engagement plan was formulated to meet the standards of the SES. The IPP, in particular, underscores the application of Free, Prior and Informed Consent (FPIC). The above-listed tools will improve participation of women in the commodity supply chains and within their organizations. Lastly, the impact of COVID-19 on women and vulnerable people was consider during the formulation of the indicated tools. The project will contribute to the reinsertion of youth in agricultural activities, through the intergenerational transfer of technical and commercial models for DFC.
SESP Risk 2: Subnational governments, smallholder associations and dialogue platforms on commodities may not have the capacity to implement project activities or successfully monitor them. This would affect the sustainability of the DFC model and producers could return to unsustainable practices or transition to illicit crops/activities.	The Project, though each of its components and public-private partnerships (with large deforestation-free (DFC) commodity buyers), will strengthen public and private policies and institutional law enforcement capacities at regional governments (GORE) and local governments (GOLO) to support DFC production. Integrated land management (ILM) and conservation approaches will support Annual Institutional Plans and multiannual investment plans; and private sector investment planning. The Project's partnerships will strengthen local commodity dialogue platforms to support governance, deforestation monitoring, and DFC management. Private sector investment and purchasing agreements will increase the associativity and consistent productivity of smallholders, including indigenous peoples and women. Access to credit, guarantees, extension services, and monitoring will discourage a return to illicit cropping. The project will carry out situational value chain analysis of each commodity (including social conflicts linked to illicit activities) and use the results to strengthen capacity building plans and adjust the projects interventions. The Project will also support the implementation of IP?s Life Plans which aim at establishing legal long-term sustainable livelihoods. The Project will follow biosafety protocols to address COVID-19 threats, particularly at the rural organizations level. These protocols will regulate the movement and working interactions between producers, buyers, and technical support staff. Besides, technology-based M&E tools will support the shift to DFC commodities and reduce smallholders' technology/digital gap in the area of intervention. Together biosafety measures and technology application will strengthen monitoring and action to prevent possible returns to illicit activities.

SESP Risk 3: The improved capacities for integrated land management (ILM) promoted by the project, including surveillance and monitoring of deforestation, could restrict access to resources and lead to changes in usufruct rights related to land and resources for vulnerable groups or informal users, resulting in their physical and economic displacement and affecting protected areas, indigenous territories and other HCVF within and outside the project area.	The above-mentioned SESA will support the formulation of adequate policy reforms. Besides, UNDP, IFAD and FAO will apply UNDP?s SES to minimize risks. The project will develop plans to strengthen vulnerable populations? productive capacities and access to credit in prioritized areas, to facilitate their insertion in DFC chains, improve their livelihoods, and reduce their risk of physical and economic displacement. It will apply market incentives and soft credit and guarantees for sustainable production; promote the coordination of strategies at the level of multi-actor territorial platforms; and strengthen measures to monitor and control changes in land use. The project interventions are designed to minimize displacement, loss of usufruct rights, and migration to less monitored areas. In addition, the Project will develop a comprehensive ESMP which will address the need and include (as needed) a strategy to prevent and address resettlements in unavoidable cases. However, this is not expected as a result of the Project?s activities, To further address this risk, the Project will also support, under Component 1, the implementation of IP?s Life Plans and IP governance (Livelihood action plans) that aim at establishing legal and local long-term sustainable livelihoods. This will further contribute to minimize migration or displacement risks.

SESP Risk 4: The project?s promotion of land restoration and more profitable and sustainable commodity models could attract seasonal migration to provide labour or technical assistance services. This could increase the local population?s risk of contracting water- or vector-borne diseases, or contagious infections.	The project will support designing of occupational health and safety regulation that meet or exceed the SES/international standards. The level of intervention will be guided by the ESIA and covered by the ESMP. All safety regulations will strengthen national labour and health regulatory frameworks. This will ensure better measures to prevent the spread of emerging and re-emerging diseases (dengue, malaria, COVID and other infections). Further, the Project supported organic certification frameworks include occupational health and safety regulations that provide a safe and healthy work environment, minimizing workplace-related injuries and illnesses. In addition, preventative measures will be implemented that are adapted to the health conditions of the environment or place. The project will use biosafety protocols to address COVID-19, particularly for IP. These protocols will regulate the interactions of payroll and contract employees and service providers linked to the project, specifying prevention and care measures that will facilitate workers? movement to carry out their work, while taking special care of the health of local smallholders, including women and indigenous populations. The project will implement actions that contribute to reducing smallholders? digital gap in the area of intervention. The project will train the technical staff and management of the producer organizations in the The project will finance COVID-19 testing and provide protective gear.

SESP Risk 5: Commodity supply chains and smallholders? livelihoods have been impacted by the biosafety measures imposed by governments in response to COVID-19. As a result, there may be increased poverty and, with it, unsustainable and illegal activities, in addition to increased gaps in the vulnerable population?s capacities to develop DFC value chains in the area of intervention.	COVID-19 affects commodity supply chains from production to distribution and commercialization. If the pandemic is prolonged with periodic quarantines in the area of intervention, the project will establish the following measures, which must be reviewed and updated in response to their level of effectiveness, scientific developments and the pandemic?s evolution: ? Implement actions to close the digital gap affecting smallholders, especially women and Indigenous Peoples, to improve their access to channels and platforms for communication, deforestation monitoring, commerce, virtual banking and training, among other aspects. The participation of youth in these new platforms will be promoted, as agents of replication in their organizations. ? Facilitate information to producers to process safeguards for transporting their products during lockdown periods. ? Include biosecurity protocols for coffee, cacao and palm oil value chains. ? Provide advising services to the prioritised vulnerable population groups on access to credit through the financial system. ? Support productive diversification in climate-smart-agriculture (CSA), SMF and agroforestry models with local species focused on food security and the local and national market. ? Contribute to increasing domestic demand for commodities, for example through communication campaigns or providing means for the beneficiaries? production to reach fairs and mobile markets. ? Diversify markets for DFC, supporting the establishment of partnerships with medium and large buyers of DFC commodities. ? Provide digital equipment and technology-based extension services and trainings
SESP Risk 6: The project intervention could inadvertently support child labour and other violations of international labour regulations by beneficiary organizations.	To decrease and/or eradicate the risk of increases in Child labour, the project will work with local governments and the private sector to endure that child labour is controlled and private sector policies on child labour are enforced to its full extend. Further, the Project will work with DFC commodity producers and provide technical support to formulate rural organizations? internal regulations to eliminate child labour. Partnerships will be promoted with the DFC buyers, the Ministry of Labour, Ministry of Women and Vulnerable Populations (MIMP), Ministry of Education and civil society organizations to eliminate child labour and to sensitize and train technical staff and producer organization leaders on the social, economic and environmental risk associated to not complying with the Protocol on Sectoral Actions in Child Labour, Ministerial Resolution 265-2012TR. In addition, the DFC certification frameworks that the project promotes prohibit child and forced labour and monitors compliance.

SESP Risk 7: The existing conflicts related to the use and/or ownership of land (including conflicts on indigenous lands) could be exacerbated or revived by the project?s planned interventions.	The Project?s IPPF and the IPP will be implemented to manage this risk and all others related risks. These plans will be revised during implementation as needed based on the ESIA/ESMP and ongoing consultations and monitoring.
SESP Risk 8: The project?s activities and approaches may not completely incorporate or reflect women?s points of view in order to guarantee equitable opportunities for their participation and access to benefits.	The project will contribute to decreasing women?s participation gap in organizations through affirmative actions that target 45% of women beneficiaries (youth and adults). The project has a GAP that will be mainstreamed in the components and activities of the project?s results framework: Through component 1, the project promotes women?s participation in concerted regional development plans (PDRC, for its Spanish acronym) and concentrated local development plans (PDLC, for its Spanish acronym) that contribute to incorporating territorial development plan principles and actions and the gender and intercultural approaches; component 2 will contribute to improving the effective participation of women members in their associations and cooperatives, and improve their access to credit and their individual capacity to pay; in component 3, extension services programmes will incorporate the gender and intercultural approaches and ensure women?s participation (indigenous, non-indigenous and of different ages) in training programmes, with a minimum quota of 25% participation; component 4 will systematize best practices and lessons learned that recognize the participation of women, youth and Indigenous Peoples in the DFC chains, forest restoration and SFM. The project has allocated financing to implement these actions and the GAP.

SESP Risk 9: Local producers and producers associations? limited fulfilment of environmental commitments could lead to negative impacts on natural habitats, HCVF (protected areas [PA] and environmental zones [EZ]) and biodiversity (endangered species). This limitation could generate cumulative impacts on other existing or planned activities in the selected jurisdictions.	The project includes actions to strengthen men and women?s capacities in habitat management and integral territorial management; strengthen forest control and surveillance platforms; and improve policies to promote commodities and regulations for changes in land use. Capacities will be enhanced for the implementation of climate and environmental risk management and for the protection and restoration of biodiversity. In addition, the following measures will be implemented: Strategies and capacity-building plans for vulnerable population to engage them in DFC chains. The project?s interventions will exclude protected areas and habitats of endangered or critically endangered flora or wildlife species, according to UICN classifications. For interventions in PNA areas the project will consider the provision of governing bodies (SERFOR/ SERNANP) and Master Plans. The project will not support new areas of commodities that would affect forest coverage or changes in soil use. The project will formalize agreement with producers, i.e., community conservation agreements (CCA) inherent to DFC production models and finance. The project must monitor and evaluate the fulfilment of DFC environmental commitments.
SESP Risk 10: Policy or regulatory reforms could have negative social and/or environmental impacts if there are deficiencies in their design or implementation.	Policy reforms or regulatory related risk, following the SES, will be addressed through a SESA. In addition, the Project will assess policy adequacy by applying criteria such as "consistency" (the ability of multiple policy tools to reinforce rather than undermine each other in the pursuit of policy goals), "coherence" (the ability of multiple policy goals to co-exist with each other and with instrument norms in a logical fashion), and 'congruence" (the ability of goals and instruments to work together in a unidirectional or mutually supportive fashion) The Project will ensure that policy analysis is shared and supported by mechanisms that ensure citizen participation. In this line of action, the participation of public, private, national, regional and local actors will be facilitated in platforms linked to the sustainable management of the territory and DFC. These actions will indirectly strengthen the capacity of actors to monitor and control the implementation of public policies and regulations related to DFC. The traceability systems promoted by the project must contribute inputs for improving policies and regulations related to DFC. All components will consider the corporate policies of large purchasing companies of sustainable commodities. These include, for example, policies on the sustainable origin of products, deforestation-free policies, rural development, conservation, and biodiversity, gender, prohibition of child labour, and a wide range of guidelines for producers, the same that are mandatory for the corporations that buy commodities in Peru. Their monitoring and evaluation protocols will also be incorporated.

SESP Risk 11: The project?s activities and results will be vulnerable to the potential impacts of climate change.	The project must update, for the area of intervention, the analyses of future climate scenarios developed for coffee, cacao and palm. Climate risk assessment and management plans will be prepared, these assessments will support the DFC technical packages and be part of the Project?s DFC business plans and aligned with the ESMP. The project will strengthen early climate warning systems in coordination with the National Climate Change Adaptation Plan [Plan Nacional de Adaptaci?n al Cambio Clim?tico], 32 local adaptation plans that are generated, and the National Disaster Risk Management Plans [Plan Nacional de Gesti?n del Riesgo de Desastres] (PLANAGERD) 2014-2021. The corporate policies and guidelines mentioned in Risk 10 will also be considered.
SESP Risk 12: The project?s activities may have an indirect adverse effect on the cultural heritage of the Indigenous Peoples involved.	The project will design a procedure to exclude indigenous cultural heritage areas, with the participation of the native communities that are involved and their representatives, considering the Ministry of Culture?s (MINCU) database of intangible cultural heritage. As part of the IPP, the project will implement FPIC procedures for activities that will be developed in indigenous territories of that affect their collective rights. For the use of traditional practices and knowledge related to natural resource management, productive systems, climate change adaptation, among others associated with biological resources, the project must apply the FPIC. It will also communicate with the representative organisations of Indigenous Peoples and MINCULTURA, so they take action to adequately protect this traditional knowledge. The effective use of the grievance redress mechanism (GRM) will be promoted to address concerns or complaints related to compliance with safeguards protecting cultural heritage. The GAP contributes to improving women?s participation, recognising and valuing their role in maintaining ancestral knowledge.
SESP Risk 13: The cultivation area of commodities may not have adequate conditions to provide key ecosystem services for the medium- and long-term sustainability of crops, due to the state of degradation.	The project will prioritise the restoration of zones that provide environmental services to the commodity chains and zones that contribute to the connectivity of conservation corridors (Annex 2) that are affected by changes in soil use, the contamination of water, and others. It will improve local capacities for the protection and restoration of biodiversity and integrated territorial management. The project must implement strategic actions that promote the sustainability of investments in restoration, such as (a) strengthened local and regional platforms for water governance (MERESE and others), conservation and protection of water replenishment areas, deforestation monitoring, communal control and surveillance, among others; (b) promotion of partnerships between producers and private and public sectors (4P) for restoration. Prior to developing investments in restoration, the project must have a climate risk assessment and management plan for the intervention sites. The climate-smart agriculture technological packages that the project will implement will include measures to re-establish environmental services, such as soil recovery and management, water harvesting measures, and the reestablishment of plant coverage through agroforestry systems, among others. Policies promoting commodities will be promoted, as well as procedures for changes in soil use and the strengthening of regional and local forest control and surveillance platforms, in coordination with national platforms such as Geobosques. These actions will reduce the risk of changes in forest use.

SESP Risk 14: Project partners could maintain or undertake inappropriate practices in managing agrochemicals and residual water during the cultivation and processing of the commodities, generating health and environmental risks.	The project will promote the use of good environmental practices during the transportation, use, storage and final disposal of agrochemical residues outlined in FAO and WHO policies, codes and guidelines; and the integrated management of pests, including the use of organic controllers and slow-release fertilizers. During the formulation of business plans, the project must consider the availability of agricultural inputs in the areas of intervention, among other factors related to the implementation of good practices. The project must provide beneficiaries with a manual on the management and responsible use of chemical pesticides and fertilizers, adapted to the sociocultural context of the intervention and coordinated with capacity-building for the vulnerable population. In terms of the dumping of wastewater and industrial effluents from the palm processing plant, in the analyses and environmental risk management plans included in component 2, the project must guarantee the incorporation of measures to treat wastewater, such as the generation or improved infrastructure in accordance with the anticipated volume of production, and technology and technical assistance for wastewater treatment that ensures compliance with the current regulatory framework. The project must monitor the application of good practices in the management of agrochemicals and treatment of wastewater and carry out yearly evaluations from a sample of producers, along with monitoring GHG emissions. Complementarily, to manage this risk, the project must be coordinated with other initiatives with potential for synergistic actions, such as NAMA caf?.

72. Risks and risk management measures are incorporated in the UNDP?s Risk Register (please see Annex 6 of the UNDP-GEF Project Document for details) and risk monitoring mechanisms. Following UNDP requirements, the Project Coordinator will monitor risks quarterly and report on the status of risks to the UNDP Country Office, which will record progress in the UNDP ATLAS risk register. The above-listed risk mitigation measures are also addressed through the Comprehensive Stakeholder Engagement Plan (please see Annex 8 of the UNDP-GEF Project Document for details), a Gender Action Plan (please see Annex 12 of the UNDP-GEF Project Document for details), an Environmental and Social Management Framework (Annex 9 of the UNDP-GEF Project Document for details), and an Indigenous Peoples Plan Framework (IPPF) in Annex 11; all of which were developed during the project design. The SESP is included as Annex 5 of the UNDP-GEF Project Document and will be periodically updated during project implementation.

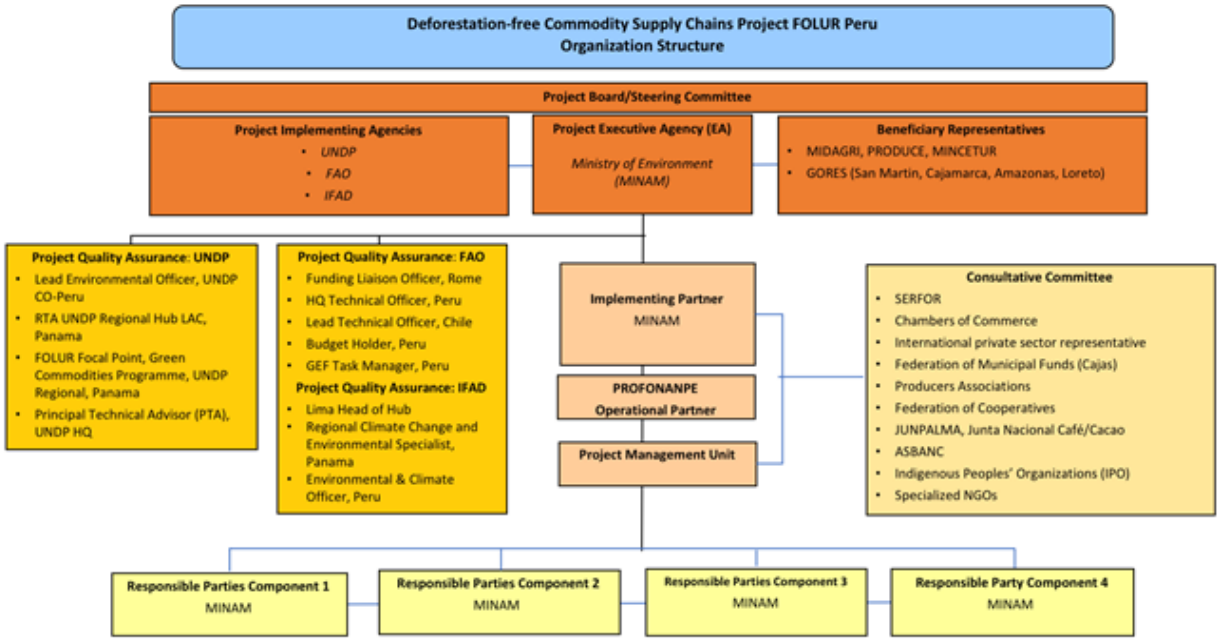
73. UNDP, FAO and IFAD jointly implemented the Project. Therefore, the three agencies have agreed to apply and monitor UNDP's safeguards policy in their respective activities, i.e., FAO in Component 3 in its entirety, and IFAD in Component 2, Output 4, 2.2.1). As the Project's lead agency, UNDP has the responsibility of following up on FAO and IDAD's use of UNDP's safeguards.

6. Institutional Arrangement and Coordination

Describe the institutional arrangement for project implementation. Elaborate on the planned coordination with other relevant GEF-financed projects and other initiatives.

74. The Project?s institutional arrangements are described in Section VII: Governance and Management Arrangements of the UNDP-GEF Project Document. Figure 3 below illustrates the Project?s governance structure.

Figure 3. Governance structure



75. UNDP is the leading GEF Agency of this Project. UNDP, FAO and IFAD are accountable to the GEF for the implementation of the project. This includes oversight of project execution to ensure that the project is being carried out in accordance with agreed standards and provisions. UNDP, FAO and IFAD are responsible for delivering GEF project cycle management services comprising project approval and start-up, project supervision and oversight, and project completion and evaluation. The Agencies are also responsible for the Project Assurance role of the Project Board/Steering Committee. While UNDP is the lead implementing agency in terms of coordination with FAO and IFAD, accountability for quality assurance will be assumed by each of the three agencies independently.

76. The Ministry of Environment has requested execution support services from PROFONANPE, selected through a procurement process undertaken by the same IP (according to its regulations and policies). The Peruvian Trust Fund for National Parks and Protected Areas (PROFONANPE), a non-profit environment fund, will develop support activities in the execution of the project in components 1, 2, 3, and 4 and will provide overall operational assistance including, but not limited to, administrative and procurement functions. All direct costs have been identified and are detailed in the PMC, not exceeding 5%.

77. It should be noted that the identified Operational Partner(s) or OP, results to be implemented by the OP and budgets to be transferred to the OP are non-binding and may change due to UNDP, FAO & IFAD's respective internal partnership and agreement procedures, which have not yet been concluded at the time of submission.

78. The Project Board (also called Project Steering Committee) is responsible for taking corrective action as needed to ensure the project achieves the desired results. In order to ensure the GEF Agencies? ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition.

79. The specific responsibilities of the Project Board include:

? Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
? Approve AWP and its budgets;
? Address project issues as raised by the project manager;
? Provide guidance on new project risks, and agree on possible mitigation and management actions to address specific risks;
? Agree on project manager?s tolerances as required, within the parameters set by UNDP-GEF, and provide direction and advice for exceptional situations when the project manager?s tolerances are exceeded;
? Advise on major and minor amendments to the project within the parameters set by UNDP-GEF;
? Ensure coordination between various donor and government-funded projects and programs;
? Ensure coordination with various government agencies and their participation in project activities;
? Track and monitor co-financing for this project;
? Review the project progress, assess performance, and appraise the Annual Work Plan for the following year;
? Appraise the annual project implementation report, including the quality assessment rating report;
? Ensure commitment of human resources to support project implementation, arbitrating any issues within the project;
? Review combined delivery reports prior to certification by the implementing partner;
? Provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
? Address project-level grievances;
? Approve the project Inception Report, Mid-term Review and Terminal Evaluation reports and corresponding management responses;
? Review the final project report package during an end-of-project review meeting to discuss lesson learned and opportunities for scaling up;
? Ensure proactive and effective quality assurance coordination across all the Project?s components; and
? Ensure highest levels of transparency and take all measures to avoid any real or perceived conflicts of interest.

80. Project implementation quality assurance will be led by UNDP, with support of FAO and IFAD in their respective components. Further, the project structure includes the Project Management Unit (PMU) that will be supported by a Consultative Committee that incorporates a range of stakeholders of the value chains. The PMU, led by the Project Manager, will oversee the implementation of the four projects components.

81. The Project, through its advisory committee, will establish partnerships to build on the experience of related commodity projects such as:

- GEF-UNDP 5629 Sustainable Productive Landscapes in the Peruvian Amazon (SPL). This project supports the implementation of Peru?s National Strategy for Forests and Climate Change (ENBCC), contributing to the reduction of deforestation, and forest recovery, in productive landscapes in Hua?nuco and Ucayali Departments in the Peruvian Amazon.

●OLAM/Solidaridad/JDE/SERFOR: "Circular Coffee from Peru: Creating value across the value chain" in San Martin with each of the FOLUR Project components.

