GEF-8 PROJECT IDENTIFICATION FORM (PIF)

TABLE OF CONTENTS

GENERAL PROJECT INFORMATION 3

Project Summary 4

Indicative Project Overview 5

PROJECT COMPONENTS 5

PROJECT OUTLINE 8

A. PROJECT RATIONALE 8

B. PROJECT DESCRIPTION 15

Project description 15

Coordination and Cooperation with Ongoing Initiatives and Project. 21

Core Indicators 22

Key Risks 25

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES 28

D. POLICY REQUIREMENTS 29

Gender Equality and Women's Empowerment: 29

Stakeholder Engagement 29

Private Sector 30

Environmental and Social Safeguard (ESS) Risks 30

E. OTHER REQUIREMENTS 31

Knowledge management 31

ANNEX A: FINANCING TABLES 31

GEF Financing Table 31

Project Preparation Grant (PPG) 31

Sources of Funds for Country Star Allocation 32

Indicative Focal Area Elements 32

Indicative Co-financing 32

ANNEX B: ENDORSEMENTS 33

GEF Agency(ies) Certification 33

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s): 33

ANNEX C: PROJECT LOCATION 33

ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING 36

ANNEX E: RIO MARKERS 36

ANNEX F: TAXONOMY WORKSHEET 36

General Project Information

Project Title	
Promoting the conservation and sustainable management of southern peatlands in Chile	
Region	GEF Project ID
Latin America and the Caribbean	12152
Country(ies)	Type of Project
Chile	MSP
GEF Agency(ies):	GEF Agency ID
UNEP	01731
Executing Partner	Executing Partner Type
Ministry of the Environment (EM)	Government
GEF Focal Area (s)	Submission Date
Multi Focal Area	12/5/2025
Project Sector (CCM Only)	

Taxonomy

Influencing models, Transform policy and regulatory environments, Strengthen institutional capacity and decision-making, Convene multi-stakeholder alliances, Demonstrate innovative approache, Deploy innovative financial instruments, Capacity, Knowledge and Research, Capacity Development, Learning, Theory of change, Indicators to measure change, Adaptive management, Knowledge Generation, Knowledge Exchange, Innovation, Stakeholders, Indigenous Peoples, Private Sector, Capital providers, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, Enabling Activities, Civil Society, Academia, Non-Governmental Organization, Community Based Organization, Local Communities, Type of Engagement, Information Dissemination, Participation, Consultation, Partnership, Communications, Awareness Raising, Education, Public Campaigns, Behavior change, Beneficiaries, Gender Equality, Gender results areas, Gender Mainstreaming, Women groups, Sex-disaggregated indicators, Gender-sensitive indicators, Access and control over natural resources, Participation and leadership, Access to benefits and services, Knowledge Generation and Exchange, Focal Areas, Biodiversity, Protected Areas and Landscapes, Terrestrial Protected Areas, Productive Landscapes, Mainstreaming, Tourism, Community Based Natural Resource Mngt, Certification -National Standards, Ceritification - International Standards, Biomes, Species, Threatened Species, Wildlife for Sustainable Development, Plant Genetic Resources, Invasive Alien Species, Financial and Accounting, Payment for Ecosystem Services, Natural Capital Assessment and Accounting, Conservation Finance, Conservation Trust Funds, Land Degradation, Sustainable Land Management, Restoration and Rehabilitation of Degraded Lands, Ecosystem Approach, Integrated and Cross-sectoral approach, Community-Based Natural Resource Management, Wetlands, Land Degradation Neutrality, Carbon stocks above or below ground, Sustainable Livelihoods, Sustainable Agriculture

Type of Trust Fund	Project Duration (Months)
GET	36
GEF Project Grant: (a)	GEF Project Non-Grant: (b)
2,110,046.00	0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)