●GEF- FAO / UNIDO / IFAD GEF-ID 10198: Building human well-being and resilience in Amazonian forests. This Project enhances the value of biodiversity for food security and bio-businesses. In the climate change context, this contributes to reducing deforestation and loss of biodiversity in productive landscapes in Loreto, Ucayali, and Jun?n Departments in the Peruvian Amazon.

●Through the Forest and Landscape Restoration Mechanism (MRBP) project, FAO supports the Country's planning and execution of activities to recover its degraded and/or deforested areas. The MRBP uses a participatory and multipurpose approach and contributes to the Bonn Challenge's achievement - the restoration of 150 million hectares of land - and the Aichi Biodiversity Targets related to the conservation and restoration of ecosystems. In Peru, the implementation of the MRBP includes the following activities: a) Support in the preparation of maps of areas with potential for restoration in 12 regions of the Country with the ROAM methodology (Methodology for the Evaluation of Restoration Opportunities), b) Design and formulation of the National Program for the Restoration of Ecosystems and Degraded Lands (PRO REST). This Program promotes restoration activities, using a landscape approach. The Program incorporates priority actions in national, regional and local planning. Considering the Country's current land degradation context and the commitments to promote restoration, this instrument's approval is critical. Similarly, the preparation of a proposal of incentives for investment in RAD aims to restore and generate economic returns with products of high added value, integrated into processes of social inclusion and sustainable use of resources.

●The FAO EU FLEGT Program FAO assists the Country's government institutions, civil society organizations, representatives of indigenous peoples, and private sector associations to address their priority needs for forest governance and implementation of the laws. Grants support different stakeholders through requests for direct assistance from government institutions and the organized private sector. The Program also offers information services to develop quality FLEGT-related information products and exchange knowledge among stakeholders at the national, regional, and global levels. Also, it has an established roadmap for Peru, which is an agreement reached in 2016 between national and local actors from the different regions of the Country. SERFOR, OSINFOR, and other national government entities participated in the agreement. The roadmap establishes three main lines of work:

●Support for the private sector;

●Support for the regional forest authority in the Loreto region (GERFOR Loreto); and

●Support for the indigenous forest oversight of CODEPISAM in San Martin and CORPIAA in Atalaya

●MINAM and SERNANP implement the "Heritage of Peru" (PDP) initiative. This initiative aims to generating enabling conditions for the effective management of protected areas within an 11-year period, ensuring sustainability in perpetuity. The first phase focuses on the Amazon and includes 38 Protected Natural Areas, 5 ANP within the Project's scope. The initiative has two projects: "Financing for the Permanence of the National System of Natural Areas of Peru" financed by the Gordon and Betty Moore Foundation; and the project "Ensuring the Future of Peru's Natural Protected Areas," funded by the sixth GEF replenishment. The executing partners are SERNANP as the technical entity and PROFONANPE executing the administrative part. This last Project's primary purpose is to promote long-term financial sustainability for effective management of the National System of Protected Natural Areas of Peru (SINANPE) to protect biodiversity and ecosystem services of global importance in the Amazon biome.

●The United Nations Collaborative Programme for the Reduction of Emissions due to Deforestation and Forest Degradation in Developing Countries - UN-REDD Program (2016-2020) provides strategic technical assistance to advanced countries in the implementation of REDD+ policies, including Peru. It also supports the management of global knowledge associated with the performance of REDD. The Project will invest around USD 4 million until June 2020.

82. The Project is further assessing potential key collaboration with a range of projects related to FOLUR. An extensive list of projects and state-funded initiatives is included in Annex 23 of the Project Document. The project will also coordinate actions with the Jaguar Corridor Initiative for the preservation of the genetic integrity and future of the jaguar by connecting and protecting core jaguar populations from Mexico to Argentina.

7. Consistency with National Priorities

Describe the consistency of the project with national strategies and plans or reports and assesments under relevant conventions from below:

NAPAs, NAPs, ASGM NAPs, MIAs, NBSAPs, NCs, TNAs, NCSAs, NIPs, PRSPs, NPFE, BURs, INDCs, etc.

83. Addressing the current sustainability issues in commodity production is fully consistent with Peru?s national strategies, reports and commitments to several relevant international conventions. Further, Peru recognizes the indispensable role of the private sector to solve the challenges. In 2018 the Coffee National Action Plan (CNAP) was completed and similar plans for cocoa and palm are advancing. The engagement of the private sector is instrumental for the successful implementation of these plans. Likewise, decentralization and farm investment programs that promote sustainable solutions that engage all value chain players (producers, exporters, traders and international buyers) are also advancing.

84. Peru?s key policies and commitments include: The National Forests & CC Strategy addresses forest loss and degradation through competitiveness, climate resilient agriculture and ranching, zoning and land tenure. The Joint Declaration of Peru, Norway & Germany includes coalitions and targets for 0-deforestation commodities. Peru?s NDC includes 62 mitigation and 91 adaptation measures, for which

AFOLU contributes to 65% of emissions reduction targets. Forestry, Ecosystem Services (ES), and Climate Change Laws are in place and apply across sectors (government, private sector, CSO and indigenous people). The new National Coffee Action Plan will strengthen the sector?s supply chain and the new Coffee and Palm NAMAs to improve land use are designed. These instruments are articulated with the FCPF, UN-REDD, FIP and GEF. Subnational CC/biodiversity strategies will facilitate executing international agreements that provide the framework for multi-stakeholder action on deforestation free, restoration and sustainable commodity value chains:

- UNCBD/2020 Aichi Targets, UNFCCC, and UNCCD
- The New York Declaration on Forests commitments/action
- Under the Global Restoration Initiative, the Bonn Challenge and the 20x20 Initiative, Peru pledged to restore 2M ha through commercial reforestation and in addition, 1.2M ha applying a mix of reforestation techniques including assisted natural regeneration, agroforestry and agroecology systems
- Peruvian Supermarkets S.A. have joined the Consumer Goods Forum
- Green Growth Partnership/UNDP Green Commodities Programme.
- Tropical Forest Alliance: Peru joined TFA in early 2019.
- Governors? Climate and Forests Task Force, engaging 7 Peru jurisdictions, including San Martin, Amazonas and Loreto prioritized in the Project.

85. In addition, there are significant advances in relation to the improvement of national environmental policies, strengthening of central and decentralized institutions, mobilizing public and private political will and funding to improve the supply chain of commodities/food systems, land use management and restoration of degraded land. These key developments include policies and laws to promote sustainable land management and agriculture, forestry and wildlife (biodiversity), and biofuels. There is a solid regulatory framework for spatial planning of forests in Peru, including in the Amazon region. This framework provides for territorial land use planning, ecological and economic zoning (ZEE), forest zoning and forest use categorization; in addition, there has been improvements in other key regulatory frameworks, including MINAM?s 2013 Methodological Guidance for Economic and Ecological Zoning (EEZ) and the SERFOR?s 2016 Methodological Guide for Forest Zoning (Executive Resolution N? 168-2016-SERFOR ?DE). However, the legal framework still needs strengthening in terms of gender and inter-cultural approaches and harmonization of public and private sustainable sourcing policies. In terms of funding, an estimated US$65M of public funds are planned for the period between 2019-2021. These resources will be used in and around the targeted jurisdictions to improve agriculture & ecosystem management.

86. Peru has also carried out important institutional reforms that are expected to better support the achievement of sustainable development goals. For example, the strengthening of decentralized governments under the 2002 Law of Foundations for Decentralization and the Organic Law of Regional Governments. By 2013, the decentralization process had advanced significantly, with over 90% of the agreed functions transferred at the end of 2013 (USAID/Peru 2014).

8. Knowledge Management

Elaborate the "Knowledge Management Approach" for the project, including a budget, key deliverables and a timeline, and explain how it will contribute to the project's overall impact.

87. The Project's KM strategy on DFC will outline how the Project manages the information and knowledge in the best possible manner to benefit the Project's beneficiaries, including the supply/value chain stakeholders of cocoa, coffee, and oil palm. The strategy will level awareness and understanding of KM needs across beneficiaries, define the goals, and gain decision-makers' commitment, both public and private. The strategy will also clarify the knowledge-based solutions to DFC challenges, KM partnerships,

and the most appropriate distribution and delivery channels for male and female producers. The strategy will be based on FPIC and formulated during the second year of the Project's implementation phase.

88. The Project will share lessons on good practices and the "not to do" lessons through existing learning and dialogue platforms such as the UNDP's Green Commodities Programme (GCP) and ad-hoc tools developed by MIDAGRI, MINAM, GORES, UNDP, FAO, IFAD, UNEP, and other stakeholders. To this end, the Project will gather data from primary and secondary sources such as :

a) Producers' manual registers related to progress on the implementation of DFC models;

b) Monitoring and evaluation data after visits by extensionists and credit analyst;

c) Aggregated data from producers' associations, cooperatives, service providers, and GORES

d) Aggregated data from large DFC businesses and alliances;

e) Information on producers' profiles, farms' profiles, credit packages, and its financials

f) Business plans;

g) Relevant reports from government agencies and projects;

h) Implementation reports of National Commodities Plans and policy impact analysis;

i) Usage of Project's supported manual and guidelines on DFC;

j) Existing case studies and good practice reports from other related initiatives;

k) Information from subnational, national, and global DFC dialogue platforms, including the FOLUR K2A Platform and the GCP dialogue platforms; and

l) Information related to FPIC, indigenous people's participation, gender, and equity.

89. An important function of the FOLUR K2A Global Platform (GP) is M&E and aggregation and reporting on progress across country projects (CP) on the basis of key indicators and other M&E tools. This is key to have a shared understanding and definitions of these indicators and tools from the outset. To this end, the Project will only use indicators and tools that are applicable to their activities. In addition to the Core GEF indicators and the CP Results Framework indicators, the K2A GP incorporates the following levels of indicators:

1. *Global Platform Indicators:* Capacity/training, Policies/Value Chains, and Knowledge
2. Descriptive case studies
3. Gender (included in all the above indicators):

o Project/program-supported plans, strategies, policies incorporating gender analysis and actions
o Women in leadership roles in groups supported by the CP
o Women with greater ownership, access to, and decision-making power over productive resources through project actions
o Women with increases in sole or joint control over use of income from FOLUR key commodity value chains as a result of project support/activities

1. Annex 30 (of the FOLUR Project document) includes the guidance to help understanding the key indicators and choose appropriate ones for this Project. Besides, technical assistance and appropriate tools for measuring these indicators will be provided by the FOLUR Global Platform.

90. There will be exchanges with other FOLUR projects in Indonesia, Ethiopia, Guatemala, Indonesia, Malaysia, Papua New Guinea, and Liberia. To this end, the Project will use the high-level technical support and advisory services provided to the FOLUR Global Platform to improve the FOLUR-interventions in the Peruvian Amazon landscapes. The exchanges will strengthen landscape management and food/commodity production systems and national and local stakeholders' training, including small and medium holders. The FOLUR Global Platform will be the forum for corporate dialogue and

engagement, including support for dialogue on DFC commitments from large DFC buyers such as OLAM and ECOM and its operationalization. The FOLUR Global Platform will also inform and support the participation in international DFC events to showcase successful experiences to encourage replication of good practices. Besides, the FOLUR Global Platform will be at the center of supporting the synthesizing of lessons on DFC financial, economic and environmental performance in Peru and contribute to global fora and public-private sector dialogues. The Project may also request assistance to engage with global market stakeholders.

91. The Project's KM includes a communication strategy that also identifies key opportunities to engage capable national DFC stakeholders in international events to influence global commodity markets. The Project will coordinate actions with MINCETUR, Coffee and Cocoa Chambers of Commerce, MIDAGRI, and use its alliances to participate in major DFC international fairs and specialized events. The Project will develop an action plan and co-finance the participation of different DFC Champion producers in such events.

92. The Project's KM includes a communication strategy that also identifies key opportunities to engage capable national DFC stakeholders in international events to influence global commodity markets. The Project will coordinate actions with MINCETUR, Coffee and Cocoa Chambers of Commerce, MIDAGRI, and use its alliances to participate in major DFC international fairs and specialized events. The Project will develop an action plan and co-finance the participation of different DFC Champion producers in such events. The key KM deliverables, under Component 4 are illustrated in the following table, including an implementation timeline and estimated cost.

The key KM deliverables, under Component 4.

Key KM deliverables under Component 4, Outcome 7: The results of Components 1, 2 and 3 are successfully achieved with support of a communications and knowledge management (C&KM) strategy that is articulated with FOLUR?s Global K2A Platform.	**Implementation timeline by year and estimated cost**						
	Y1	**Y2**	**Y3**	**Y4**	**Y5**	**Y6**	**Est. cost USD**
1. KM Specialist responsible of Component 4.	x	x	x	x	x	x	252,000.00
2. Needs assessment, design of a C&KM strategy and action plan on DFC, including the mapping of KM platforms working on DFC and other related topics to define scope, interrelations, overlaps, and gaps.	x	x	x	x			24,000.00
3. Information gathering and analysis, systematization of lessons and good practices of ?what to do? and ?what not to do? on DFC, ILM, FLR and recommendations for a communications mechanism.		x	x	x	x		36,000.00
4. Design of training material and learning modules to support Components 1- 3.		x	x	x	x		63,000.00

5. Design of high-leverage content and tech-based mechanisms to deliver TA & training to support Components 1- 3 and training tools that include gender balance, equity, ethnicity and transgenerational considerations.			x	x	x	x	30,000.00
6. Assessment of options, design and interconnect national and regional DFC platforms, and FOLUR?s K2A Platform at global level. The interconnection will incorporate key elements of initiatives on LU, ILM, LDN, FLR, EBD, Climate and Forest; and other key Government?s Programmes.			x	x	x	x	18,000.00
						Total USD	**423,000.00**

9. Monitoring and Evaluation

Describe the budgeted M and E plan

93. The projects? M&E strategy is included in Section VI: Monitoring and Evaluation (M&E) Plan of the UNDP-GEF Project Document. The key elements and cost of the M&E plan are summarized in the table below.

Monitoring and Evaluation Plan, and Budget:			
GEF M&E requirements	**Indicative costs (US$)**	**Co- financing (In-kind)**	**Time frame**
Inception Workshop	*5,000*	2,000	Within 60 days of CEO endorsement of this project.
Inception Report	-	1,000	Within 90 days of CEO endorsement of this project.
M&E of GEF core indicators and project results framework	-	2,000	Annually, at mid-term and at closure
GEF Project Implementation Report (PIR)	-	1,000	Annually typically between June-August
Monitoring of IPP, GAP, Stakeholder?s participation, SESP, ESMF, and FPIC compliance.	*12,000*	5,000	On-going
Supervision missions	-	1,000	Annually
Independent Mid-term Review (MTR)	*70,000*	*1,500*	*May 15, 2024*

Independent Terminal Evaluation (TE)	*70,000*	*1,500*	*February 28, 2027*
Total indicative cost	*157,000*	*15,000*	

94. In addition to the M&E Plan, the Project will provide monitoring, evaluation and feedback (ME&F) protocols to update and periodically improve the Project's strategies, DFC models, and business approach, i.e., an adaptive management approach. Compliance with environmental and social and gender safeguards will be ensured by the ESMF.

95. The ME&F protocols will support institutions such as MIDAGRI and MINAM to better account for their expenditure of public funds on DFC. The broader objective of the protocols is to give more insight into the significance of the impact of DFC, landscapes restoration, and expansion of DFC into restored areas. Further, the protocols will help to assess the impact of applied technological innovations and research in DFC models and their performance (sustainability and profitability). The Project will establish an evaluation and feedback cycle aligned with the proposed Project's innovation and socio-economic goals.

96. The ME&F protocol (including FOLUR K2A GP indicators and reporting) will support the Project's PIRs, MTR and updating environmental and social guidelines (including compliance with the ESMF and the gender and stakeholder engagement plans).

10. Benefits

Describe the socioeconomic benefits to be delivered by the project at the national and local levels, as appropriate. How do these benefits translate in supporting the achievement of global environment benefits (GEF Trust Fund) or adaptation benefits (LDCF/SCCF)?

97. The Project will deliver benefits at the national and local levels. The implementation of the Project?s four components will result in an estimated 1.3 M ha. under ILM systems that will be distributed throughout 17 provinces in the Departments of San Mart?n, Loreto, Amazonas, and Cajamarca. To achieve this benefit, alliances with major private commodity buyers will support deforestation-free commodities, responsible value chains, financing, and increased sustainable commodity production. Further, restoration of productive landscapes, including HVCF and conservation corridors, will result in an estimated 67,885,652 tn of GHGe mitigated. Through sustainable business models and exchanges, the Project will ensure the replication of good practices and empower participatory decision-makers at local, regional, and national levels, as well as supply-chain actors.

98. At the local level, the Project will emphasize on gender-balanced, ethnicity, FPIC and equity ? 120,000 direct beneficiaries (24,000 families), at least 50,000 smallholders shifted to deforestation-free commodities, including independent and associated smallholders and communities (local and indigenous) that will participate in the restoration and conservation of degraded productive land and natural habitats through DFC production models in the 3 commodities (coffee, cocoa, and oil palm). The direct beneficiaries include existing producers that will improve their current DFC practices and new producers that will shift from unsustainable practices to DFC production models, with support of the Project. Besides, there will be a wide range of indirect beneficiaries, i.e., stakeholders involved in the different steps of the DFC supply and value chains.

99. The Project will deliver multiple socioeconomic benefits. These benefits include, at the national level, enhancing the capacity of staff from public institutions (e.g., MIDAGRI, MINAM) to implement, manage and monitor DFC initiatives at the landscape level effectively. Further, governments, municipal banks and producers (including women and vulnerable indigenous groups) will benefit from capacity development at the local level. The project will also strengthen the governance framework of DFC, ILM, LU, and conservation of HCVF and ecosystems, including biological corridors.

100. Other core benefits, at the local level, include access to financial products (credit, guarantee schemes, technology, and technical extension services) and, most importantly, establishing sustainable partnerships with large DFC buyers and traders through a consistent supply of DFC. This is at the core of improving local livelihoods and long-term sustainability.

101. The project implementation will coincide contribute to the economic reconstruction after COVID. In the post-COVID scenario, the GOP will prioritize investing in the agriculture sector, including commodity sectors. The MIDAGRI has already launched the Sectoral Working Group to articulate sectoral and regional actions linked to the coffee value chain. Similar measures are expected for the cocoa and oil palm. These groups will help implement the National Action Plan on Coffee, Cocoa, and Oil Palm and contribute to achieving competitiveness and sustainable farming. Besides, GOP has launched significant financing funds in support of the coffee sector.

102. As noted in Section 3, the Project's strategy is aligned with (and supports) the following GEF focal Areas: Biodiversity (BD), Climate Change (CC), Land Degradation (LD), Chemicals and Waste (CW), and the FOLUR Impact Program. Therefore, the GEF investments in the Project will deliver global environmental benefits through its integrated investments across the various dimensions of the global environment.

- On biodiversity, the Project will mainstream biodiversity conservation in commodity landscapes, promoting community conservation agreements, establishing HVCF corridors, and addressing direct drivers to protect habitats in the Peruvian Amazon. Therefore, the Project will conservation globally significant biodiversity and promote the sustainable use of the components of globally significant biodiversity (e.g., genetic resources linked to DFC production);
- Climate Change Mitigation. The Project will reduce GHGE at the landscape level. Therefore, it will contribute to CC mitigation by establishing DFC-related sustainable mitigation of anthropogenic greenhouse gas concentrations (GHG) in the atmosphere. Therefore, the Project will promote innovative DFC technologies and management practices that lead to GHG emission reduction and carbon sequestration; and conserve and enhance carbon stocks through DFC, climate-smart agriculture, SFM, and other sustainable land-use models.
- Land Degradation. The Project addresses deforestation and land degradation by providing appropriate technology, preference financing, capacity building, and KM to shift DFC production to restored lands to maintain forests. In addition, the Project promotes agroecosystems and preserves forest ecosystem goods and services. The Project's DFC model can avoid greenhouse gas emissions and increase carbon sequestration in productive landscapes. In addition, the Project benefits include policy reform to improve

land use planning, restoration of degraded landscapes and the ground implementation of integrated landscape management (ILM) to achieve land degradation neutrality (LDN), and contribute to meeting national LDN targets.

- Regarding Chemicals and Waste, the Project's DFC model promotes the phasing out using toxic agrochemicals to prevent the exposure of humans and the environment to harmful substances. For example, the Project promotes non-chemical pest control options, organic fertilizers, and organic production. The Project will reduce agricultural runoffs and phasing out chemical/pollutant agricultural inputs associated with conventional commodities production.
- In terms of Sustainable Forest Management/REDD+, the Project will reduce forest loss and forest degradation at the landscape level. Therefore, it will preserve a range of environmental services and products derived from forests. Further, the Project will enhance local communities' livelihoods' resilience (who are forest-dependent people), notably, indigenous communities.
- Lastly, regarding the FOLIUR IP, The project components promote sustainable and profitable deforestation-free commodities through responsible value chains and partnerships with a range of public and private stakeholders, including large DFC buyers. This activity will result in resilient food systems (including DFC) at the national and global levels.

11. Environmental and Social Safeguard (ESS) Risks

Provide information on the identified environmental and social risks and potential impacts associated with the project/program based on your organization's ESS systems and procedures

Overall Project/Program Risk Classification*

PIF	CEO Endorsement/Approval	MTR	TE
	High or Substantial		

Measures to address identified risks and impacts

Elaborate on the types and risk classifications/ratings of any identified environmental and social risks and impacts (considering the GEF ESS Minimum Standards) and any measures undertaken as well as planned management measures to address these risks during implementation.

Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability

QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?
Briefly describe in the space below how the Project mainstreams the human-rights based approach
The project will be implemented in the Abiseo-C?ndor-Kutuk? eco-economic corridor. This landscape includes 17 provinces and 139 districts in the San Mart?n (53%), Loreto (20.2%), Amazonas (16%) and Cajamarca (10.4%) regions in the north-western Peruvian Amazon. It includes various smallholder groups participating in high-demand commodity supply chains (coffee, cacao and palm oil) such as women, Indigenous Peoples, settlers and companies. During implementation, the project will develop specific M&E protocols to address human rights, child labour and cultural heritage, and it will incorporate gender and intercultural approaches. The project?s focus on human rights promotes indigenous participation and respects current legislation relative to sociocultural rights. During the design phase at the local level, a dialogue process was facilitated with Indigenous Peoples? organisations, women, individual smallholders and their organisations, and government entities.[1][1] This led to the formulation of the risk management measures contained herein. Meetings were also held with financial institutions and large commodity buyers such as ECOM, OLAM and Root Capital, with which cofinancing letters were negotiated. The process was closely coordinated with national and regional commodity platforms to reach a significant number of smallholders and actors in the value chain. Potential human rights risks were identified, and measures to address them have been incorporated in all project interventions. This SESP analysis also considered the potential health and economic impacts of COVID-19. It is anticipated that the project?s implementation phase will contribute to maximising long-term compliance with human rights standards by the three levels of government and the private sector.
Briefly describe in the space below how the Project is likely to improve gender equality and women?s empowerment

The project is expected to reach 120,000 smallholders, of which 54,000 are women, contributing to their livelihoods through improved practices in landscape management, the increased production of deforestation-free commodities, and improved land restoration and conservation practices. It aims to progressively promote the more equitable participation of women in the different links of the cacao, coffee and palm oil supply chains, and in the associations of which they are part, through awareness-raising and training processes (technical and non-technical) with the different actors involved. The impact of these actions will be analysed, and best practices and lessons learned will be systematised through knowledge management (KM). To this end, substantial human and economic resources will be invested during implementation.

An assessment to identified pre-existing barriers and potential risks that prevent women?s access and control over productive resources such as land, information, technical training and financial services was completed during the PPG Phase. The assessment shows the negative impacts of limited participation, especially that of indigenous women, in decision-making and the distribution of benefits. The Gender Action Plan (GAP) that has been designed is aligned with the Action Plan for Gender and Climate Change (PAGCC, for its Spanish acronym), within the national regulatory framework, and with Sustainable Development Goal (SDG) 5, which defines equality as a basic human right that is crucial for sustainable development. The GAP contributes to reducing barriers and managing risks through mainstreaming and specific actions in the project?s four components. It also pays special attention to women?s participation in decision-making on land use, the adoption of innovative technology, and deforestation-free models for coffee, cacao and palm oil; their inclusion as members of associations and cooperatives; as well as their improved access to credit and their individual capacity to pay. The GAP also considers the impact of COVID-19 on women?s empowerment in the area of intervention. The GAP was designed in coordination with MINAGRI, national platforms and regional indigenous organisations linked to the commodities, and consultations were facilitated with smallholders, local communities, smallholder associations, and other value chain actors.

The project includes women-targeted capacity building through technical assistance and training for public institutions, the private sector, and small and medium commodity producers. The project design includes additional tools related to environmental and social safeguards in line UNDP?s Social and Environmental Standards (SES). These tools contribute to incorporating a human-rights-based approach and the social inclusion of women and marginalized groups. For instance, the Indigenous Peoples Plan Framework (IPPF) and the Social and Environmental Management Framework (ESMF). These tools include actions to strengthen the capacities of institutions as guarantors of rights and the empowerment of holders of these rights, including indigenous peoples and women. The project also promotes accountability and will address grievances through UNDP?s mechanism for addressing complaints, grievances, and suggestions. The project will respect the human rights of all project participants regardless of their race, gender, language, religion, politics, national or social origin, property, or other status.

Briefly describe in the space below how the Project mainstreams environmental sustainability

It is anticipated that the project components (interventions) will result in successful deforestation-free commodity value chains for coffee, cacao and palm oil. The project interventions address environmental challenges at the landscape level[2][2] (in other words, the key drivers of deforestation, land degradation and GHG emissions), and they contribute to the nationally determined contributions (NDCs) mitigation goals, as well as commitments related to land degradation neutrality (Bonn Challenge and 20x20 Initiative). To improve territorial planning, the project will incorporate landscape management principles in regional and local development plans. Governance will be improved for improved territorial management, sustainable forest management (SFM), deforestation-free commodities (DFC), and the monitoring and evaluation (M&E) of sustainable land use and the traceability of sustainable commodity chains.

The project will promote profitable business plans that incorporate environmental sustainability in the coffee, cacao and palm oil chains through the application of instruments such as climate-smart agriculture; environmental and climate risk assessment and management plans; and good practices in the processing of commodities to improve resource management. It will establish partnerships with key public sector actors, such as regional and local governments, and the private sector (buyers). In addition, with the support of commodity buyers, cooperatives, financial institutions and banks, the project will promote the incorporation of mechanisms to broaden smallholders? access to preferential credit. Furthermore, to safeguard high-value biodiversity, the project will contribute to consolidating the Abiseo-C?ndor-Kutuk? corridor, improving the habitat?s connectivity. To this end, it will improve tools, methodologies and capacities to restore degraded productive landscapes, natural habitats and high conservation value forests (HCVF), as well as strengthen capacities for biodiversity protection. The result will be improved productive practices in 1,051,375 hectares and the restoration of 10,000 hectares of high-value productive land (degraded and at risk of degradation) that will benefit 120,000 producers. The project will avoid 7.8 MtCO2 tonnes of emissions.

The implementation of the project?s four components will be supported by KM platforms such as FOLUR and other dialogue platforms on commodities sponsored by UNDP?s Green Commodities Programme (GCP), and other national and multilateral project partners such as the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD). The project?s KM component will catalyse the institutionalisation and integration of environmental sustainability in the commodity chains.

Part B. Identifying and Managing Social and Environmental Risks

Risk Description	***Impact and Probability (1-5)***	***Significance (Low, Moderate, High)***	***Comments***	***Description of assessment and management measures as reflected in the Project design. If ESIA or SESA is required note that the assessment should consider all potential impacts and risks.***

Risk 1: Some vulnerable groups, such as Indigenous Peoples, women and youth, may be only marginally involved in the project?s implementation and, as a result, may not support or benefit from the activities. Principle 1: Questions 1, 2, 5 and 7; Standard 6: 6.1, 6.2 and 6.5.	I = 3 P = 3	**Moderate**	The project targets smallholders dedicated to the coffee, cacao and palm oil value chains. During the diagnosis carried out, shortfalls in participation and access to benefits were identified. Those gaps were associated with the lower participation of women as members of the organizations compared to their male counterparts, and the lower visibility of the work they carry out in the supply chains of cocoa, coffee and palm. In addition to other gaps related to low literacy, lower digital and financial literacy compared to men. Indigenous peoples? limited participation in commodity chains is associated with less knowledge or practices that meet market standards, limited digital and financial literacy. Young people gaps are associated with limited or no access to land and fewer employment opportunities, which leads to migration to cities. COVID-related restricted movement and social distancing measures imposed by the Government limited contact with indigenous organisations during the project design.	As this project is categorized as High risk, an ESMF has been prepared (during the PPG) that covers this and all other risks, and includes an IPPF. The FPIC framework was used in the formulation of the above-mentioned tools. The FPIC will be obtained during implementation, following the steps outlined in the ESMF and the IPPF. During the PPG, a stakeholder analysis and engagement plan was formulated to meet the standards of the SES. The IPP, in particular, underscores the application of Free, Prior and Informed Consent (FPIC)[3][3] . During implementation, an ESIA will be conducted and an ESMP prepared based on that assessment before any of the risk-posing activities begin. For upstream activities, a SESA will be applied. The above-listed tools will

Risk 2: Subnational governments, smallholder associations and dialogue platforms on commodities may not have the capacity to implement project activities or successfully monitor them. This would affect the sustainability of the DFC model and producers could return to unsustainable practices or transition to illicit crops/activities. Principle 1, question 5.	I = 3 P = 3	**Moderate**	The limited capacities of producer associations, reflected in the low level of smallholder associativity, are more profound in native communities. The PNC-Caf? (2018) highlights that the increased agricultural area and illegal cultivation of the coca leaf accounts for half of GHG emissions, and during fieldwork it was discovered that in Bagua (Amazonas) the Awaj?n have destroyed and/or abandoned their cacao plantations and replaced them with bamboo and coca leaf crops, in addition to setting up fish farms.[4][4]	The Project, though each of its components and public-private partnerships (with large deforestation-free (DFC) commodity buyers), will strengthen public and private policies and institutional law enforcement capacities at regional governments (GORE) and local governments (GOLO) to support DFC production. Integrated land management (ILM) and conservation approaches will support Annual Institutional Plans and multiannual investment plans; and private sector investment planning. The Project's partnerships will strengthen local commodity dialogue platforms to support governance, deforestation monitoring, and DFC management. Private sector investment and purchasing agreements will increase the associativity and consistent productivity of smallholders, including indigenous peoples and women. Access to credit

Risk 3: The improved capacities for integrated land management (ILM) promoted by the project, including surveillance and monitoring of deforestation, could restrict access to resources and lead to changes in usufruct rights related to land and resources for vulnerable groups or informal users, resulting in their physical and economic displacement and affecting protected areas, indigenous territories and other HCVF within and outside the project area. Principle 1, question 3. Standard 5: question 5.4, 5.6 Standard 6: 6.1, 6.2, 6.3, 6.5, 6.6	I= 4 P= 2	**Moderate**	The improvements that the project will make in the application of land-use regulations and plans in prioritised zones, in strengthened platforms for forest control and surveillance, and in deforestation monitoring, could lead to the displacement of population groups that, due to their technical and financial limitations, may not be able to adapt to new provisions for the sustainable management of the territory and, as a result, they may migrate to zones with less surveillance or outside of the project area.	The above-mentioned SESA will support the formulation of adequate policy reforms. Besides, UNDP, IFAD and FAO will apply UNDP?s SES to minimise risks. The project will develop plans to strengthen vulnerable populations? productive capacities and access to credit in prioritised areas, to facilitate their insertion in DFC chains, improve their livelihoods, and reduce their risk of physical and economic displacement. It will apply market incentives and soft credit and guarantees for sustainable production; promote the coordination of strategies at the level of multi-actor territorial platforms; and strengthen measures to monitor and control changes in land use. The project interventions are designed to minimise displacement, loss of usufruct rights, and migration to less monitored areas. In addition, the Project will develop a comprehensive ESMP which will address the

Risk 4: The project?s promotion of land restoration and more profitable and sustainable commodity models could attract seasonal migration to provide labour or technical assistance services. This could increase the local population?s risk of contracting water- or vector-borne diseases, or contagious infections. Principle 3, Standard 3.6., Standard 3.8	I = 2 P = 3	**Moderate**	For more than a decade, Loreto has had the greatest share of cases of malaria at the national level, including the three varieties of vector *Plasmodium vivax*, *P. falciparum* and *P. malariae*. In 2020, in the area of intervention, the incidence of malaria per 100,000 inhabitants in Loreto was 1,013; in Amazonas, 344; in San Mart?n, 12; and in Cajamarca, 0. The incidence of dengue per 100,000 inhabitants in Loreto was 97.6%; in San Mart?n, 41.7%; in Amazonas, 37.1%; and in Cajamarca, 5%. The incidence of Zika per 100,000 inhabitants has been: San Mart?n, 1.1%; Loreto, 0.6%; Amazonas, 1%; and Cajamarca, 0.4%. In addition to the migration or creation of human settlements with deficient sanitary conditions, increased climate variability and the altering of natural habitats could affect the epidemiology of contagious diseases (such as dengue), and outbreaks could increase or appear in new areas. [5][5] In December 2019 COVID-19 emerged, and could continue until 2022, and that continued vigilance will be required until 2024 due to the probability of the	The project will support designing of occupational health and safety regulation that meet or exceed the SES/internationa l standards. The level of intervention will be guided by the ESIA and covered by the ESMP. All safety regulations will strengthen national labour and health regulatory frameworks. This will ensure better measures to prevent the spread of emerging and re-emerging diseases (dengue, malaria, COVID and other infections). Further, the Project supported organic certification frameworks include occupational health and safety regulations that provide a safe and healthy work environment, minimising workplace-related injuries and illnesses. In addition, preventative measures will be implemented that are adapted to the health conditions of the environment or place.[7][7] The project will use biosafety protocols to address COVID-

Risk 5: Commodity supply chains and smallholders? livelihoods have been impacted by the biosafety measures imposed by governments in response to COVID-19. As a result, there may be increased poverty and, with it, unsustainable and illegal activities, in addition to increased gaps in the vulnerable population?s capacities to develop DFC value chains in the area of intervention. Principle 1, question 5. Standard 1, question 1.11.	I = 3 P = 4	**Moderate**	In March 2020, the WHO declared the coronavirus (COVID-19) outbreak a pandemic. Countries? response mechanisms have included generalised quarantines that restrict the movement of people and goods. In Peru, in March 2020, a state of emergency was declared including mandatory social isolation that, in some departments, was extended until October 2020. A series of regulations were approved to prevent the spread of the virus and reduce its social and economic impact; 12 however, the scope of these measures, especially in rural areas, has been limited. This is aggravated by pre-existing conditions such as the precarity of basic services. According to ECLAC?s projections (2020), poverty and extreme poverty in Peru will increase by 3.6 and 3.7 percentage points, respectively, in a high-impact scenario. Along the same line, an increase in inequality is projected for Peru, with a rise in the Gini Index of between 1.5% and 2.9%.[8][8] A UNDP study (2020) [9][9] highlights that the departments with the greatest proportions of households that are vulnerable to COVID-19 include	COVID-19 affects commodity supply chains from production to distribution and commercialisatio n. If the pandemic is prolonged with periodic quarantines in the area of intervention, the project will establish the following measures, which must be reviewed and updated in response to their level of effectiveness, scientific developments and the pandemic?s evolution: 1. Implement actions to close the digital gap affecting smallholders, especially women and Indigenous Peoples, to improve their access to channels and platforms for communication, deforestation monitoring, commerce, virtual banking and training, among other aspects.[12][12] The participation of youth in these new platforms will be promoted, as agents of replication in their organisations. 2. Facilitate information to

Risk 6: The project intervention could inadvertently support child labour and other violations of international labour regulations by beneficiary organisations. Principle 1, question 1; Standard 3: 3.8.	I = 2 P = 2	**Moderate**	Child labour is more evident in the rural context. It is concentrated in sectors such as: agriculture, fishing and mining. In the Project?s targeted areas, Cajamarca has the highest rate (25.5%), followed by Amazonas (18%), Loreto (11.2%) and San Mart?n (6.6%). There was an overall reduction in childhood labour rates in 2012-2015, a reduction that was lesser in the Sierra (MTPE/OIT, 2016). [13][13] However, ECLAC/ILO (2020) warns that the economic crisis generated by the coronavirus could increase child labour because childhood labour rates will increase. In Peru, this risk is increased by school closures that could increase the availability of cheap labour for agriculture. [14][14],[15][15] Peruvian regulations on child labour [16][16] prohibit agricultural jobs that require contact and/or exposure to chemical products, toxic or corrosive substances, and flammables.	To decrease and/or eradicate the risk of increases in Child labour, the project will work with local governments and the private sector to endure that child labour is controlled and private sector policies on child labour are enforced to its full extend. Further, the Project will work with DFC commodity producers and provide technical support to formulate rural organisations? internal regulations to eliminate child labour. Partnerships will be promoted with the DFC buyers, the Ministry of Labour, Ministry of Women and Vulnerable Populations (MIMP), Ministry of Education and civil society organizations to eliminate child labour and to sensitise and train technical staff and producer organisation leaders on the social, economic and environmental risk associated to not complying with the Protocol on Sectoral Actions in Child Labour, Ministerial Resolution 265-

Risk 7: The existing conflicts related to the use and/or ownership of land (including conflicts on indigenous lands) could be exacerbated or revived by the project?s planned interventions. Principle 1, question 8, Standard 6: 6.1, 6.2, 6.3.	I = 3 P = 3	**Moderate**	Indigenous Peoples land-related conflicts are concentrated in Bagua-Nieva-Saramiriza, in the provinces of Bagua and Condorcanqui. The advance of the agricultural frontier linked to seasonal crops is affecting Awaj?n territories by migrants and the renting of communal land for agriculture. In the Alto Mayo road axis, in the provinces of Moyobamba and Rioja, the Awaj?n have rented their communal land to settlers for permanent and seasonal crops. In the Yurimaguas-Puerto Arica-Balsapuerto road axis, large palm plantations are advancing. In these three cases, mestizo producers rent communal land from Indigenous Peoples. These producers are	Per the Project?s IPPF, an IPP will be developed and implemented to manage this risk and all others related risks, as part of the ESIA/ESMP process and updated as needed based on ongoing consultations and monitoring.

Risk 8: The project?s activities and approaches may not completely incorporate or reflect women?s points of view and their gender equality concerns in the project engagement process in order to guarantee equitable opportunities for their participation and access to benefits. Principle 2, questions 2, 3 and 4.	I = 3 P = 3	**Moderate**	In the agricultural sector, the participation and contribution of women have been invisible and unrecognised, which has contributed to widening gaps in access and control over services and natural resources, and unequal participation in decision-making related to environmental planning and all levels of governance. The associations and cooperatives are composed primarily of men, and the presence of women members ranges from 10% to 27%.[17][17]	The project will contribute to decreasing women?s participation gap in organisations through affirmative actions that target 45% of women beneficiaries (youth and adults). The project has a GAP that will be mainstreamed in the components and activities of the project?s results framework: Through component 1, the project promotes women?s participation in concerted regional development plans (PDRC, for its Spanish acronym) and concentrated local development plans (PDLC, for its Spanish acronym) that contribute to incorporating territorial development plan principles and actions and the gender and intercultural approaches; component 2 will contribute to improving the effective participation of women members in their associations and cooperatives, and improve their access to credit and their individual capacity to pay; in component 3, extension services programmes will incorporate the gender and intercultural approaches and ensure women?s participation (indigenous, non-indigenous and of different ages) in training programmes, with a minimum quota of 25% participation; component 4 will systematise best practices and lessons learned that recognise the participation of

Risk 9: Local producers and producers associations? limited fulfilment of environmental commitments could lead to negative impacts on natural habitats, HCVF (protected areas [PA] and environmental zones [EZ]) and biodiversity (endangered species). This limitation could generate cumulative impacts on other existing or planned activities in the selected jurisdictions. Principle 1, question 5; Standard 1: 1.1, 1.2, 1.4, 1.5, 1.6 and 1.11.	I = 4 P = 2	**Moderate**	Historically, conventional unsustainable commodity production has contributed to deforestation and GHG emissions.[18][18] Other impacts of unsustainable commodities include the decreased provision of environmental services such as soil nutrients, freshwater, pollination, climate regulation, wildlife habitats, and the loss of high-value biodiversity. Failure to comply with environmental commitments may include maintenance of plant coverage, restoration of degraded areas on the land, environmental and climate risk management measures, among others that will be identified during project implementation. Two protected areas in the project area, SN Tabaconas Namballe and BP Alto Mayo have coffee plots that are run by local settlers, under the regulations of each protected area?s Master Plan.	The project includes actions to strengthen men and women?s capacities in habitat management and integral territorial management; strengthen forest control and surveillance platforms; and improve policies to promote commodities and regulations for changes in land use. Capacities will be enhanced for the implementation of climate and environmental risk management and for the protection and restoration of biodiversity. In addition, the following measures will be implemented: a) Strategies and capacity-building plans for vulnerable population to engage them in DFC chains. b) The project?s interventions will exclude protected areas and habitats of endangered or critically endangered flora or wildlife species, according to UICN classifications. c) For interventions in PNA areas the project will consider the provision of governing bodies (SERFOR/ SERNANP) and Master Plans. d) The project will not support new areas of commodities that would affect forest coverage or changes in soil use. e) The project will formalise agreement with producers, i.e., community

Risk 10: Policy or regulatory reforms could have negative social and/or environmental impacts if there are deficiencies in their design or implementation. Principle 3, Standard 1: 1.11.	I = 4 P = 2	**Moderate**	In the absence of adequate analyses and control mechanisms through the State and organised civil society, the policy and regulatory reforms or improvements promoted by the project could unintentionally become incentives for deforestation. Examples include the Incentives Law (Ley de Incentivos) for plantations that could incentivise the preparation of forest areas for subsequent plantations, as well as land grabbing;[27] the Biofuel Market Promotion Law (Ley de promoci?n del mercado de biocombustibles) that promotes the production of biofuels in the rainforest, which will require more than 50,000 additional hectares of palm to satisfy internal demand for biodiesel; [19][19] and the policies and regulations for the transfer of public land for good and valuable consideration, for the subsequent establishment of oil palm and cacao plantations.[20][20]	Policy reforms or regulatory related risk, following the SES, will be addressed through a SESA per the ESMF and project design. In addition, the Project will assess policy adequacy by applying criteria such as "*consistency*" (the ability of multiple policy tools to reinforce rather than undermine each other in the pursuit of policy goals), "*coherence*" (the ability of multiple policy goals to co-exist with each other and with instrument norms in a logical fashion), and '*congruence*" (the ability of goals and instruments to work together in a unidirectional or mutually supportive fashion. The Project will ensure that policy analyses are shared and supported by mechanisms that ensure citizen participation. In this line of action, the participation of public, private, national, regional and local actors will be facilitated in platforms linked to the sustainable management of the territory and DFC. These actions will indirectly strengthen the capacity of actors to monitor and control the implementation of public policies and regulations related to DFC. The traceability systems promoted by the project must contribute inputs for improving policies and regulations related to DFC. All components will consider the corporate sourcing policies of large DFC buyers. These include, for example,

Risk 11: The project?s activities and results will be vulnerable to the potential impacts of climate change. Principle 3, Standard 2: 2.2.	I = 3 P = 3	**Moderate**	Peru is one of the Latin American countries that is most affected by the hydrometeorological phenomena associated with El Ni?o and other atmospheric disturbances in the equatorial Pacific Ocean. In accordance with the Risk Management and Adaptation to Climate Change Plan in the agricultural sector 2012-2021, 48% of districts present high agricultural vulnerability, 26% present medium agricultural vulnerability, and 15% present low agricultural vulnerability. At the commodity level, climate change is associated with increased water deficits, plagues and disease, and variations in the current distribution of productive zones, especially for coffee.[21][21] In addition, increased climate variability and the occurrence of extreme weather events such as droughts, storms, hurricane winds, intense rains and floods are factors that affect the quality and quantity of production and can generate economic losses for smallholders.	The project must update, for the area of intervention, the analyses of future climate scenarios developed for coffee, cacao and palm. Climate risk assessment and management plans will be prepared, during implementation.[22][22] These assessments will support the DFC technical packages and be part of the Project?s DFC business plans and are aligned with the ESMP. The project will strengthen early climate warning systems in coordination with the National Climate Change Adaptation Plan [Plan Nacional de Adaptaci?n al Cambio Clim?tico], 32 local adaptation plans that are generated, and the National Disaster Risk Management Plans [Plan Nacional de Gesti?n del Riesgo de Desastres] (PLANAGERD) 2014-2021. The corporate policies and guidelines mentioned in Risk 10 will also be considered.

Risk 12: The project?s activities may have an indirect adverse effect on the cultural heritage of the Indigenous Peoples involved. Standard 4: 4.1; Standard 6: 6.9.	I = 4 P = 2	**Moderate**	The increased proximity of the indigenous population to external factors leads to cultural changes that can accelerate the erosion and loss traditional knowledge, if the communities lack tools to address these challenges.[23][23] The Ministry of Culture (MINCUL) has developed a database of intangible culture; however, it does not have a registry at the level of each community. In terms of tangible heritage, in the Shawi indigenous territory the presence of salt mines that continue to supply salt was verified, as well as different types of clay used by women to make kitchen utensils.[24][24] The legal framework is established by Law N? 27811 on the protection regime for Indigenous Peoples? collective knowledge linked to biological resources. This protection. The agency responsible for defining and registering the collective knowledge of IP is the National Institute for the Defence of and Protection of Intellectual Property (INDECOPI).[25][25]	Per the ESMF and IPPF, the project will continue to apply the FPIC to address this risk. Further measures will be defined in the project?s IPP, to be developed during implementation as part of the ESIA/ESMP process. As needed, the project will establish a consultative process to determine the exclusion of indigenous cultural heritage areas, with the participation of the IP and their representatives. This process will consider guidelines of the Ministry of Culture?s (MINCUL) on intangible cultural heritage and INDECOPI. The above-indicated process will be aligned with / fully described in the IPP. The effective use of the grievance redress mechanism (GRM) will be promoted to address concerns or complaints related to compliance with safeguards protecting cultural heritage. The GAP contributes to improving women?s participation, recognising and valuing their role in maintaining ancestral knowledge.

Risk 13: Environmentally sensitive areas (i.e., degraded areas with limited capacity to provide ecosystems services -ES) cannot support sustainable DFC. Standard 1: 1.2.	I = 3 P = 2	**Moderate**	Conventional unsustainable commodity production practices have contributed to increasing land degradation, GHG emissions and deforestation, and they have affected the supply of environmental services such as water, soil nutrients, pollination, climate regulation and wildlife habitats.[26][26] Between 2001 and 2016, the expansion of commodities accounted for 25% of the country?s forest loss, and 89% of forest loss in the area of intervention (Concept Note, 2019). According to the Map of Priority Restoration Areas, [27][27] the highest priority for restoration is concentrated in the EZ of PN Cordillera Azul and BP Alto Mayo, and it is associated with coffee production. In palm production zones, restoration needs are low in Tocache, and moderate to high in Lamas and	National monitoring platforms such as Geobosques will be used to identify areas that have become environmentally sensitive as a result of degradation. Based on this data and field validation, the project will prioritise the restoration of degraded areas that in turn will restore environmental services to the support DFC . The Project will also establish connectivity of conservation corridors [28][28] To this end, the Project will improve local capacities for the protection and restoration of biodiversity and ES. The project promotes investments in restoration, such as (a) strengthened local and regional platforms for water governance (MERESE and others), conservation and protection of water replenishment areas, reforestation, land restoration, deforestation monitoring, communal control and surveillance, among others; and (b) promotion of partnerships between producers and private and public sectors for restoration. Climate risk assessments will inform investment decision (e.g., business plans). The restoration of ecosystems services will also result from introducing climate-smart agriculture, improved water management, sound harvesting, and the

Risk 14: Project partners (local producers and producers? associations) could maintain or undertake inappropriate practices in managing agrochemicals and residual water during the commodity cultivation and processing, generating health and environmental risks. Standard 7: 7.1, 7.2, 7.4.	I=4 P=2	**Moderate**	The factors associated with this risk are: (a) limited supply of agrochemicals in cultivation areas that comply with international environmental management regulations; (b) limited knowledge of the efficient use and proper disposal of WHO category III and IV agrochemicals; and (c) farmers? financial commitments to agrochemical suppliers that limit the transformation of their pest and disease control systems. Commodity processing may include agricultural runoffs that contaminate surface and groundwater, affecting the quality of water for human consumption and conditions for the development of species in these ecosystems, in addition to GHG emissions.[29] [29] Additional factors associated with this risk are: (a) lack of adequate technology for treating	The project will promote sound environmental practices during the transportation, use, storage and final disposal of agrochemical residues outlined in FAO and WHO policies, codes and guidelines; and the integrated management of pests, including the use of organic controllers and slow-release fertilisers. The Project?s business plans will consider the availability of agricultural inputs in the areas of intervention, among other factors related to the implementation of sound practices. The project will provide producers with adequate guidelines to manage and responsibly use of chemical pesticides and fertilisers, adapted to the sociocultural context of the intervention and coordinated with sufficient capacity-building. In terms of agricultural runoffs, from palm processing plants, the environmental risk management plans included in Component 2, will ensure that safeguards to treat wastewater are applied, e.g., generation or improved infrastructure in accordance with the anticipated volume of production, and the technology and technical assistance for wastewater treatment in accordance with SES guidance, EIA and with the existing regulatory

Select one (see SESP for guidance)		**Comments**
Low Risk		
Moderate Risk		
High Risk	X	Though no single risk has a ?high? significance, taken cumulatively the risks lead to an overall categorization of High for the project.
Check all that apply		**Comments**
Principle 1: Human Rights	X	FPIC will guide the indigenous participation processes, as an internal mechanism of the project. During the design, indigenous representatives became familiar with and contributed to the project design, and during implementation Indigenous Peoples will be consulted on their participation. Compatibility with corporate policies and guidelines has been verified.
Principle 2: Gender Equality and Women?s Empowerment	X	A gender assessment was done during the design, and the current gaps and risks were identified. A GAP was developed, and the gender approach has been mainstreamed in the project?s components. Compatibility with corporate policies and guidelines has also been verified.
1. Biodiversity Conservation and Natural Resource Management	X	Measures have been developed to protect HCVF and endangered flora and wildlife, and to exclude these areas from the intervention. An ESMP has been developed. Compatibility with corporate policies and guidelines has also been verified.

2. Climate Change Mitigation and Adaptation	X	The project is based on a CSA approach. During implementation, risk assessment and management plans associated with investments in DFC chains and restoration will be developed. Compatibility with corporate policies and guidelines has also been verified.
3. Community Health, Safety and Working Conditions	X	Measures have been elaborated to address risks related to child labour and occupational health. During implementation, the project will formulate and support
		the implementation of a sanitation protocol to address COVID-19. Compatibility with corporate policies and guidelines has been verified.
4. Cultural Heritage	X	The project will prepare a procedure to exclude from the intervention the areas that represent cultural heritage.
5. Displacement and Resettlement	**X**	During implementation, the project will formulate a strategy to strengthen the capacities of the vulnerable population in the areas prioritised by the project, to facilitate their insertion in supply chains and address the risk of vulnerable groups? physical and economic displacement.
6. Indigenous Peoples	X	The project has plans and measures related to the participation of Indigenous Peoples, gender balance, human rights, equity, justice and cultural heritage, and these have been incorporated into the project. The following tools have been developed: and Indigenous Peoples Plan, Stakeholder Engagement Plan, and Gender Action Plan. Their compatibility with corporate policies and guidelines has been verified.
7. Pollution Prevention and Resource Efficiency	X	Environmental risk assessments and management plans associated with the business plans and investments in DFC chains and restoration pilot projects will be carried out. As part of the monitoring plan for the Environmental and Social Management Plan, the project must monitor, on an annual basis, the implementation of good environmental practices in the management of agrochemicals and treatment of wastewater. Compatibility with corporate policies and guidelines has been verified.

Final Sign Off

Signature	*Date*	*Description*
QA Assessor James Leslie		UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have ?checked? to ensure that the SESP is adequately conducted.
QA Approver		UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD), Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have ?cleared? the SESP prior to submittal to the PAC.
PAC Chair		UNDP chair of the PAC. In some cases, PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC.

SESP Attachment 1. Social and Environmental Risk Screening Checklist

Checklist Potential Social and Environmental Risks	
Principles 1: Human Rights	**Answer (Yes/No)**
1. Could the Project lead to adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups?	YES
2. Is there a likelihood that the Project would have inequitable or discriminatory adverse impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups?[31][31]	YES
3. Could the Project potentially restrict availability, quality of and access to resources or basic services, in particular to marginalized individuals or groups?	NO
4. Is there a likelihood that the Project would exclude any potentially affected stakeholders, in particular marginalized groups, from fully participating in decisions that may affect them?	NO
5. Is there a risk that duty-bearers do not have the capacity to meet their obligations in the Project?	YES
6. Is there a risk that rights-holders do not have the capacity to claim their rights?	NO
7. Have local communities or individuals, given the opportunity, raised human rights concerns regarding the Project during the stakeholder engagement process?	YES
8. Is there a risk that the Project would exacerbate conflicts among and/or the risk of violence to project affected communities and individuals?	YES
Principle 2: Gender Equality and Women?s Empowerment	
1. Is there a likelihood that the proposed Project would have adverse impacts on gender equality and/or the situation of women and girls?	NO
2. Would the Project potentially reproduce discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits?	YES
3. Have women?s groups/leaders raised gender equality concerns regarding the Project during the stakeholder engagement process and has this been included in the overall Project proposal and in the risk assessment?	YES
4. Would the Project potentially limit women?s ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services? For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well-being.	YES
Principle 3: Environmental Sustainability: Screening questions regarding environmental risks are encompassed by the specific Standard-related questions below	
Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management	

1.1 Would the Project potentially cause adverse impacts to habitats (e.g., modified, natural, and critical habitats) and/or ecosystems and ecosystem services?	YES
For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes	
1.2 Are any Project activities proposed within or adjacent to critical habitats and/or environmentally sensitive areas, including legally protected areas (e.g., nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities?	YES
1.3 Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5)	NO
1.4 Would Project activities pose risks to endangered species?	YES
1.5 Would the Project pose a risk of introducing invasive alien species?	NO
1.6 Does the Project involve harvesting of natural forests, plantation development, or reforestation?	YES
1.7 Does the Project involve the production and/or harvesting of fish populations or other aquatic species?	NO
1.8 Does the Project involve significant extraction, diversion or containment of surface or ground water? *For example, construction of dams, reservoirs, river basin developments, groundwater extraction*	NO
1.9 Does the Project involve utilization of genetic resources? (e.g., collection and/or harvesting, commercial development)	NO
1.10 Would the Project generate potential adverse transboundary or global environmental concerns?	NO
1.11 Would the Project result in secondary or consequential development activities which could lead to adverse social and environmental effects, or would it generate cumulative impacts with other known existing or planned activities in the area? *For example, a new road through forested lands will generate direct environmental and social impacts (e.g., felling of trees, earthworks, potential relocation of inhabitants). The new road may also facilitate encroachment on lands by illegal settlers or generate unplanned commercial development along the route, potentially in sensitive areas. These are indirect, secondary, or induced impacts that need to be considered. Also, if similar developments in the same forested area are planned, then cumulative impacts of multiple activities (even if not part of the same Project) need to be considered.*	YES
Standard 2: Climate Change Mitigation and Adaptation	
2.1 Will the proposed Project result in significant[32][32]greenhouse gas emissions or may exacerbate climate change?	NO
2.2 Would the potential outcomes of the Project be sensitive or vulnerable to potential impacts of climate change?	YES

2.3 Is the proposed Project likely to directly or indirectly increase social and environmental vulnerability to climate change now or in the future (also known as maladaptive practices)? *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population?s vulnerability to climate change, specifically flooding*	NO
Standard 3: Community Health, Safety and Working Conditions	
3.1 Would elements of Project construction, operation, or decommissioning pose potential safety risks to local communities?	NO
3.2 Would the Project pose potential risks to community health and safety due to the transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g., explosives, fuel and other chemicals during construction and operation)?	NO
3.3 Does the Project involve large-scale infrastructure development (e.g., dams, roads, buildings)?	NO
3.4 Would failure of structural elements of the Project pose risks to communities? (e.g., collapse of buildings or infrastructure)	NO
3.5 Would the proposed Project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions?	NO
3.6 Would the Project result in potential increased health risks (e.g., from water-borne or other vector-borne diseases or communicable infections such as HIV/AIDS)?	YES
3.7 Does the Project pose potential risks and vulnerabilities related to occupational health and safety due to physical, chemical, biological, and radiological hazards during Project construction, operation, or decommissioning?	NO
3.8 Does the Project involve support for employment or livelihoods that may fail to comply with national and international labour standards (i.e., principles and standards of ILO fundamental conventions)?	YES
3.9 Does the Project engage security personnel that may pose a potential risk to health and safety of communities and/or individuals (e.g., due to a lack of adequate training or accountability)?	NO
Standard 4: Cultural Heritage	
4.1 Will the proposed Project result in interventions that would potentially adversely impact sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g., knowledge, innovations, practices)? (Note: Projects intended to protect, and conserve Cultural Heritage may also have inadvertent adverse impacts).	YES
4.2 Does the Project propose utilizing tangible and/or intangible forms of cultural heritage for commercial or other purposes?	NO
Standard 5: Displacement and Resettlement	
5.1 Would the Project potentially involve temporary or permanent and full or partial physical displacement?	NO

5.2 Would the Project possibly result in economic displacement (e.g., loss of assets or access to resources due to land acquisition or access restrictions ? even in the absence of physical relocation)?	YES
5.3 Is there a risk that the Project would lead to forced evictions?[33][33]	NO
5.4 Would the proposed Project possibly affect land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	YES
Standard 6: Indigenous Peoples	
6.1 Are indigenous peoples present in the Project area (including Project area of influence)?	YES
6.2 Is it likely that the Project or portions of the Project will be located on lands and territories claimed by indigenous peoples?	YES
6.3 Would the proposed Project potentially affect the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the Project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)? *If the answer to the screening question 6.3 is ?yes? the potential risk impacts are considered potentially severe and/or critical and the Project would be categorized as either Moderate or High Risk.*	YES
6.4 Has there been an absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned?	NO
6.5 Does the proposed Project involve the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	YES
6.6 Is there a potential for forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?	YES
6.7 Would the Project adversely affect the development priorities of indigenous peoples as defined by them?	NO
6.8 Would the Project potentially affect the physical and cultural survival of indigenous peoples?	NO
6.9 Would the Project potentially affect the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	YES
Standard 7: Pollution Prevention and Resource Efficiency	
7.1 Would the Project potentially result in the release of pollutants to the environment due to routine or nonroutine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	YES
7.2 Would the proposed Project potentially result in the generation of waste (both hazardous and non-hazardous)?	YES

7.3 Will the proposed Project potentially involve the manufacture, trade, release, and/or use of hazardous chemicals and/or materials? Does the Project propose use of chemicals or materials subject to international bans or phase-outs? *For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Conventions on Persistent Organic Pollutants or the Montreal Protocol*	NO
7.4 Will the proposed Project involve the application of pesticides that may have a negative effect on the environment or human health?	NO
7.5 Does the Project include activities that require significant consumption of raw materials, energy, and/or water?	NO

[1] There were field visits to the commodity production areas, in addition to bilateral meetings, workshops and interviews with smallholders and, especially, vulnerable groups. The actors involved include public institutions such as the Servicio Forestal y de Fauna Silvestre (SERFOR), Autoridad Regional Ambiental del Gobierno Regional de San Mart?n (ARA San Mart?n), Proyecto Especial Ja?n?San Ignacio?Bagua (PEJSIB); regional bodies such as the Mesa T?cnica Regional de Cacao de San Mart?n; research centres such as the Earth Innovation Institute (EII); NGOs such as Fundaci?n Amazon?a Viva (FUNDAVI); producer organisations such as the ?Allima Cacao? cooperative, Cooperativa Oro Verde, ACOPAGRO, Cooperativa Central Cacao de Aroma de Tocache Ltda, Oleaginosas del Per? S.A. (OLPESA); large buyers such as OLAM, NESTLE, ECOM, JDE, GRUPO PALMAS and ROMEX; and indigenous and women?s organisations such as CODEPISAM, ORDEPIAA and Miski Cacao; among other actors. For more details, see the Gender Action Plan, Stakeholder Engagement Plan and the Indigenous Peoples Plan.

[2] Poorly managed territorial occupation and use, regulatory and management framework for the expansion of deforestation-free commodities; productive and processing practices that are inefficient in terms of productivity and environmental management of resources (mainly soil and water).

[3] The FPIC is governed by the United Nations policy directive, and it defines ?consultation? as an ?indigenous participation process? that is applied to confirm acceptance of Indigenous Peoples in project activities. It must be differentiated from the right to prior consultation under the national regulatory framework governed by ILO Convention 169 and Law N? 29785. Social and environmental standards, GEF, 2018; and Indigenous Peoples Standard, UNDP, 2014.

[4] Salom?n Awananch Wajush ? President of the Regional Organisation of Indigenous Peoples of the northern Peruvian Amazon, personal communication, Bagua, February 2020.

[5] Huarcaya, E., Rossi, F., Llanos-Cuentas, A. (2004) Influencia de factores clim?ticos sobre las enfermedades infecciosas. Revista Medica Herediana, v.15 n.4 Lima Oct/Dec 2004. Consulted on 18 October 2020, http://www.scielo.org.pe/scielo.php?script=sci_arttext&pid=S1018-130X2004000400007.

[6] As cited in Sociedad Nacional de Miner?a, Petr?leo y Energ?a (2020). Protocolo Sanitario en el Sector Minero para enfrentar el COVID-19. Lima.
[7] The organic certification frameworks for cacao and coffee applied in the area of intervention are regulated by Rainforest Alliance Certified, Fairtrade Labelling Organizations International (FLO), Comercio Justo and C.A.F.E Practices de Starbucks. (Iv?n Bernales ? Manager of Asociaci?n Valle Grande, personal communication, February 2020).
[8] ECLAC (2020). El Desaf?o social en tiempos del COVID-19. Informe Especial N? 3 COVID-19. Consulted on 18 October 2020 at https://repositorio.cepal.org/bitstream/handle/11362/45527/5/S2000325_es.pdf
[9] UNDP (2020). Vulnerabilidades, m?s all? de la pobreza. Series de Investigaci?n ? UNDP Peru. Consulted on 2 November 2020, UNDP webpage: https://www.pe.undp.org/content/dam/peru/docs/Publicaciones%20pobreza/Resumen%20ejecutivo_Vulnerabilidades,%20m%C3%A1s%20all%C3%A1%20de%20la%20pobreza_PNUD%20Per%C3%BA.pdf.
[10] The study identifies five key dimensions of vulnerability to COVID -19: monetary, food, work, financial and water.
[11] Schling, M., Salazar, L., Palacios, A., Pazos, N. (2020) ?C?mo est? afectando la pandemia de la COVID-19 a nuestros campesinos? Consulted on 18 October 2020, Inter-American Development Bank: https://blogs.iadb.org/sostenibilidad/es/como-esta-afectando-la-pandemia-del-covid-19-a-nuestros-campesinos/.
El Rol de los recursos naturales ante la pandemia por la COVID-19 en Am?rica Latina y el Caribe (2020). Consulted on 18 October 2020, ECLAC webpage: https://www.cepal.org/es/enfoques/rol-recursosnaturales-la-pandemia-covid-19-america-latina-caribe.
[12] Digital solutions in the areas of health, education, commerce and work play a preponderant role in the fight against COVID-19 as they facilitate physical distancing and allow the socioeconomic system to function to a certain extent. ECLAC (2020). Universalizar el acceso a las tecnolog?as digitales para enfrentar los efectos del COVID-19. Informe Especial N? 7 COVID-19. Consulted on 19 October 2020, ECLAC webpage: https://repositorio.cepal.org/bitstream/handle/11362/45938/4/S2000550_es.pdf.
[13] Magnitud y caracter?sticas del trabajo infantil en Per?: Informe de 2015 - An?lisis de la Encuesta Nacional de Hogares (ENAHO) y de la Encuesta sobre Trabajo Infantil (ETI) / Organizaci?n Internacional del Trabajo; Servicio de Principios y derechos fundamentales en el trabajo (FUNDAMENTALS); Ministerio de Trabajo y Promoci?n del Empleo del Per? (MTPE) - Geneva: ILO, 2016.
[14] As cited in Salazar, E., Garro, M. (2020). Los ni?os que el campo y la agroexportaci?n esconden. Consulted on 18 October 2020, on the Ojo P?blico webpage: https://ojo-publico.com/2001/los-ninosque-el-campo-y-la-agroexportacion-esconden.
[15] On this topic, Lorenzo Castillo, manager of the Junta Nacional del Caf? and spokesperson for the Coordinadora Nacional de Comercio Justo affirms that the State of Emergency and the economic crisis caused by COVID-19 have decreased the ability to hire labourers. On smaller plots, neighbouring families gather to support one another, taking turns with the harvesting, emulating the Incan Minka system, but children have become an important part of this system. Now that schools are closed, children have returned to the fields to help with harvesting. Gathering and other tasks are part of their learning. Castillo, L. (2020). Interview with Lorenzo Castillo. On the Ojo P?blico webpage: https://ojo-publico.com/2001/los-ninos-que-el-campo-y-laagroexportacion-esconden.
[16] Supreme Decree N? 003-2010 MINDES. Recognises the relationship between dangerous work and activities that are dangerous and harmful to the integral health and morale of adolescents. Supreme Decree N? 007/2006-MIMDES.
[17] Ponce, M. (2020). Social sample of the participation of members by gender in the associations and cooperatives in the project?s jurisdictions.
[18] Between 2001 and 2016, the expansion of unsustainable commodities represented 25% of the country?s total forest loss and 89% in the target jurisdictions. Between 1999 and 2015, coffee and cacao crops in San Mart?n increased by 160% and 1,170%, respectively; similarly, coffee and cacao increased by 60% and 120% in the Amazon region. Land dedicated to cultivating palm increased exponentially to the detriment of the primary forests of the Amazon, increasing social conflict. Project

Concept Note, 25 April 2019. Consulted on 8 April 2020 at: https://drive.google.com/drive/folders/1_MTibYQ61yR5gfC3hAEK259xWBDsTeRF.
[19] Baseline on Biofuels in the Amazon. SNV, 2007.
[20] According to the Report of the Ombudsman?s Office N? 001-2017-DP/AMASPPI. The deforestation of Amazon forests to establish large-scale crops of palm oil and cacao is happening mainly through the provision of proof of possession and subsequent titling, and through the transfer of public land for good and valuable consideration.
[21] The UNDP has carried out an analysis of the potential, current and future distribution of coffee and cacao up until 2050 in accordance with the variations in temperatures and precipitation. This study identified a vertical contraction pattern of 1800m, on average, for coffee along the Andean mountains; and the expansion into zones of 1000m more metres in altitude, on average. UNDP maps show that most of the area of intervention will not undergo changes in the distribution of coffee, and the new areas with favourable conditions for cultivation are in the south of the Ja?n province in Cajamarca, and between the provinces of Bongar? and Chachapoyas in Amazonas.
[22] Based on methodologies with a community and participative approach, geared towards installing response and adaptation capacities to climate change in beneficiary organisations. 32 MINAM began to formulate the Plan Nacional de Adaptaci?n al Cambio Clim?tico - NAP in November 2019.
[23] Oviedo, G., Noejovich, F., Zamudio, T. (2007). Desaf?os Para el Mantenimiento de los Conocimientos Tradicionales en Am?rica Latina. Consulted on 18 October 2020, UICN webpage: https://www.iucn.org/sites/dev/files/import/downloads/tk_in_la_resumen_ejecutivo_marzo_07_1.pdf.
[24] Consultation with the MInistry of Culture?s General Directorate of Cultural Heritage, December 2019. MINCUL has elaborated an Audiovisual Map of Peruvian Immaterial Cultural Heritage, a virtual and interactive platform (2015). The contents include: 85 documentaries, 60 research and dissemination publications, and more than 400 recordings of music and stories from the oral tradition. Source: Nancy Ochoa Siguas (2016). Bulletin de l?InstitutFran?aisd??tudesAndines / 2016, 45 (1): 91-108. Los piyapiyamorai o ?gente del r?o de la sal?. Los ?ltimos proveedores de sal del Paranapuras, Alto Amazonas, Per?.
[25] https://www.indecopi.gob.pe/documents/20787/162650/FormatoSolicitudConocimientos.pdf/14c7783b-a15a-4403-ae88-7149abcd422d.
[26] The production area of coffee and cacao in San Mart?n increased by 160% and 1,178%, respectively; in Amazonas, the cultivated area of coffee increased by 67% and of cacao by 120%. In Cajamarca the smallest increases were recorded: 0.5% for coffee and 0.1% for cacao. In terms of palm crops, cultivated hectares in San Mart?n increased by 223% (26,838 ha), while in the Loreto region an increase of 19,000% (8,931 ha) was recorded. Report of the Ombudsman?s Office N? 001-2017-DP/AMASPPI.MA: Deforestaci?n por cultivos agroindustriales de palma aceitera y cacao. Entre la ilegalidad y la ineficacia del Estado.
[27] Orientaciones para la Restauraci?n de Ecosistemas forestales y otros Ecosistemas de Vegetaci?n Silvestre. SERFOR, Lima, 2018.
[28] As part of the areas supplying environmental services, 8 national natural protected areas were identified; 4 regional natural protected areas; prioritised sites at the regional and local level in Amazonas, Cajamarca, San Mart?n and Loreto that are important for the water supply or potential for the restoration and conservation of biodiversity; zones where MERESE are implemented linked to the supply and regulation of water resources for coffee crops; and concessions for conservation and ecotourism.
[29] An estimated 2,9954 TM CO2 ?eq per year per coffee producer. Plan de manejo de aguas mieles. 2014.
[30] Law N? 29338, Ley de los Recursos H?dricos, article 135 prohibits dumping without prior authorisation. Resoluci?n Jefatural N? 224-2013-ANA, Reglamento de autorizaci?n de vertimientos de la ANA y su modificatoria.
[31] Prohibited grounds of discrimination include race, ethnicity, gender, age, language, disability, sexual orientation, religion, political or other opinion, national or social or geographical origin,

property, birth or other status including as an indigenous person or as a member of a minority. References to ?women and men? or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender people and transsexuals.

[32] In regard toCO_2, ?significant emissions? corresponds generally to more than 25,000 tons per year (from both direct and indirect sources). [The Guidance Note on Climate Change Mitigation and Adaptation provides additional information on GHG emissions.]
[33] Forced evictions include acts and/or omissions involving the coerced or involuntary displacement of individuals, groups, or communities from homes and/or lands and common property resources that were occupied or depended upon, thus eliminating the ability of an individual, group, or community to reside or work in a particular dwelling, residence, or location without the provision of, and access to, appropriate forms of legal or other protections.

Supporting Documents

Upload available ESS supporting documents.

Title	Module	Submitted
Annex 5 PIMS 6387 Peru FOLUR SESP	**CEO Endorsement ESS**	

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Project Objective: The Project?s Objective is to introduce sustainable (deforestation-free and profitable) commodity production models to reduce deforestation and land degradation caused by the ongoing increasing unsustainable production of agricultural commodities in	**Mandatory** Indicator 1 (Core Indicator 11): Direct project beneficiaries disaggregated by gender. A total of 120,000 beneficiaries (24,000 families) have improved their livelihoods, through deforestation-free commodities and land restoration/conservation practices. 54,000 females (45%) and 66,000 males (55%) (Annex 21 includes details on beneficiaries? estimates)	24,470 total (individuals) 3,820 females (16%) 20,650 males (84%) Based on the initial analysis of data from producers? associations and cooperatives.	35,000 total (individuals) 10,500 females (20%) 24,500 males (70%)	120,000 total (individuals) 54,000 females (45%) 66,000 males (55%)

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
critical economic-ecological jurisdictions in the north-western Amazon of Peru: San Martin, Amazonas, Loreto, and Cajamarca.	**Mandatory** GEF Core Indicators: Indicator 2: Restored land (RL) (GEF Core Indicator 3) Indicator 3: Area of landscapes under improved practices (LUIP) (GEF Core Indicator 4) Indicator 4: Greenhouse gas emission mitigated (GEF Core Indicator 6) (See Annex 24 for details on RL, LUIP and integrated landscape management (ILM) estimation)	The estimated area of degraded land in the four target regions is between 450 to 500 thousand ha; 262,489 ha in San Mart?n. No information on restored areas in the Project jurisdictions. There are various private and public restoration initiatives, mainly in San Mart?n, with approx. 50,000 ha. Total area of ??coffee, cocoa and palm oil harvested in 2018 in the 17 provinces: 303,429 ha. The area of certified production including the commodities is approx. 87,420 ha.	52,000 hectares of RL 200,000 hectares of LUIP 202,000 total hectares area under ILM (ILM includes: RL and LUIP)	260,050 hectares of RL 1,050,362 hectares of LUIP 1,310,412 total hectares area under ILM that contribute to store 67,885,652 tn of CO2e
PROJECT COMPONENT 1	**Development of integrated landscape management (ILM) systems.** ***C1 is implemented by UNDP in its entirety***			
Outcome 1: Sustainable ecosystems services and sound landscape management are supported by an ILM system	Indicator 5: Number of provinces where TDP supported by ILM systems deliver functional ecosystem services through Territorial Development Plans (TDP): PDRC and PDLC.	Completed Forest Zoning (FZ) process in the San Martin Region and in progress in the other 3 regions.	Two provinces have TDP (PDRC and PDLC) supported by ILM systems with Project?s sites covering at least 200,000 hectares.	Ten provinces have TDP (PDRC y PDLC) supported by ILM systems with Project?s sites, covering 1M hectares.

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
	Indicator 6: Number of provinces with budgets for ILMs that have started project implementation, with support of guidelines to include sustainability objectives in annual programming and budget; and number of strengthened IPLP and governance frameworks under implementation.	Regional and local governments capacity fluctuate from low to moderate, and their budging planning and execution excludes ILM systems, with the exception of San Martin and Amazonas, where the adoption of ILM in LU planning and ERDRBE are advancing.	At least 2 provincial governments have introduced new budget lines and allocated budgets to ILMs and have started project implementation, with support of guidelines to include sustainability objectives in annual programming and budgets. Ten strengthened IPLP and two governance frameworks under implementation.	At least 10 provincial governments have introduced new budget lines and allocated budgets to ILMs; and have started project implementation, with support of guidelines to include sustainability objectives in annual programming and budgets. Twenty strengthened IPLP and five governance frameworks under implementation.
Outputs to achieve Outcome 1:	1.1.1 Territorial Development Plans (TDP) supported by ILM systems and fully aligned with key drivers of deforestation and habitat loss. TDPs are defined in accordance with the sectoral and national development policies and plans, covering at least 1 million hectares; and strengthening of Indigenous People?s Life Plans (IPLP), governance and sustainable production. 1.1.2 Public sector capacities strengthened at the level of regional and local governments for ILM planning; and implementation of institutional arrangements and guidelines to include ILM objectives in annual budget planning and programming.			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Outcome 2: Land use plans, enforcement, and monitoring support smallholders? shift to deforestation-free commodities (DFC)	Indicator 7: Number of local governments (municipalities) and communities that develop and implement improved land use enforcement policy, technology-based tools and plans, including enforcement in Economic and Ecological Zoning (EEZ) and clearly established areas for forest and PA / habitat conservation.	Regional and local governments and communities? capacities fluctuate from very low to low level. Lack of information and know how, staff, funding, equipment. Low interinstitutional planning and coordination. Regional control and surveillance platforms (roundtables) are being established and not yet functional. There are few conservation agreements and related financial incentives: Cooperative Oro Verde-ACOPAGRO-PUR PROJECT-FUNAVI; CIMA-PN Cordillera Azul; CI in Alto Mayo; AMPA and APECO in the Martin-Sagrado Corridor. The total number of hectares under CA is not defined. The active CAs in San Martin cover approx. 43,000 ha.	2 local governments develop and implement improved land use enforcement policy, use technology-based tools and action plans, and enforcement covers at least 200,000 hectares in EEZ and forest and PA / habitat conservation areas including community conservation agreements (CA).	At least 10 local governments develop and implement improved land use enforcement policy, use technology-based tools and action plans, including enforcement in 1M hectares in EEZ and forest and PA / habitat conservation areas including community CAs.

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
	Indicator 8: Number of monitoring, evaluation and feedback (ME&F) reports of Local governments, in collaboration with private sector DFC buyers that are consistent with existing national (central) and regional monitoring systems such as SINIA and SIAR. Reports include gender and intercultural elements	There are functional national (central) and regional monitoring systems, such as: SINIA and SIARs. MIDAGRI?s SIEA requires extensive work to incorporate DFC at central and local level. Information platforms of the National Plan on Coffee and Cocoa are available.	At least two monitoring, evaluation and feedback (ME&F) reports of local governments, in collaboration with at least 1 private sector DFC buyers that are consistent with existing national (central) and regional monitoring systems such as SINIA and SIAR. The results of these reports are fed into annual, public and private planning and budgeting	At least ten monitoring, evaluation and feedback (ME&F) reports of local governments, in collaboration with at least three private sector DFC buyers that are consistent with existing national (central) and regional monitoring systems such as SINIA and SIAR. The results of these reports are fed into annual, public and private planning and budgeting
Outputs to achieve Outcome 2	1.2.1 Improved land use policy and enforcement capacity, technology-based tools and plans, including enforcement in Environmental Zoning and clearly established areas for forest / habitat conservation. 1.2.2 Individual/Community conservation agreements (CA) and negotiated voluntary set asides of HCVF between plantation companies, individual producers and forest authorities, as well as financial incentives to support ecosystem?s restoration and connectivity. Agreements and voluntary commitments are linked to existing and related work of GORES and local authorities. 1.2.3 Strengthened capacities of local and regional governments and private sector to M&E and reporting on enforcement and deforestation from commodity production outside PAs. The Project?s support to improve and expand M&E systems is consistent with existing national (central) and regional monitoring systems and it includes gender and intercultural elements.			
PROJECT COMPONENT 2	**Promotion of sustainable deforestation-free commodities and responsible value chains.** ***C2, is implemented by UNDP, excepting Outcome 4, Output 2.2.1, implemented by IFAD.***			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Outcome 3: Private sector engagement and responsible value chains increase sustainable commodity production (coffee, cacao & palm oil), supported by increased small and medium holders? technical and financial capacity	Indicator 9 Number of DFC value chains and related climate risk analysis (CRA) and action plans.	There is limited information on DFC technological packages and accessible financing within the Project?s jurisdictions. There are national and regional platforms available, but with lacking articulation and limited involvement of major commodity buyers.	One DFC value chain and CRA and improvement action plans being implemented in at least two local governments. At least 1 business agreement with major commodity buyers (e.g., OLAM/ECOM).	Three DFC value chains and CRA and improvement action plans being implemented in at least 10 local governments. There are at least 3 business agreements with major commodity buyers (e.g., OLAM, ECOM, GR).
	Indicator 10: Number of strategies to improve technical assistance (TA) and extension services (one per commodity) implemented and supporting national commodity action plans, as well as guidelines on deforestation-free sourcing, investing opportunities, and gender and intercultural elements.	Limited TA/extension services. The National Plan on Coffee provides TA services and other commodity plans (cacao and palm) are being produced and could be ready by mid 2021. Extension services lack financial sustainability.	One TA/extension service strategy being implemented to support the National Action Plans on Oil Palm; and one financial mechanism to support long-term extension services has been defined and implementation is advancing.	Three TA/extension services strategies (one per commodity) being implemented to support the national Action Plans on Coffee, Cacao and Oil Palm; and an estimated 50% of the cost of the implementing of extension services will be covered by a set of financial mechanism and increased public budgets.
Outputs to achieve Outcome 3	2.1.1 Analysis, design and action plans to implement new innovative tech-supported models of DFC, climate-smart agriculture (CSA), SFM and agroforestry; and guidance on DFC sourcing and investing opportunities for private domestic and international buyers. The analysis will include gender, intercultural and trans-generational challenges. 2.1.2. Assessments and strengthened multi-stakeholder dialogue platforms on DFC coffee, cacao, and oil palm, at national and regional levels, with increased private sector participation (assessment of dialogue platforms? DFC goals vis-?-vis the existing capacity to meet their goals and action plans). 2.1.3 Collaboration agreements with major private sector DFC commodity buyers. 2.1.4 M&E system to monitor sourcing and supply chains, and training programs to increase M&E capacity at national, regional and local level, using tech-based tools to improve jurisdictional traceability (e.g., blockchain). 2.1.5 A financially sustainable landscape-level DFC strategy that increases and expands extension services. The strategy is funded by public and private resources.			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Outcome 4 **S**mallholders receiving higher net benefits as a result of traders and consumers buying more deforestation-free commodities (DFC)	Indicator 11: Number of business plans that support DFC technological packages for small and medium holders, producers? associations and business alliances.	Non-associated small producers rarely know their production costs (fixed and variable), and their net benefits and cost-effectiveness. Associations and cooperatives have better knowledge. The oil palm industry uses good accounting costing methods.	Three fully costed business plans support DFC models that increase net revenue of at least 5% of the targeted producers.	Ten fully costed business plans support DFC models that increase net revenue of at least 20% of the targeted producers.
	Indicator 12: Number of landscape-level financial strategy implemented (at jurisdictional level) to support traceable DFC, including technical packages; diversified, accessible and gender-balanced affordable financing; and an investment portfolio of opportunities available to financial institutions, buyers and investors.	There are several related projects and government agencies implementing commodity projects; however, no financial strategies at landscape level are being developed for DFC. Projects such as the GEF SPL, NAMA and Alianza Cacao, are focusing on technical and financial packages for sustainable commodities. Commodities economic valuations are being implemented by the GEF SPL Project.	At least one landscape level (jurisdiction) gender-balanced financial strategy being implemented for a selected commodity, with support of a major DFC buyer; and linked to an investment portfolio and economic impact analysis.	At least three landscape level (jurisdiction), gender-balanced financial strategies implemented, one for each commodity, with support of major DFC buyers and linked to an investment portfolio; and an economic impact analysis showing the benefits of shifting to DFC.
Outputs to achieve Outcome 4	**2.2.1 Business plans, at different producer levels, supporting DFC technical packages for small and medium holders, producers? associations and business alliances.** ***This Output is implemented by IFAD.*** 2.2.2 An integrated landscape-level finance/credit strategy for producers that will organize and program support to DFC models, including diversified, accessible and affordable DFC financing, and an investment portfolio of DFC investment opportunities available to financial institutions, buyers and investors. 2.2.3 Targeted economic impact analysis at commodity/landscape level to support the establishment of financial instruments, partnerships with the private sector, and DFC related policy reform, including gender and intercultural and trans-generational aspects.			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
PROJECT COMPONENT 3	**Reducing biodiversity loss and restoring ecosystems, HVCF and natural habitats.** ***C3 is implemented by FAO in its entirety.***			
Outcome 5: Conservation and habitat/ecosystem restoration practices contribute to reduce pressures on protected areas (PAs) and high conservation value forests (HCVF), promote connectivity, and establish wildlife corridors in restored degraded areas and productive areas under degradation risk	Indicator 13 / GEF Core Indicator 3: Number of hectares of priority areas for biodiversity conservation and natural habitat restored.	A Regional Rural Development Strategy including low GHG is being completed by the San Martin Government (covering 10 provinces). In addition, CI, CIMA, AMPA, FUNAVI, SOLIDARIDAD and others are supporting landscape analysis to define conservation corridors in Amazonas and San Martin regions. In Cajamarca and Loreto processes such as ZF are emerging.	52,000 hectares of priority areas for biodiversity conservation and natural habitat restored.	250,050 hectares of priority areas for biodiversity conservation and natural habitat restored. .
	Indicator 14: A financial plan to support habitat/ecosystems restoration.	Habitat/ecosystems restoration has poor financial support. GORES? budgets do not include ecosystem restoration programs.	A financial plan has been designed and at least two additional financial mechanisms have been identified and the financial goals are set.	A financial strategy is in place to cover 50% of the annual costs of habitat and ecosystems restoration; and GORES allocate public resources to fill the gaps.
Outputs to achieve Outcome 5	3.1.1 Selected and prioritized HCVF and areas for ecosystems restoration, including connectivity corridors, using ROAM and other GIS tools (as needed). 3.1.2 Tools and methodologies to identify and select HCVF, restore degraded productive landscapes and natural habitats, degraded ecosystems in buffer zones of PAs and areas of key ES. 3.1.3 Ecosystem restauration extension service programs included in extension services programs with gender, ethnicity and equity approaches and risk management. 3.1.4 Strengthened capacities for biodiversity protection, restoration and connectivity principles, with a balanced gender approach, are mainstreamed into state-funded restoration schemes. 3.1.5 Assessment of financial needs to cover the costs of ecosystems? restauration, and a financial plan, together with increased GORES? budgets.			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Outcome 6: 3.2 Conservation corridors have enhanced connectivity, biodiversity conservation and ES	Indicator 15. Number of annual jurisdictional/corridors monitoring reports (with digital and site visits data) verify improvements in connectivity, biodiversity conservation and ES, including reports from GORES and community CA. Gender criteria is included in monitoring and reporting.	There are several information systems: national level (MINAM-SINIA), reports from regional level conservation strategies (GORES/NGOs); and global level such as FAO?s Collect Earth. There is limited integration amongst systems and reporting on connectivity, biodiversity and ecosystem is not systemized. Gender criteria is not included in monitoring and reporting. There are no Individual/Community conservation agreements (CA) integrated to monitoring systems.	Two annual jurisdictional/corridors monitoring reports (with digital and site visits data) verify improvements in connectivity, biodiversity conservation and ES, including reports from GORES and community CA. Gender criteria is included in monitoring and reporting.	Five annual jurisdictional/corridors monitoring reports (with digital and site visits data) verify improvements in connectivity, biodiversity conservation and ES, including reports from GORES and community CA. Gender criteria is included in monitoring and reporting.
Outputs to achieve Outcome 6	3.2.1 Strengthened information systems at landscape level in the targeted jurisdictions including links to MINAM?s National Environmental Information System (SINIA), including connected reporting a feedback system. 3.2.2 Individual/Community conservation agreements (CA) integrated to monitoring systems at different levels: central, GORES and local authorities, including gender criteria. 3.2.3 Gender-balanced conservation approaches mainstreamed into ILMS.			
PROJECT COMPONENT 4	**Coordination M&E and Knowledge Management (KM).** ***C4 is implemented by UNDP in its entirety***			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Outcome 7: 4.1 The results of Components 1, 2 and 3 are successfully achieved with support of communication and training strategies that are articulated with FOLUR?s Global K2A Platform; and (4.2) Successful practices are replicated in other regions and support DFC platforms at global level	Indicator 16: Number of national and international events that benefit from FOLUR?s lessons on DFC, up taking of good practices and DFC guidelines on mainstreaming gender; and contributions to FOLUR?s Knowledge to Action (K2A) Global Platform.	There are several KM platforms. MINAM is developing a related Integrated Natural Resources Management System. There are national and regional commodity dialogue round tables (coffee, cacao and palm oil). Further, IICA, UNDP-GEF and MIDAGRI, as well as ICRAF are constructing cacao and coffee KM web-based platforms. These platforms are yet to be integrated at national level and have limited connection at the global level.	Annual reports (staring in Year 2) show that national and international DFC?s learning platforms are connected and exchanging lessons, including FOLUR?s K2A Global IP Platform; and FOLUR Peru has participated in at least one national or international lessons exchange event, and three international commodity marketing fairs.	Annual reports show FOLUR Peru has participated in at least six national or international lessons exchange events and three international commodity marketing fairs. FOLUR's K2A Platform annual reports verify that FOLUR Peru?s lesson are being processed.

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
	Indicator 17: Number of contracts, purchase agreements, DFC commitments, and purchasing policies achieved through the participation of DFC producers in annual international events (commodity fairs, round tables, DFC conferences and bilateral trade mechanisms). Official reports (government and producers? associations) report an increase of DFC exports (tons) per commodity in the Project?s jurisdiction.	Commodity producers (cooperatives and associations are randomly participating in international commodity fairs and related events, to promote and negotiate Peruvian certified DFC. There is limited systematized information and financial resources for the promotion of DFC (e.g., through PROMPERU).	Three strategies (one per commodity) and efficient coordination mechanisms to participate in DFC trade events are completed and being implemented. Staring in Year 3, official reports (government and producers? associations) show an increase of DFC exports (tons) in each commodity in the Project?s jurisdiction.	3 contracts (purchase agreements), DFC commitments or better purchasing policies achieved through the participation in DFC national and international events. Official reports of years 4-6, show an increase of DFC exports (tons) in each commodity in the Project?s jurisdiction.
Outputs to achieve Outcome 7	4.1.1 A communications and KM strategy to integrate national KM elements of platforms that support DFC, supply chains and value chains at national and subnational level. 4.1.2 Systematized best gender-balanced practices, lessons learned and case studies covering all Project?s components are available, as well as lessons from other DFC, forest and landscape restoration (FLR) and SFM. 4.1.3 National DFC stakeholders (men and women) able to speak and represent at FOLUR international events and could influence global commodity markets; and new global connections and alliances with global buyers interested in DFC established.			

This project will contribute to the following Sustainable Development Goal (s): 1, 3, 5, 6, 8, 12 and 15				
This project will contribute to the following country outcome (UNDAF/CPD, RPD, GPD): Populations in conditions of poverty and vulnerability to food insecurity in prioritized regions e increase production and productivity, gain access to decent work, increase income and responsible consumption, while taking into account climate change, conservation and sustainable management of ecosystems.				
	Objective and Outcome Indicators	**Baseline**	**Mid-term Target**	**End of Project Target**
Outcome 8 4.2 Gender-balanced empowerment and informed decision-makers improve DFC governance in local, regional and national agencies; and supply-chain actors.	**Indicator 18:** Reports from institutionalized monitoring, evaluation and feedback (ME&F) protocols improve gender-balanced decision-making and empower producers, and major commodity buyers continue to support gender-balanced DFC practices and trade.	Commodity national action plans are completed for coffee, and the national plans for cacao and oil palm are advanced. Data on the quantity and quality of commodity production is limited, inaccurate and inconsistent in the targeted jurisdictions. Commodity major buyers report on certified production. For example, an estimated 1/3 of coffee production is certified at national level, and 15,000 ha of certified cacao in San Martin, Amazonas and Cajamarca.	Annual reports, starting in year 2, document an increasing number of DFC producers and major commodity buyers engaged in DFC production and trade. At least a 10% increase of certified commodity production, with more balanced gender composition.	Annual reports of years 4-6 document an increasing number of DFC producers and major commodity buyers engaged in DFC production and trade. At least a 30% increase of certified commodity production, with more balanced gender composition.
Outputs to achieve Outcome 8	4.2.1 M&E reports and feedback to be used to update the Project?s DFC strategies and action plans, in collaboration with public and private stakeholders. 4.2.2 An institutionalized M&E and impact reporting system facilitates the replication of the Project components to scale up impact. The M&E system includes multiple procedures and protocols to address multiple targets.			

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Council Comments at PIF/Work Program Inclusion:

Comments	Response	Reference in CEO Endorsement Document

Germany Comments 1. The PIF does not adequately address some fundamental structural challenges of the conventional agricultural production system. Germany would like to request a more explicit analysis of the prevailing transformation challenges towards ecologically sound intensification in both small farming and industrial farming systems, as these substantially affect the described correlation between commodity production and deforestation. Germany suggests addressing these challenges with regard to the agricultural research system, extension system and incentive system more explicitly. 2. The text systematically narrows landscape ecosystem challenges down to forest resources. Consequently, the lack of conclusive regulatory frameworks on soils and targeted incentives for sustainable soil management are not addressed in the PIF. Germany would like to suggest, that the vital role of soil ecosystem services are more specifically spelled out in the program description and	1. The Project addresses challenges related to the agricultural research system, extension system, and incentives. First, the Project will work with the Ministry of Agriculture, private DFC buyers, research institutions, and a CSO to advance research and introduce models to tackle forestation and land degradation. The Project provides appropriate technology packages, develops an improved extension service program, makes accessible credit available, provides capacity building, and supports KM. The combination of these strategies will ensure the shift from unsustainable commodities to DFC production to restored lands. In addition, the Project promotes agroecosystems and preserves forest ecosystem goods and services. The Project benefits include policy reform to improve land use planning, restoration of degraded landscapes, and the ground implementation of integrated landscape management (ILM) to achieve land degradation neutrality (LDN) and contribute to meeting national LDN targets (SDG 15.3) 2. Sustainable soil management is part of the Project's DFC and LDN. In addition, sustainable agroforestry systems and climate-smart agriculture are part of the Project's technology packages. These elements will ensure that ES (including soil ES) are restored in degraded lands and improved in existing productive lands. 3. To incorporate FAO's initiatives on land degradation and ecosystem restoration economics, the Project includes a UNDP's TSA (Targeted Scenario Analysis). TSA is an alternative economic valuation approach included in Component 2, 2.2.3. The TSA will generate economic evidence-based information for decision-makers on conventional commodities' economic impact that excludes LDN, DFC, and climate-smart agriculture. The TSA assesses the economic impact and cost of shifting from conventional commodity production that does not incorporate the cost of negative externalities to DFC. The TSA will support policy-making and decision-making at the central and local levels.	1. Described under the activities of components 1-4. 2. Degradation related to decreasing soil ES has been added to the root cause analysis **3.** Component 2, 2.2.3

Norway-Denmark Comments 1. We welcome the proposed IP on Food Systems, Land Use and Restoration. We note that the program includes commodities as well as food crops ? challenges may be similar in some ways but are not always identical. Both agriculture itself and surrounding lands contain genetic resources for food and agriculture, a vital resource for resilient food production in coming years. It is therefore timely to focus on Food Systems and their effect on the environment. We would, however, like to be informed more in detail on how the program will ensure "adaptation benefits by creating more climate-resilient and disease-reliant plants" as stated on page 41 in the main document. We note that the issue of challenges for certain food crops due to climate change has also been brought up by the STAP in their review of this Program.	1. The Project cannot directly affect climatic events; however, its interventions are designed to direct investment in activities that limit exposure to hazards and increase the ability of farmers and the coffee/cocoa and palm oil trees themselves to adapt to the new conditions. The Project will work with a range of stakeholders (e.g., CI and commodity platforms) to carry out site-level climate assessments to inform adaptation decisions at the farm level while not losing the landscape perspective. For example, the Climate Impact Chain (CIC) assessment framework will be used by the Project. Analysis such as CIC will help stakeholders understand the relationship between cause and identified problem and target investments and interventions.	Please refer to Section 5, CC Risks.

United States Comments 1. **Coordination**. This program will overlap thematically and possibly geographically with several U.S. projects and programs. To ensure complementarity, avoid duplicity and set the tone for coordination from the start, we would like more information on the geographic and technical scopes, as well as partner information. Additionally, we recommend coordination by Implementing and Executing agencies with several stakeholders or projects, including USAID. 2. Similarly, there are ongoing jurisdictional efforts aimed at reducing emissions linked to soft commodity production (ISFL, FCPF, Governors Climate and Forest Task Force) in many of the proposed program areas. How will this impact program support for those ongoing efforts and utilize the work these entities have done on the components outlined in the IP? 3. **Gender**. It is insufficiently clear how the program will incorporate actions that will address the institutional constraints on gender equity and women?s economic empowerment on the part of implementing partners (government agencies) and key stakeholders (non-gender oriented CSOs). For example, although the program expresses an interest in providing greater training of women and in increasing their number in leadership roles within groups supported by FOLUR, there is no mention of how government policies and practices (at the national or decentralized levels) will continue to support these initiatives upon the completion of the program cycle. 4. **Knowledge management**. What plans	1. The Project will coordinate its four components with the USAID Initiative that supports sustainable agroforestry in former coca-producing regions, including the Peruvian Amazon, to produce legal sources of income through licit crops like cacao, coffee, banana, and local timber trees. In addition, coordination with USAID will expand the Project effort to provide hands-on technical assistance to farmers, including training in modern farming techniques and access to capital to invest in equipment. Besides, The Project will collaborate with other USAID initiatives that support governance, mobilizing investment capital to the Peruvian Amazon, partnerships with the private sector, capacity building, and digital and financial inclusion. 2. Likewise, the Project will coordinate CC mitigation and adaptation activities with USAID Peru. This coordination includes the ongoing jurisdictional efforts to reduce emissions linked to soft commodity production (ISFL, FCPF, Governors Climate, and Forest Task Force) in the Peruvian Amazon. The tools, strategies, and results of USAID interventions will support implementation, and the Projects KM component will incorporate lessons to improve practice. 3 and 4. The Project includes a comprehensive Gender action plan that will be applied across the Project's components 1 to 3. Besides, the KM strategy (Component 4) includes particular details of how gender-balanced approaches will be mainstreamed into DFC production to generate higher impact. For example, outcome 8, 4.2 includes gender-balanced empowerment and informed decision-makers improve DFC governance in local, regional, and national agencies; and supply-chain actors. Besides, gender mainstreaming is supported by *ad hoc* indicators, e.g., Indicator 18: Reports from institutionalized monitoring, evaluation and feedback (ME&F) protocols improve gender-balanced decision-making, policies, empower producers, and major commodity buyers support gender-balanced DFC practices and trade after the Project ends.	1 and 2, Baseline scenario, Section 2. Section 3, Proposed alternative scenario and brief description of the Project?s expected outcomes, components and activities, Components 1-4. The gender Action Plan is included in Part 3.

STAP Comments; Date of Screening: December 3, 2018		
Comment	**Response**	**Reference in CEO Endorsement Document**

Overall assessment. 1. The STAP encourages in-depth review of the pitfalls and lessons of related prior efforts to ensure these inform the next stages of detailed program design, with regards to the global platform as well as the current (and future) round of country projects. 2. More detail should be provided during full program development regarding systematic risk identification and assessment of risk management options and strategies. Gender equality aspects merit deeper analysis during full program preparation, particularly regarding barriers to gender-equitable resource access and tenure rights, and to inclusive decision-making in landscape-level planning and policy formulation. 3. Climate mitigation and adaptation goals. are well integrated in the high-level program description, and climate- smart agriculture (CSA) practices and technologies are integral to the planned landscape-level responses. Yet, assessment of program-level sensitivity to climate impacts is not presented; more detail is expected in development of country projects and in program-level monitoring and targeted capacity	1. COMPONENT 4. Coordination, M&E and Knowledge Management (KM) includes key activities to address KM and lessons mainstreaming challenges: ? Support MINAM's KM strategy and the KM component of the Implementing Plan of the National Public Management Modernization Policy and the Institutional Modernization Plan of the Environment Ministry. ? Assess the information and KM, including the supply/value chain stakeholders of cocoa, coffee and oil palm to KM needs across beneficiaries, define the goals, and gain commitment from decision-makers, both public and private. ? Develop a KM strategy including knowledge-based solutions to DFC challenges, KM partnerships, and the most appropriate distribution and delivery channels for male and female producers. ? Assess existing KM platforms working on DFC and other related topics to define scope, interrelations, overlaps, and gaps. ? Capture and document good practices and the "not to do" lessons on DFC, ILM, and FLR. ? Systematize information and share knowledge. ? Establish an inter-connected commodity platform and FOLUR's K2A Platform with increased capacity to disseminate lessons and best practices on "what to do" and "what not to do" at the landscape, national and global levels; and share information with other key Government's Programmes and the FOLUR's Knowledge to Action (K2A) Global Platform. ? Select and apply KM indicators and tools, including the K2A GP indicators. ? Promote exchanges with other FOLUR projects: Ethiopia, Guatemala, Indonesia, Malaysia, Papua New Guinea, and Liberia. ? Support the participation in international DFC events to showcase experiences to encourage replication of good practices. ? Introduce a communication strategy will also identify key opportunities to engage capable national DFC stakeholders in international events to influence global commodity markets. ? Develop an action plan and co-finance the participation of different levels of DFC Champion producers in such events. 2. The Project, during the PPG phase, developed a detailed gender analysis and action plan. In addition, gender-specific risks and mitigation measures are included in the UNDP's Social and Environmental Screening Procedure (SESP). This analysis provides a comprehensive assessment of the need to achieve better gender balance when delivering the range of project benefits. A Gender Action Plan is included in Part 3. 3. The Project cannot directly affect climatic events; however, its interventions are designed to direct investment in activities that limit exposure to hazards and increase the ability of farmers and the coffee/cocoa and palm oil trees themselves to adapt to the new conditions. The Project will work with a range of stakeholders (e.g., CI and commodity platforms) to carry out site-level climate assessments to inform adaptation	1. Section 3, Proposed alternative scenario and brief description of the Project?s expected outcomes, components and activities, Component 4. 2. Section 5, Risks; Gender Action Plan in Part 3, Annexes 9 and 12 of the Project Document

Theory of Change (TOC). 4. While outcomes, longer-term outcomes and GEBs are clearly specified, the causal links at these levels are less explicit. In other words, the mechanisms or pathways to achieve scaling merit closer attention and explicit treatment (and debate among partners) during the next stage of program design. 5. Given the breadth of the program, it would be advisable to additionally develop, in consultation with key partners, a particular theory of change for each of the value chains, drawing upon a common language of the overall program theory of change.This would both clarify the change pathways that each constellation of value chain and country partners will pursue, and it would enable comparative analysis and exchange across these groupings.	4. During the implementation phase, The Project will periodically assess the evolution of the TOC. To this end, the Project will be supported by the Coffee, cocoa and palm oil platforms. 5. In addition to the above, based on debate and agreements amongst commodity stakeholders, the Project team will update the sustainable value chains for coffee, cocoa, and palm oil and adjust the Project intervention accordingly.	Section 3, Proposed alternative scenario (TOC) and brief description of the Project?s expected outcomes, components and activities, Component 2. Risk section (Risk 2).

Global Environmental Benefits (GEB). **6.** The main emphasis is on local and regional benefits, and the resulting GEBs. Little attention is devoted to trade-offs and possibly negative side effects, though social and environmental risks are mentioned in the Risks section. There is little explicit attention to power dynamics, including potential winners and losers from the changes envisioned and how potential conflicts may be addressed. This will be essential to address explicitly during the course of full program development, with regards to each value chain and country project.	6. The Project's environmental and social risks are included in the SESP. The Project also identified additional markets, financial and governance risks that could affect local and regional benefits, and the expected GEBs. The potential trade-offs and possibly negative impacts are included in the SESP and environmental and social management framework (ESMF). These analyses identify mitigation measures to incorporate potential losers as beneficiaries (winners). The Project also includes a grievances mechanism to resolve potential conflicts across different actors of the value chains.	Section 5, Risks; and Annex 5, SESP, and Annex 9, ESMF, of the Project Document.
Resilience to Climate Change **7.** Resilience to CC is not addressed in detail, though mentioned in the section on risks. The proposed response to climate change is quite general at this level; more detail expected in development of country projects and in program-level monitoring and targeted capacity support functions.	7. Please refer to response in Comment 3 above.	2. Section 5, CC Risks; and Annex 14 Emission calculations, in the Project Document. CC activities are also discussed in the activities of Components 1-3.

Innovativeness. 8. The program is innovative in its concept, structure, and the combination of global and country-level engagements. Specific innovations are expected to emerge from CPs. Emphasis is on policy and institutional innovations. More thinking about possible technological, financing, and business model innovations would be desirable, from which each country and the IP as a whole could benefit.	8. The Project's innovation concept, structure, and the combination of global and country-level partnerships to achieve innovation are included in Section 7. There is a strong emphasis on policy and institutional innovations. Besides, the referred Section included discussing the technological, financing, and business model innovations packages that will ensure sustainability and enhance benefits. This Section also includes the key approaches to ensure environmental and financial sustainability of the Project's DFC models and the replication and scaling up strategy. The latter also discusses related activities under Components 1-4, particularly in the KM section.	Section 7. Innovation, sustainability and potential to scaling up. Component 4, KM strategy.

Scaling up. 9. Given the geographic and commodity coverage of this IP, scaling up beyond country-level outcomes is integral to planned program-level outcomes, targeting fundamental transformation in food systems. Achieving these outcomes at scale is likely to be more difficult than it seems to be depicted. In particular, the scaling potential relies significantly on shifting patterns of investment, with the intent that ?policy and coordination platforms will crowd-in investment,? but it remains unclear how this will be achieved. Barriers to adoption of innovations at landscape level and in value chains are addressed well, if still at a general level, in the discussion of governance issues and in program risks. But explicit barriers to scaling and transformation are less well-covered.	9. Please refer to the above response (8). The barriers to scaling up are discussed in Sections 1, 2 and 3.	Section 7. Innovation, sustainability and potential to scaling up. Component 4, KM strategy. Sections 1, 2 and 3 includes discussion on barriers and the strategies to address them.

Stakeholders. 10. It will be essential to show plans for ensuring that all child projects are appropriately engaged with the appropriate global and regional platforms during the period of full project design. If this is done in particular with an eye to testing and validating for each country project the barriers, planned innovations and theory of change, this can help bring critical insights to project design that will aid subsequent scaling at the program level.	10. The project stakeholders include various actors at different supply chain levels: independent producers, associated producers (producers associations), financial institutions (national and local), commodity buyers/exporters. The Stakeholders section (Part 2) includes an overview of the committed and potential key potential partnerships at different levels (some are already included, providing co-financing); and how stakeholders (including indigenous groups) were consulted during the design phase. A more detailed partnerships table and partners' information are included in the Project Document, Section IV, and SEP in Annex 8. The KM Section includes a detailed description of stakeholders' engagement through the global and regional platforms throughout the implementation phase. The Project also includes an indigenous people's action plan (IPP) to ensure proper stakeholder engagement at the site level.	Part 2. Stakeholders; and Stakeholders Engagement Plan in Annex 8 of the Project Document. IPP is included in Annex 11 of the Project Document.
Gender, equity and women empowerment. 11. Gender sensitive indicators are missing ? but dimensions above indicate a suitable framework.	11. The Project includes a comprehensive Gender action plan that will be applied across the Project's components 1 to 3. Besides, the KM strategy (Component 4) includes particular details of how gender-balanced approaches will be mainstreamed into DFC production to generate higher impact. For example, outcome 8, 4.2 includes gender-balanced empowerment and informed decision-makers improve DFC governance in local, regional, and national agencies; and supply-chain actors. In addition, gender mainstreaming is supported by *ad hoc* indicators, e.g., Indicator 18: Reports from institutionalized monitoring, evaluation and feedback (ME&F) protocols improve gender-balanced decision-making, policies, empower producers, and major commodity buyers support gender-balanced DFC practices and trade after the Project ends.	2. Section 5, Risks; Gender Action Plan in Part 3, Annexes 9 and 12 of the Project Document

Risks. 12. No climate impact assessment is presented; only the possibility of climate change impacts on productivity and resilience is alluded to. Since impacts will be region and location-specific, climate impact assessments and response strategies will need to be developed in the country projects. 13. Only generic reference to national climate change action plans is made.	12. Mechanisms for CC assessment are part of the Project. Although the Project cannot directly affect climatic events; however, its interventions are designed to direct investment in activities that limit exposure to hazards and increase the ability of farmers and the coffee/cocoa and palm oil trees themselves to adapt to the new conditions. The Project will work with a range of stakeholders (e.g., CI and commodity platforms) to carry out site-level climate assessments to inform adaptation decisions at the farm level while not losing the landscape perspective. For example, the Climate Impact Chain (CIC) assessment framework will be used by the Project. Analysis such as CIC will help stakeholders understand the relationship between cause and identified problem and target investments and interventions. In the design phase, the Project assessed the impact of climate change-related disasters on local livelihoods and food security by destroying CDF plantations and crops. The increase in temperature will affect production systems such as coffee and cocoa and will have particularities at the local level. For example, with climate change, the potential area for coffee cultivation will decrease by 2050, and for cocoa cultivation, the potential area will increase. In national terms, the current potential distribution of coffee estimated based on the ecological niche without considering the different categories of land use shows a decrease of 33,026 ha compared to the current potential estimated at 2050 (current potential area 11,584,382 ha. - future 11,551,356 ha). In addition, there will be a variation in the location of the coffee towards higher elevational levels (current average altitude 1391 m a.s.l. - future 1587 m a.s.l.). Regarding cocoa, at the national level, an increase of 10,018,064 ha is estimated by 2050 (current potential area of 18'333,117.00 ha - future 28'351,181 ha). For example, by 2050, for the departments of Cusco, Ucayali, Hu?nuco, Madre de Dios, Pasco, and Jun?n, the effective potential distribution of coffee will show a decrease of 40,358.00 ha (7% reduction). On the other hand, in the same departments, the future scenario for cocoa will be characterized by an increase of 197,323.36 ha (20% increase) in the potential effective area. The Project provides mitigation measures to the potential CC impacts. The project strategy, particularly under components 1-3 introduces activities that aim at reducing the potential negative impact of climate change. Key activities include the introduction of: ? Improvement ecosystems management, ? Integrated landscape management ? DFC models that incorporate SFM, LDN, and climate-smart agriculture. ? Shifting the expansion of DFC production to restores agricultural land ? Expanding biodiversity corridors and community and conservation agreements ? Promoting the use of HCVF in land restoration models ? Intensive capacity building at governmental and producer levels, with strong participation of large DFC buyers, financial institutions, local banks, and specialized national and international civil society	12. Section 5, CC Risks; and Annex 14 Emission calculations, in the Project Document. CC activities are also discussed in the activities of Components 1-3.

GEFSec comments, 6th May 2021		
Comments	**Agency Response**	**Changes in the documents**

2. Is the project structure/design appropriate to achieve the expected outcomes and outputs as in Table B and described in the project document? April 8, 2021 1. The duration of the project at the beginning of the project description in the Portal is said to be 60 months while it should be 72 months. Please amend as needed. 2. While the current project objective is clear, the main goal of FOLUR is about transforming food systems toward sustainability. The project objective should therefore be clearer on how it is contributing to this or it otherwise runs the risk of appearing to generate incremental improvements in production at the landscape level. 3. In table B under component 3, one target to measure the outcome 3.1 is "300,000 hectares of priority areas for biodiversity conservation and natural habitat restored". Nevertheless, we don't see such results reflected in the GEF core indicators. Please clarify. Actually, it would be good to report this result under the restored area (core indicator 3) as it appears relatively low at this stage with only 10,000 ha of degraded agricultural land restored. 4. Please spell out the acronym DFC (Deforestation Free Commodities) at least once in the table and again the first time it is written in the narrative text. 4. In table B, component 3 appears to be an investment and not TA as currently indicated (same may be the case for component 2). Please clarify.	1. The issue was reported to the GEF portal support team, as there is no option to correct it in the portal 2. The Project?s objective is refined: ?The Project?s Objective is to introduce sustainable (deforestation-free and profitable) commodity production models to reduce deforestation and land degradation caused by the ongoing increasing unsustainable production of agricultural commodities in critical economic-ecological jurisdictions in the north-western Amazon of Peru. To this end, the Project promotes responsible value chains and partnerships with major DFC buyers. The strategy aims at reducing deforestation and degradation caused by increasing production of unsustainable agricultural commodities (coffee, cocoa, and palm oil) in critical economic-ecological jurisdictions in the NW Amazon: San Martin, Amazonas, Loreto, and Cajamarca. Consequently, this strategy will contribute to transforming commodity-related food systems in the Peruvian Amazon towards sustainability.? 3. FAO Response. Point taken. Core indicator 3 has been included under Outcome 3.1, with a target of ?250,050 hectares of priority areas for biodiversity conservation and natural habitat restored? (kindly note that 300,000 hectares was a typo). In Table F of the CEO Endorsement request, Core indicator 3 now sums up 260,050 hectares (250,050 hectares from outcome 3.1 + 10,000 hectares from outcome 2.1). 4. Deforestation Free Commodities has been spelled out as requested. 4.Point taken. Component 3 has been changed to Investment.	Changes in the documents: Adjusted in all sections where the Project?s objective is mentioned. CEO Endorsement: Table B, ToC (page 21), Paragraph 30, and Annex A (Log Frame). ProDoc: Project Description (page1), Section III Strategy (page 14), Figure 2 (ToC) page 19, and Section V Results Framework. Table B Table B

Co-financing 4. Are the confirmed expected amounts, sources and types of co-financing adequately documented, with supporting evidence and a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized, and a description of any major changes from PIF, consistent with the requirements of the Co-Financing Policy and Guidelines? **April 8, 2021** 1. The co-financing letters from Caja Sullana, Caja Huancayo and Caja Mainas provide the amount in Soles. The agency may wish to indicate in the text below table C the exchange rate used to convert in dollars (not mandatory). 2. The co-financing from FAO is provided as in-kind ($329,850) and cash ($300,000). Please reflect the 2 different kind of co-financing in table C. 3. According to the letter provided, the co-financing from OLAM is $1,900,000 "in cash or kind" and $650,000 will be used to pay a premium for deforestation-free products. In table C, contribution from OLAM is $3,850,000 as grant. This is not consistent. Please clarify. 4. The co-financing from Root Capital is said to be as loans while it is reported as grant in the Table C. Please correct the Table C accordingly. 5. The document including the co-financing letters from COFIDE, Root Capital, Caja Sullana, Caja Huancayo, Caja Mainas, SECO, UNDP and FAO is uploaded twice. Please remove one repeated document. 6. The co-financing letters from MINAM, MINAGRI and ECOM are missing. Please provide these letters and ensure the amount indicated in the letters is correctly reported in the Table C. 7. Please confirm that all of the co-financing, including that contributed by government entities that is generally in-kind, meets the GEF definition of investment mobilized or adjust accordingly.	06/23/2021 1. Addressed. The text below table C indicates the exchange rate used to convert to USD. The co-financing table has been updated with all the confirmed co-financing. 2. Addressed. FAO?s co-financing has been separated into grant and in-kind. 3. Addressed. OLAM?s co-financing is adjusted to USD 2,550.00, grant 4. Addressed. RC?s co-financing is adjusted to be Loans. 5. Addressed. In some cases the co-financing letters were duplicated because they included English and Spanish version. The Spanish versions have been removed. 6. Addressed. MINAM, MINAGRI and ECOM co-financing letters are available; and the amounts includes in Table C. 7. Addressed. Co-financing types are confirmed and meet the GEF definition of investment mobilized or adjusted accordingly.	Changes in the documents: CEO ER, Table C Changes in the documents: CEO ER, Table C CEO ER, Table C CEO ER, Table C CEO ER, Table C CEO ER, Table C

Project Preparation Grant 6. Is the status and utilization of the PPG reported in Annex C in the document? **April 8, 2021** 1. A PPG budget table is provided but the amount spent to date plus the amount committed does not add up to the total. Please clarify if there is unutilized PPG funding and how this will be spend? Please note that GEF guidelines include eligibility criteria for spending of unused PPG funds in the first year of project implementation, which must be adhered to or otherwise the funds must be returned to the GEF trust fund. 2. The budget provided doesn't include any detail about the kind and purpose of expenditures but only which agency utilized the funds. Please complete the table with the different categories and main purposes of the expenditures.	1. PPG status reported in Annex C has been revised and adjusted as needed to show the current amount committed. 2. The table was modified to include main activities undertaken by the Agencies with PPG funding.	CEO ER, Annex C CEO ER, Annex C

Core indicators 7. Are there changes/adjustments made in the core indicator targets indicated in Table E? Do they remain realistic?	1. Core indicator has been adjusted: 120,000 beneficiaries (54,000 female 945%) and 66,000 male (55%). 2. Core indicator has been adjusted: 120,000 beneficiaries (54,000 female 945%) and 66,000 male (55%), as expected results.	ProDoc, Annex 15, Core indicator 11. ProDoc, Annex 15, Core indicator 11.
April 9, 2021 1. Under the Benefit section, the project informs there will be 120,000 direct beneficiaries while they are only 24,470 in the core indicator section of the Portal and in the GEF Core indicators sheet of the Prodoc (annex 15). Please clarify. 2. In the GEF Core indicators sheet of the Prodoc (annex 15), only the expected results should be informed and not the achieved results as wrongly filled under core indicator 11 (the above comment may come from that confusion). 3. The GHG emission mitigation results in the Ex-ACT tool is around 73 Mt CO2e while it is much less as reported in the core indicator section of the Portal and in the GEF Core indicators sheet of the Prodoc (annex 15). Please explain and ensure the information provided is consistent throughout all the documentation. 4. While a result of 7.7 Mt CO2e (as indicated in the in the core indicator section of the Portal and in the GEF Core indicators sheet of the Prodoc) appears low for such a project, 73 Mt CO2e may be ambitious. In the Ex-ACT tool, the Agency may consider a more conservative approach in terms of degradation level of the vegetation with the project intervention (moderate instead of low). 5. The rational for having indirect benefits in terms of GHG emission mitigation is unclear. Please clarify. In case the results comes from the consequences of alleviating the pressure on the ecosystems or restoring degraded lands, even if it happens after the project ends, it should be considered as direct benefits (consequential post-direct benefits). 6. According to the uploaded note "Calculation of greenhouse gas emissions to be mitigated by the FOLUR Project" and the Ex-ACT tool, the duration of the project is 5 years while it should be 6 years. 7. According the Ex-ACT tool, the 10,000 ha of restoration are reforestation (core indicator 3.2) and not agricultural land restored (core indicator 3.1). Please clarify and amend accordingly. 8. In the Portal under the core indicator section and in the GEF Core indicators sheet of the Prodoc (annex 15), the Duration of accounting is missing and the Anticipated start year of accounting should be 2021 or 2022. Please complete and adjust accordingly. 9. Rio Marker for Climate Mitigation should be marked 1 and not 0. Please amend.	FAO?s response: 3. The project carbon benefits have been recalculated by using EX ACT and correcting some inconsistencies. The GHG emission mitigation will be -67,885,652 CO2eq. Please see Annex 14 of the UNDP Project Document for detailed calculations. GEF Core indicator 6 has been amended on Table B and Table F of the CEO Endorsement, in the GEF Core Indicators Worksheet (Annex 15) and the results framework. 4. The project GHG mitigation has been recalculated. The expected GHG reduction will be -67,885,652 Mt CO2eq. Please see response above. 5.Point taken. All GHG emission reductions are considered to be project direct benefits (-67,885,652 Mt CO2eq). This has been amended in GEF Core Indicator 6 ? see Table F of the CEO Endorsement Request and GEF Core Indicators Worksheet (Annex 15). FAO has included a short explanation on how the EX ACT classifies the direct and indirect carbon benefits. Please see Section Global Environmental Benefits of the CEO Endorsement request 6. Point taken. The EX ACT calculation is now applied to 6 project years. 7.Point taken. The revised EX ACT calculation classified the 10,000 hectares as agricultural land restored (core indicator 3.1). 8.Adjusted in the portal 9. Addressed. Adjusted to 1	Comments 3-7: Table F and Results framework in the Prodoc and CEO Endorsement; and all related references in the texts. Taxonomy worksheet CEO-Endorsement

Part II ? Project Justification Is there a sufficient elaboration on how the global environmental/adaptation problems, including the root causes and barriers, are going to be addressed?	1. Points taken and addressed. The entire Section 1 has been edited to better address environmental problems, root causes and drivers, including former paragraphs 1 to 5. The duplication of ?lack of adequate governance? was eliminated. Former paragraphs 11, 13 and 17 to 21 have been edited and mover to Section 3 (alternative scenario).	CEO ER, Section 1.
April 9, 2021 1. The paragraphs 5 to 11, 13, and 17 to 21 are not about the environmental problems, root causes and drivers, but rather about the alternative scenario. Please place this text under the right section and ensure having a clear summary of the root causes and barriers in this section (for instance, the lack of adequate governance is repeated twice in this section). 2. The context should recognize the global nature of the FOLUR program and discuss the contribution of Peru to global food systems with regard to the target commodities. Details including the percentage of global GHG emissions coming from land degradation as a result of deforesting crops and the percentage of the global BD potentially lost as a result of land use change in Peru, etc would be further clarifying. Please elaborate further on this aspect. 3. While copying and pasting entire sections from the Prodoc into the Portal, please adapt the text in the Portal so that it remains adequate and remove any wrong references (such as the Annexes 10 and 11 for instance).	2. Point taken and addressed. The context is adjusted to recognize the global nature of the FOLUR program and discuss the contribution of Peru to global food systems with regard to the target commodities is now in paragraphs 17 and 19. Details on the percentage of global GHG emissions coming from land degradation are included In Section 1, paragraphs 2 and 3. There is no available data on the percentage of the global BD potentially lost as a result of land use change in Peru, however, data on forest conversion and endangered species is included the paragraph 3. 3.Corrected in the portal	CEO ER, Sections 1 and 3.

2. Is there an elaboration on how the baseline scenario or any associated baseline projects were derived? **April 9, 2021** 1. The presentation is very limited: we mainly learn about 2 GEF projects and the mandate of the MINAM. Please elaborate further on the existing initiatives and/or organizations the project will make use of/enhance/articulate with, and notably those contributing to the project through co-financing. 2. In particular USAID seems to have made a significant investment in the region, particularly on cocoa development. Please clarify whether any of USAID?s projects serve as baseline and/or provide opportunities for engagement or partnership. 3. In addition to the policy environment created, it would be useful to better understand any concrete government investments going into the target areas. 4. A clearer explanation should be provided about the role of cooperatives in the target areas, as well that of the buyers and investors mentioned.	1 and 2. Point taken and addressed. A more detailed list of projects has been added in Section 2, paragraph 13, including: ? OLAM/Solidaridad/JDE/SERFOR: "Circular Coffee from Peru: Creating value across the value chain" in San Martin with each FOLUR Project component. ? GEF- FAO / UNIDO / IFAD GEF-ID 10198: Building human well-being and resilience in Amazonian forests. This project enhances the value of biodiversity for food security and bio-businesses. In the climate change context, this contributes to reducing deforestation and loss of biodiversity in productive landscapes in Loreto, Ucayali, and Jun?n Departments in the Peruvian Amazon. ? The FAO's Forest and Landscape Restoration Mechanism (MRBP). This project supports the Country's planning and execution of activities to recover its degraded and deforested areas. In Peru, the MRBP includes the following activities: a) Support in the preparation of maps of areas with potential for restoration in 12 regions of the Country with the ROAM methodology (Methodology for the Evaluation of Restoration Opportunities), b) Design and formulation of the National Program for the Restoration of Ecosystems and Degraded Lands (PRO REST). ? FAO's EU FLEGT Program assists the Country's government institutions, civil society organizations, representatives of indigenous peoples, and private sector associations to address their priority needs for forest governance and implementation of the laws. ? MINAM and SERNANP implement the "Heritage of Peru" (PDP) initiative. This initiative aims to generating enabling conditions for the effective management of protected areas within 11 years, ensuring sustainability in perpetuity. The first phase focuses on the Amazon and includes 38 Protected Natural Areas, 5 ANP within the Project's scope. ? The United Nations Collaborative Programme for the	CEO ER, Section 2

3. Is the proposed alternative scenario as described in PIF/PFD sound and adequate? Is there sufficient clarity on the expected outcomes and components of the project and a description on the project is aiming to achieve them? 1. This section should include a description of the of expected outcomes and components, including the concrete activities which will be implemented. As it stands in the current version of the CEO Endorsement Request, the information provided is essentially a copy-paste of Table B which we already have in the Portal. Please elaborate further the expected description. 2. Please note that the introductory paragraph invites to consult the Section V: Results and Partnerships of the Prodoc while it is section IV.	1. Point taken and addressed. In Section 2. Starting in paragraph 32, there is a description of the of expected outcomes and components. A description of the key concrete activities which will be implemented has been added to each output. 1. Typo corrected, now in paragraph 30 it read (Section IV).	CEO ER, Section 3, paragraph 32 and the following tables. CEO ER, Section 3, paragraph 30

4. Is there further elaboration on how the project is aligned with focal area/impact program strategies? **April 9, 2021** No. Considering there was no PIF and the project has been further elaborated during PPG stage, there is still the need to present, even briefly, how this project aligns with the focal areas and the Program Framework Document and its strategy, which include in particular the integrated land use planning, the sustainability of practices along the value chain engaging the different kind of relevant stakeholders, the promotion of deforestation-free production and the restoration of degraded landscapes. Please complete accordingly.	Point addressed. This is indicated in several sections including: Section 3, paragraphs 17 and 18: ?The project strategy to address the above-discussed challenges in Peru will improve the alignment of Peru?s commodity production and food systems with FOLUR's objectives. The Project will use an integrated approach to achieve systemic environmental change and support improvements in human well-being, resilience, and economic growth and prosperity. The Project targets large production landscapes with the potential to deliver global environmental benefits at scale and be sustained after the Project ends. One critical element to achieve sustainability is enabling consistency in local production and long-lasting partnerships with producers and CDF buyers that incorporate, for instance, sustainable sourcing policies, including long-term DFC purchasing agreements. Currently, the Peruvian commodities and food system has a large footprint regarding deforestation, natural landscape degradation, greenhouse gas (GHG) emissions, water depletion, pollution. Therefore, the Project covers globally critical geographies in the Amazon region for major commercial commodities (i.e., coffee, cocoa, and palm oil) and supports local communities' development plans incorporating climate-smart production of food staples (e.g., rice maize). The Project is aligned with FOLUR's two levels of operation: country-level investments focused primarily on activities at the landscape level while also allowing space for vertical aspects to contribute to transforming the global food systems and commodity value chains. The global-level engagement harnesses strategic partnerships with large DFC buyers and initiatives that will support the country-level investment. The Project is also aligned with the FOLUR's Knowledge to Action (K2A) Global Platform's structure, objectives, and outcomes.? Additional text in Section 10, paragraph 99.	CEO ER, Section 3, paragraph 17 and 18; and Section 10, paragraph 99. Additional text is included in Sections 1 and 2.

5. Is the incremental reasoning, contribution from the baseline, and co-financing clearly elaborated? **April 9, 2021** No. There isn't any presentation on the added value of the project, how it builds on and articulate with the existing baseline, in order to address the identified root causes and barriers and obtain the expected environmental results. Please elaborate as needed.	Point addressed. A new section (text and a table) has been added to Section 5, and the previous text has been updated.	CEO ER, Section 5
6. Is there further and better elaboration on the project?s expected contribution to global environmental benefits or adaptation benefits? **April 9, 2021** No. It is not because there is no change from the PFD that there is no need to present the Global Environment Benefits. Please describe these benefits with more details than only the expected results in terms of core indicator (what kind of restoration and land restored, and where, what kind of improved practices on which land uses, rational for considering indirect benefits, how the targets were assessed including the number of beneficiaries...).	Point taken. Section 6 (GEB) and 10 (Benefits) has been edited and expanded. Section 6 incudes adjustments in RL, areas under ILM, beneficiaries and additional details on GHGe (direct and indirect), and how this adjusted targets were assessed. Also, a new paragraph and bullet points are included describing GEB in Section 10.	CEO ER, Section 6, paragraphs 39 and 40; and Section 10, paragraph 99.
7. Is there further and better elaboration to show that the project is innovative and sustainable including the potential for scaling up? **April 8, 2021** 1. Partially. While the innovation is well demonstrated and with details, the sustainability and scaling up potential of the project results is very limited in paragraph 44 and 45. Please elaborate further on these 2 important expectation from the project. 2. We don't understand the relevance of the paragraphs 39 to 43 in this section as they refer to the private sector involved in the project. Please clarify and consider the possibility to move these paragraphs under the private sector section (which is very limited).	1.Point taken and addressed. Former paragraphs 44 and 45 (now 51 and 52) have been edited to better address sustainability and scaling up. 1. 2. Former paragraphs 39 and 43 (now 46 and 50) are adjusted to better describe the Projects sustainability. These paragraphs were not moved to the private sector section because now they better support sustainability and scaling up. However, this is noted in the Private Sector Engagement section.	CEO ER, Section 7, indicated paragraphs.

Child Project If this is a child project, is there an adequate reflection of how it contributes to the overall program impact? **April 9, 2021** No. This section is empty. Please present how this child project contribute to the implementation of the different objectives and component of the overall Program Framework Document, including in particular its contribution through the cooperation with the Global Platform.	Section 1c (Child Project) was added to the document. ?The project strategy will improve the alignment of Peru?s commodity production and food systems with FOLUR's objectives. The Project will use an integrated approach to achieve systemic environmental change and support improvements in human well-being, resilience, and economic growth and prosperity. The Project targets large production landscapes with the potential to deliver global environmental benefits at scale and be sustained after the Project ends. One critical element to achieve sustainability is enabling consistency in local production and long-lasting partnerships with producers and CDF buyers that incorporate, for instance, sustainable sourcing policies, including long-term DFC purchasing agreements. Currently, the Peruvian commodities and food system has a large footprint regarding deforestation, natural landscape degradation, greenhouse gas (GHG) emissions, water depletion, pollution. Therefore, the Project covers globally critical geographies in the Amazon region for major commercial commodities (i.e., coffee, cocoa, and palm oil) and supports local communities' development plans incorporating climate-smart production of food staples (e.g., rice maize). The Project is aligned with FOLUR's two levels of operation: country-level investments focused primarily on activities at the landscape level while also allowing space for vertical aspects to contribute to transforming the global food systems and commodity value chains. The global-level engagement harnesses strategic partnerships with large DFC buyers and initiatives that will support the country-level investment. The Project is also aligned with the FOLUR's Knowledge to Action (K2A) Global Platform's structure, objectives, and outcomes. The Project?s KM component will be implemented in close collaboration with the FOLUR?s K2A Platform to increased capacity to disseminate lessons and best practices on ?what to do? and ?what not to do? at landscape	CEO ER, Section 1c, paragraphs 53 and 54

<table>
<tr>
<td>Stakeholders

Does the project include detailed report on stakeholders engaged during the design phase? Is there an adequate stakeholder engagement plan or equivalent documentation for the implementation phase, with information on Stakeholders who will be engaged, the means of engagement, and dissemination of information?
April 9, 2021
1. Thank you for uploading the SEP in the Portal. Please note it is referred as Annex 8 and not 9 as indicated in the Portal.

2. Please select as requested the stakeholders that have participated in consultations during the project identification phase: Civil Society Organizations; Indigenous Peoples and Local Communities; Private Sector Entities.</td>
<td>1. Corrected in the portal
2. Point addressed. In addition to including a table with the Project?s existing and potential partners, the following text and table are added in the stakeholders Section: ?The indigenous organizations that participate in the validation process (PPG Phase) are those that represent indigenous communities located within the project?s target landscape. It is important to note that this list was reviewed and validated by representatives from the two national indigenous organizations involved (AIDESEP and CONAP), to ensure all relevant organizations were included. These organizations are included in the table below.

Indigenous organizations participating in the validation process
<table>
<tr><th>National indigenous organizatio n</th><th>Affiliated regional indigenous organization</th></tr>
<tr><td rowspan="3">AIDESEP</td><td>CORPI-SL</td></tr>
<tr><td>CODEPISAM</td></tr>
<tr><td>ORPIAN-P</td></tr>
<tr><td rowspan="2">CONAP</td><td>ORDEPIAA</td></tr>
<tr><td>OCCAAM</td></tr>
</table></td>
<td>CEO ER, Stakeholders, paragraphs 55 and 58</td>
</tr>
</table>

Private Sector Engagement If there is a private sector engagement, is there an elaboration of its role as a financier and/or as a stakeholder? **April 9, 2021** The description is very limited, There is the need to describe the different stakeholders from the private sector and present how they will be engaged in the project. Please elaborate accordingly.	A detailed narrative is added to provide an overview of the Project?s existing and potential private sector partners, including the region where they operate (LO: Loreto; SM: San Martin; CA: Cajamarca; and AM: Amazonas), their expertise to strengthen the Project, and the type of commodity.	CEO ER, Part 4. Private sector Engagement, paragraph 69 and following table, and paragraph 70

Risks to Achieving Project Objectives Has the project elaborated on indicated risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved? Were there proposed measures that address these risks at the time of project implementation? **April 8, 2021** 1. Partially. Only 2 key risks and associated mitigation measures are presented: Critical health (COVID-19) and the financial/markets risks. The number of risks considered is very low. Please clarify and complete as needed. 2. In particular, the climate change risk is important to analyze. More clarification on threats and impacts, along with their appropriate mitigation measures is needed. Please outline the key aspects of the climate change projections/scenarios at the project location or at country level if not available at local scale (including a time horizon, ideally 2050, if the data is available) and list key potential hazards for the project that are related to the climate scenarios. For further guidance, the Agency may want to refer to STAP guidance available here: https://www.stapgef.org/stap-guidance-climate-risk-screening. 3. The COVID-19 analysis is limited to risks and mitigation measures. Please complete with an analysis of the possible opportunities this project can provide to enhance the resilience of the beneficiaries, in particular against possible future pandemics. 4. In addition, we acknowledge the ESS risks analysis and note the overall Project Risk Classification is assessed as High or Substantial. Thank you.	1. Point taken and addressed. Part 5 (Risks) is expanded. In addition to critical health (COVID-19) and the financial/markets risks, climate change and political instability/governance risks are included. These risks and the mitigation measures are included in Table (a). 2. Point addressed. Detailed climate risk are now included in Table (a) and the mitigation measures. This risk include aspects related to the decrease of coffee areas and the potential increase of cacao areas. Projections up to 2050. 3. The COVID-19 analysis has been expanded to include the possible opportunities to enhance the resilience of the beneficiaries, in particular against possible future pandemics.	CEO ER, Part 5, Risks. Paragraph 71 and following tales CEO ER, Part 5, Risks. Paragraph 71 and following tales Part 5, Risks, Tale (a)

Coordination Is the institutional arrangement for project implementation fully described? Is there an elaboration on possible coordination with relevant GEF-financed projects and other bilateral/multilateral initiatives in the project area? **April 12, 2021** 1. In the Government Structure table, please rename the box currently labeled ?development partners? as Project Implementing Agencies and clearly denote that UNDP is the Lead Agency. The lead role of UNDP should also be represented in the description provided in the quality assurance boxes and their should perhaps be a hierarchy of boxes with the other agencies (FAO & IFAD) involved in the project to represent this as at present it?s very difficult to determine lead responsibility for the project through the diagram. 2. The budget provided is incomplete as it includes only the component 1 and 2. Please provide a complete budget indicating clearly any activity that would be undertaken by any GEF agency. If it is the case, please note that such exception to GEF guidelines should be requested by the OFP and its necessity must be demonstrated to allow the GEF Secretariat to assess the request. 3. In the Prodoc under the "Financial and Planning management section, the text says the project "is financed through a GEF grant of USD 6,347,018" which is not correct. Please clarify and amend. 4. FAO will be responsible for the implementation of the Component 3. Nevertheless, in the Annex 18 we learn that one of the 2 outcomes FAO will be responsible for is a "Functional M&E of conservation corridors" whereas M&E activities are included in the Component 4. Please clarify. 5. In the UNDP/GEF Checklist we learn that PROFONANPE will provide administrative and fiduciary support requesting a 8% fee for these services. Please clarify the corresponding amount and how this cost is expected to be supported (from the project budget, the PMC or the Agency fees?). Please also clarify where in the submission package UNDP is formally consulting the GEF if such arrangement is acceptable (as written in the checklist).	1. 1. The Governance Structure table is updated as require in the comment. It includes the Project Implementing Agencies UNDP, FAO and IFAD. It clearly denotes that UNDP is the Lead Agency. The lead role of UNDP is also represented in the description provided in the quality assurance boxes, with a hierarchy. 2. Activity 3 is being administrated by FAO (see Annex 18), that?s is the reason why it is not included in UNDP ProDoc 3. Point Addressed. The amount is corrected. USD *13,561,467.* <u>FAO?s response</u> 4. Point taken. Outcome 3.2 has been rephrased as ?Conservation corridors have enhanced connectivity, biodiversity conservation and ES? and output 3.2.1 has been re-written as a ?Strengthened information system at landscape level in the targeted jurisdictions?? Component 3 will not undertake any project M&E activities. Outcome 3.2 refers to information systems or platforms at national, regional and/or local level that are responsible for systematizing, monitoring, access and sharing environmental information. These systems would be the basis for decision-making and environmental management, but are not well integrated, and their reports or connectivity, biodiversity and ecosystem reports are incongruent, and not able to include gender criteria or private/community-based conservation agreements. Output 3.2.1 will contribute to mainstreaming these criteria in local reports and harmonizing information systems. 5. Following further discussion with the government and PROFONANPE, PROFONANPE?s role has been clarified to consist of operational support partner to the government. All direct costs have been identified and are detailed in the PMC, not exceeding 5%.	ProDoc, CEO ER 6. Institutional Arrangements Table B and Section 3 of the CEO Endorsement request, and the Project Results Framework and Annex 18 of the UNDP Prodoc.

Is the proposed ?Knowledge Management Approach? for the project adequately elaborated with a timeline and a set of deliverables? **April 8, 2021** The description does mention key deliverables but not the budget nor the timeline. Please complete this section adding the budget and the timeline of the key deliverables.	Point taken and addressed. The description has been expanded to include key deliverables, timeline and the estimated cost per deliverable.	CEO ER, 8. KM Section. Paragraph 59 and the following new table
Monitoring and Evaluation Does the project include a budgeted M&E Plan that monitors and measures results with indicators and targets? **April 8, 2021** The audits have to be removed from the M&E budget and charged under the PMC. Please amend accordingly.	Point taken. The audit cost has been removed from the M&E budget and moved to the PMC.	CEO ER 9.Monitoring and Evaluation Section. Paragraph 90 and the following table, ProDoc TBWP
Benefits Are the socioeconomic benefits at the national and local levels sufficiently described resulting from the project? Is there an elaboration on how these benefits translate in supporting the achievement of GEBs or adaptation benefits? **April 9, 2021** Partially. The description is not always focused on the socioeconomic benefits (we learn about general objectives of the project such as the improved management area and GHG targets, the improvement of DFC practices...) and it is very limited (enhancing the capacity of staff from public institutions, stakeholders benefitting benefit from capacity development at the local level, access to financial products...). Please focus on the expected information and elaborate further on the expected socioeconomic benefits.	The description of the socioeconomic benefits has been expanded (paragraph 99). Please see that the addition includes a description of how the Project's strategy is aligned with (and supports) the following GEF focal Areas: Biodiversity (BD), Climate Change (CC), Land Degradation (LD), Chemicals and Waste (CW), and the FOLUR Impact Program. Therefore, the GEF investments in the Project will deliver GEB through its integrated investments across the various dimensions of the global environment. The paragraph includes a description of how the Project will deliver these benefits and the impact at global level.	10. Benefits. New paragraph 99

Annexes Are all the required annexes attached and adequately responded to? **April 8, 2021** Yes but some annexes need to be clarified or completed (responses to project reviews from council and STAP and PPG status).	Included in CEO Endorsement (Annex B)	
Council comments **April 8, 2021** The Council made comments at Program Framework Document level applying to all the child projects. Where relevant, they need to addressed. Please add in the Portal under the Annex section the response Matrix related to the Council comments.	Included in CEO Endorsement (Annex B)	
STAP comments **April 8, 2021** The STAP made comments at Program Framework Document level applying to all the child projects. Where relevant, they need to addressed. Please add in the Portal under the Annex section the response Matrix related to the STAP comments.	Included in CEO Endorsement (Annex B)	
Status of PPG utilization **April 8, 2021** Please see comments above on PPG status.	Addressed in the CEO ER	

ANNEX C: Status of Utilization of Project Preparation Grant (PPG). (Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF: **200,000**			
Project Preparation Activities Implemented	***GETF/LDCF/SCCF Amount ($)***		
	Budgeted Amount	***Amount Spent To date***	***Amount Committed***

UNDP *Activities implemented:* ? Drafting of Prodoc and CEO-Endorsement ? Stakeholder consultation (incl. field visits and workshops) ? Private sector engagement *Activities pending:* ? All comments received from GEFSEC and GEF council resolved, prior to CEO Endorsement ? Translation of Prodoc to Spanish	75,000.00	41,617.52	33,382.48
FAO *Activities implemented:* ? National-level coordination of PPG (incl. field visits and workshops) ? Technical inputs to Prodoc and CEO-Endorsement (C3, ExAct, SIG)	75,000.00	75,000.00	0
IFAD *Activities implemented:* ? Technical inputs to Prodoc and CEO-Endorsement (C2) ? Drafting of safeguards framework documents (incl. field visits and workshops)	50,000.00	50,000.00	0
Total	**200,000.00**	**166,617.52**	**33,382.48**

ANNEX D: Project Map(s) and Coordinates

Please attach the geographical location of the project area, if possible.

Annex D: Project Map(s) and Coordinates

The map below shows roughly the four sites selected within the Project target landscape (9.5 million hectares distributed throughout 4 departments, 17 provinces, and 138 districts). The 36 districts within 14 provinces in the 4 departments, coloured in red, comprise a total of 4.4 million ha. These sites were selected by applying a set of criteria including (i) biodiversity conservation and ecosystem services, (ii) institutional and organizational structure, (iii) sustainable commodities (zero deforestation and climate-smart agriculture), (iv) socio-economic development, and (v) market access.

The project target landscape includes national, regional, and private conservation areas (colored in light green) covering 1.1 million ha., which are not part of the Project intervention. The project's targeted 1.06 million ha. under improved management (Indicator 4) will be defined during the implementation phase using this preliminary selection of sites and with the participation of the key national and regional stakeholders.

ANNEX E: Project Budget Table

Please attach a project budget table.

UNDP BUDGET:

Expenditure Category	Detailed Description	Component (USDeq.)						Total (USDeq.)	Responsible Entity
		Component 1	*Component 2*	*Component 4*	*Sub-total*	*M&E*	*PMC*		**(Executing Entity receiving funds from the GEF Agency) [1]**
Equipment	Computers, communications devices and software/licenses for producers, extensionists and producers associations. Quantity of each equipment will be defined during implementation.	90,000			90,000			90,000	Ministry of Environment of Peru (MINAM)
Equipment	Funds to purchase of furniture and field equipment to monitor DFC at site level.		36,000		36,000			36,000	Ministry of Environment of Peru (MINAM)
Equipment	Biosafety masks, gloves and other materials and goods for COVID and other contagious diseases protection			15,000	15,000			15,000	Ministry of Environment of Peru (MINAM)

Equipment	Information management technology equipment (hardware and software) for producers, local communities, extension workers (smartphones, laptop computers, tablets, GPS, projectors)			104,668	104,668			104,668	Ministry of Environment of Peru (MINAM)
Equipment	Information management technology equipment (hardware and software) for project management unit						2,987	2,987	Ministry of Environment of Peru (MINAM)

Grants	USD 240,000 for Strengthening and implementation of IPLP (20), strengthening de Governance, and seed funding for sustainable productive activities; USD 400,000 in grants to strengthening of indigenous governance and monitoring; USD 400,000 to provide TA for the implementation of sustainable production activities (IPLP priorities); and USD 150,000 for strengthening of individual/community conservation agreements (CA) and new CA; including support to establish voluntary HCVF. All grants will follow UNDP guidance, policy and regulations on Low-Value Grants.	1,190,000			1,190,000			1,190,000	Ministry of Environment of Peru (MINAM)

Contractual services-Company	Consulting contracts, including: USD 200,000 for three analysis: 1) Analysis of TDPs (PDRC and PDLC) in the target jurisdictions and their governance framework (including gender and ethnicity (G&E) considerations); 2) Preparation of a strategy to incorporate of ILM?s principles and actions into TDPs and ILM; and 3) Assessment of the existing institutional capacity, mainly of GORES and GOLOs to incorporate ILM?s principles; USD 80,000 for a landscape level environmental impact analysis; USD 150,000 to provide TA to support the implementation of ILM capacity building plans; and USD 100.000 for assessing the adequacy of enforcement laws and regulations, capacity building strategies for IML and law enforcement.	530,000			530,000			530,000	Ministry of Environment of Peru (MINAM)

Contractual services-Company	Contractual services-companies including: USD 24,000 to carry out the needs? assessment, design of a C&KM strategy and action plan; USD 36,000 to implement the information gathering and analysis, systematization of lessons on DFC, ILM, FLR; USD 63,000 for the design of training material and learning modules to support Components 1-3; USD 30,000 for the design of high-leverage content and tech-based mechanisms to deliver TA & training to support Components 1-3; USD 18,000 to assess and implementation options, design and interconnect national and regional DFC platforms, and FOLUR?s K2A Platform at global level; USD 36,000 to carry out the needs? assessment and design of monitoring, evaluation and feedback (ME&F) protocols aligned with Project's Outcomes			306,000	306,000			306,000	Ministry of Environment of Peru (MINAM)

Contractual services-Company	Technical consultancies, including: USD 150,000 for 3 consultancies (one per commodity, @ 50K each): Needs assessment and design of technology packages (DFC models) at individual, community and association level, including integrated DFC models, resilient climate-smart agriculture (CSA), SFM and agroforestry; and assessment of needs and design of a TA and extension program following the steps indicated in the interventions; USD 150,000 for 3 consultancies (one per commodity @ 50K each): Feasibility and design of a traceability systems. USD 30,000 for the assessment of the viability of establishing a Finance Support Unit (FSU) at GORES level; USD 54,000 to elaborate the financial strategy to support and articulate funding for DFC extension services, including		809,000		809,000			809,000	Ministry of Environment of Peru (MINAM)

International Consultants	International sustainable commodities specialist. Part time TA (3 months/year, 6 years) Rate: USD 600/day, 400 days.		240,000		240,000			240,000	Ministry of Environment of Peru (MINAM)
International Consultants	Includes: USD 50,000 and USD 50,000 for the independent international consultants leading the mid-term review (MTR) and terminal evaluation (TE), respectively.				0	100,000		100,000	Ministry of Environment of Peru (MINAM)
Local Consultants	Consultant responsible for the implementation of Component 1 (full time for 6 years), i.e., implementation of Outcomes 1 and 2 and its respective outputs. 72 months @ $3,500/month.	252,000			252,000			252,000	Ministry of Environment of Peru (MINAM)
Local Consultants	Consultant responsible for the implementation of Component 2 (full time for 6 years), i.e., implementation of Outcomes 3 and 4 and its respective outputs. 72 months @ $3,500/month.		252,000		252,000			252,000	Ministry of Environment of Peru (MINAM)

Local Consultants	Includes: USD 252,000 for the consultant responsible for the implementation of Component 4 (full time for 6 years), i.e., implementation of Outcomes 7 and 8 and its respective outputs. 72 months @ $3,500/month; and USD 256,000 for professional crosscutting specialized TA to support Components 1-4. I.e., USD 85,500 for Gender Officer (60 months @1,425 per/month, 5 years), USD 85,500 for a Safeguards specialist (60 months @1,425 per/month, 5 years), USD 85,000 for a part time M&E Officer (60 months @1,416.6 per/month, 5 years). It excludes the MTR and TE costs.			508,000	508,000			508,000	Ministry of Environment of Peru (MINAM)

Local Consultants	M&E Plan cost: USD 17,000 (Section VI), including the Inception Workshop (USD 5,000), support monitoring the GAP, IPP, ESMF (USD 12,000). Includes: USD 10,000 and USD 10,000 for the independent national consultants to support the mid-term review (MTR) and terminal evaluation (TE), respectively.				0	37,000		37,000	

Local Consultants	Part of PMU Staff cost (UNDP share (46%) of total cost of PMU (USD 615,765): The total cost of the PMU includes: Project manager (70 months @ 3,400 per month, USD 238,000), Administrative officer (70 months @ 2,242.35 per month, USD 156,965), Procurement officer (48 months @ 2,300 per month, USD 110,400), and Finance officer (48 months @ 2,300 per month, USD 110,400). The Procurement and finance officers will be co-financed to cover the entire 6-year period of the project.				0		283,252	283,252	Ministry of Environment of Peru (MINAM)
Training, Workshops, Meetings	DFC training events: 12 per/year (72 events @ approx. $4,000 each) for producers, extensionists, producers associations, local government and central authorities.	288,000			288,000			288,000	Ministry of Environment of Peru (MINAM)

Training, Workshops, Meetings	DFC training events: 12 per/year (72 events @ approx. $4,000 each) for producers, extensionists, producers associations, local government and central authorities.		288,000		288,000			288,000	Ministry of Environment of Peru (MINAM)
Training, Workshops, Meetings	DFC training events: 12 per/year (72 events @ approx. $4,000 each) for producers, extensionists, producers associations, local government and central authorities.			288,000	288,000			288,000	Ministry of Environment of Peru (MINAM)
Travel	Travel funds for 72 months. Approx. $3,069.44 per month (domestic and international travel). Project staff, beneficiary (producers), extension workers, local authorities.	221,000			221,000			221,000	Ministry of Environment of Peru (MINAM)

Travel	Travel funds for 72 months. Approx. $3,069.44 per month (domestic and international travel). Project staff, beneficiary (producers), extension workers, local authorities.		221,000		221,000			221,000	Ministry of Environment of Peru (MINAM)
Travel	Travel funds for 72 months. Approx. $2860 per month (domestic and international travel). Project staff, beneficiary (producers), extension workers, local authorities.			193,000	193,000			193,000	Ministry of Environment of Peru (MINAM)
Travel	Travel funds for TE and MTR national and international consultants.				0	8,000		8,000	Ministry of Environment of Peru (MINAM)
Office Supplies	Office materials and non-technology field equipment and biosafety devices to prevent COVID transmission.	30,000			30,000			30,000	Ministry of Environment of Peru (MINAM)
Office Supplies	Estimated cost of additional supplies including audio visuals & printing costs.			26,111	26,111			26,111	Ministry of Environment of Peru (MINAM)

Other Operating Costs	This budget line includes USD 12,000 to cover the cost of the translation of the MTR and the TE, 6K for each translation.				0	12,000		12,000	Ministry of Environment of Peru (MINAM)
Other Operating Costs	Includes UNDP?s part of the cost of six annual external audits and additional spot checks: Y1 (USD 2,000) and Y2-Y6 (USD 2,800 each)				0		16,000	16,000	Ministry of Environment of Peru (MINAM)
Grand Total		**2,601,000**	**1,846,000**	**1,440,779**	**5,887,779**	**157,000**	**302,239**	**6,347,018**	

<u>IFAD Budget:</u>

Expenditure Category	**Detailed Description**						**Total (USDeq.)**	**Responsible Entity**
		Component 2		***Sub-Total***	***M&E***	***PMC***		**(Executing Entity receiving funds from the GEF Agency)[1]**
		Sub-components 2.1	***Sub-components 2.2***					
Information Technology Equipment	Computers, printers, GPs, satellite phones for field-based technical staff and rural organizations	4,450	4,450	8,900			8,900	Ministry of Environment of Peru (MINAM)

Grants	5 Rural Organization's strengthening plans and 10 business plans, and related capacity strengthening plans for producers and the systematizatio n of lessons learned. Capacity business plans will include all related financial management aspects, and a strategy to improve the functionality of commodity dialogue platforms to strengthen business plans' performance. Who these resources will be given to, will be defined in the first few months of project implementatio n.	2,797,714		2,797,714			2,797,714	Ministry of Environment of Peru (MINAM)
Information Technology Equipment	Computers, smart phones, printers for the PMU team			-		1,500	1,500	Ministry of Environment of Peru (MINAM)
Local Consultants	IFAD's sub project coordinators to support RO's capacity building and business planning (2 consultants at 112,500 - $3,125*36 months)	225,000		225,000			225,000	Ministry of Environment of Peru (MINAM)

Local Consultants	Technical support for the completing of the Gender Action Plan (GAP) and Indigenous People's Plan. (132,638.00)			-		149,393	149,393	Ministry of Environment of Peru (MINAM)
Training, Workshops, Meetings	Training events: 20 events (in years 2-4) @ approx. $1,212.25 = $24,245. These events will be undertaking together with the capacity building events of UNDP.	12,123	12,123	24,245			24,245	Ministry of Environment of Peru (MINAM)
Travel	IFAD's $42,000 (in years 2-5) for 20 trips @approx. $2,100 each (these are trips for the IFAD's business planning sub project coordinators and local organizations participants)	21,000	21,000	42,000			42,000	Ministry of Environment of Peru (MINAM)
Other Operating Costs	Includes IFAD?s part of the cost of six annual external audits and additional spot checks.			-		4,000	4,000	Ministry of Environment of Peru (MINAM)
Grand Total		**3,060,287**	**37,573**	**3,097,859**	**-**	**154,893**	**3,252,752**	

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FAO Budget:

Expenditure Category	Detailed Description	Component (USDeq.)						Responsible Entity
		Component 3		*Sub-Total*	*M&E*	*PMC*	*Total (USDeq.)*	**(Executing Entity receiving funds from the GEF Agency)[1]**
		Sub-component 3.1	*Sub-component 3.2*					
Equipment	Computers, software, GPS, printers, cell phones, furniture communications (FAO Goods)	45,000	45,000	90,000			90,000	Ministry of Environment of Peru (MINAM)
Equipment	Computers, software, printers, cell phones, furniture communications for project management unit			-		1,532	1,532	Ministry of Environment of Peru (MINAM)

Contractual services-Company	National consultants (TA): Mapping, GIS analysis, forest and land degradation assessments, definition of ecological connectivity corridors, information system assessments, restoration cost and benefit analysis, conservation agreements analysis, assessment of GORES information management capacity, and ecosystem impact assessments	1,027,295	952,000	1,979,295			1,979,295	Ministry of Environment of Peru (MINAM)
Local Consultants	Responsible for C3 ($288,750 = 66 months @ $4,375/month) 4 regional facilitators (San Martin, Loreto, Amazonas and Cajamarca - total of $756,00: $189,000 each = 63 months @ $3,000/months)	522,375	522,375	1,044,750			1,044,750	Ministry of Environment of Peru (MINAM)
Local Consultants	Local consultants: project management unit team			-		183,120	183,120	Ministry of Environment of Peru (MINAM)

Training, Workshops, Meetings	Training and capacity building workshops in the Project's intervention areas; 18 per Project intervention area (72 events @ approx. $4,000 each)	144,000	144,000	288,000			288,000	Ministry of Environment of Peru (MINAM)
Travel	Travel to provide TA and trainings in 4 regions: Component 3 manager, and regional facilitators	108,000	108,000	216,000			216,000	Ministry of Environment of Peru (MINAM)
Other Operating Costs	Inputs such as tools and field equipment for implementing field restoration activities with local communities (FAO Materials)	77,500	77,500	155,000			155,000	Ministry of Environment of Peru (MINAM)
Other Operating Costs	Includes FAO?s part of the cost of six annual external audits and additional spot checks.			-		4,000	4,000	Ministry of Environment of Peru (MINAM)
Grand Total		**1,924,170**	**1,848,875**	**3,773,045**	**-**	**188,652**	**3,961,697**	

ANNEX F: (For NGI only) Termsheet

Instructions. Please submit an finalized termsheet in this section. The NGI Program Call for Proposals provided a template in Annex A of the Call for Proposals that can be used by the Agency. Agencies can use their own termsheets but must add sections on Currency Risk, Co-financing Ratio and Financial Additionality as defined in the template provided in Annex A of the Call for proposals. Termsheets submitted at CEO endorsement stage should include final terms and conditions of the financing.

ANNEX G: (For NGI only) Reflows

Instructions. Please submit a reflows table as provided in Annex B of the NGI Program Call for Proposals and the Trustee excel sheet for reflows (as provided by the Secretariat or the Trustee) in the Document Section of the CEO endorsement. The Agencys is required to quantify any expected financial return/gains/interests earned on non-grant instruments that will be transferred to the GEF Trust Fund as noted in the Guidelines on the Project and Program Cycle Policy. Partner Agencies will be required to comply with the reflows procedures established in their respective Financial Procedures Agreement with the GEF Trustee. Agencies are welcomed to provide assumptions that explain expected financial reflow schedules.

ANNEX H: (For NGI only) Agency Capacity to generate reflows

Instructions. The GEF Agency submitting the CEO endorsement request is required to respond to any questions raised as part of the PIF review process that required clarifications on the Agency Capacity to manage reflows. This Annex seeks to demonstrate Agencies? capacity and eligibility to administer NGI resources as established in the Guidelines on the Project and Program Cycle Policy, GEF/C.52/Inf.06/Rev.01, June 9, 2017 (Annex 5).