200,454.00	0.00
Total GEF Financing: (a+b+c+d) 2,310,500.00	Total Co-financing 8,591,032.00
PPG Amount: (e) 100,000.00	PPG Agency Fee(s): (f) 9,500.00
PPG total amount: (e+f) 109,500.00	Total GEF Resources: (a+b+c+d+e+f) 2,420,000.00
Project Tags CBIT: No NGI: No SGP: No Innovation: No Competitive Window: No	

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”.(max. 250 words, approximately 1/2 page)

Peatlands are strategic ecosystems for the planet's climate balance, as they store about 30% of global soil carbon, despite covering only 3% of the earth's surface. In the southern hemisphere, Chilean Patagonia is home to a large proportion of these wetlands, with an estimated area of close to 10,470 km², which represents approximately 1.4% of the national territory. These ecosystems provide multiple essential ecosystem services, such as water regulation, biodiversity conservation and carbon sequestration, being fundamental for adaptation and mitigation to climate change. However, its ecological functionality is currently threatened by increasing pressure on its resources, especially by the unregulated harvesting of *Sphagnum magellanicum moss*.

The recent enactment of Law 21,660 in 2024, which establishes measures for the environmental protection of peatlands, constitutes an advance in national regulations that recognize their ecological and sociocultural value. However, challenges remain for its implementation, such as regulatory fragmentation, inter-institutional coordination, and lack of technical capacities, particularly in relation to sustainable moss management and harvesting practices.

In this context, the Project seeks to strengthen governance frameworks and public policy coherence, to promote sustainable management of peatland use in Chile. To this end, priority is given to the installation of capacities and the generation of knowledge aimed at closing technical and social gaps around the sustainable management of *Sphagnum magellanicum*, along with the implementation of pilot actions that articulate good productive practices, ecosystem conservation, and environmental monitoring. This integrated approach aims to contribute to the conservation and restoration of peatlands as strategic ecosystems, promoting sustainable and resilient economic alternatives that strengthen the country's response to climate change and biodiversity loss. The project aims to achieve GEBs in the areas of Land Degradation and Biodiversity. It will do so through mainstreaming Biodiversity in regulatory frameworks and knowledge management with key stakeholders, as well as fostering sustainable production practices in the Sphagnum moss extraction protocols and associated value chain. To this end it aims to improve the management of 160,000 ha in the pilot landscapes towards the conservation of endemic Biodiversity. It will also promote restoration activities in key areas to increase connectivity as well as improved ecosystem services in water conservation and land

productivity, aiming at some 279 ha in the pilot areas. The avoided carbon emissions are seen as a co-benefit associated with the improved management and restoration of pilot areas.

Indicative Project Overview

Project Objective

Promoting the conservation and sustainable management of southern peatlands in Chile.

Project Components

Component 1: Strengthening institutional and regulatory frameworks for peatland conservation

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
562,679.00	2,290,942.00

Outcome:

1.1 The environmental value of peatlands is integrated into public policies and management instruments, through inter-institutional coordination mechanisms and harmonized conservation criteria.

Indicators:
– Number of policies and regulations that incorporate sustainable peatland management principles.
– Generation and application of protocols and good practices in initiatives approved by partner institutions.

1.2 Technical and institutional capacities are strengthened to integrate criteria for the conservation and sustainable use of peatlands into regulatory frameworks, public policies, and sectoral decision-making processes.

Indicators:
- Number of professionals from public institutions trained in sustainable peatland management.– Number of technical and management instruments adopted.

Output:

1.1.1 Multi-level governance mechanisms created or strengthened to support the adoption of peatland conservation measures.

1.1.2 Technical guidelines developed for the conservation, preservation and restoration of *Sphagnum* moss, linked to regulatory frameworks.

1.2.1 Training program implemented for public officials on planning and sustainable management of peatlands.

1.2.2 Conservation instruments harmonized, including management plans, monitoring systems, biodiversity certifications, and environmental education programs.

Component 2: Information Management and Knowledge Strengthening

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
482,296.00	1,963,664.00

Outcome:

2.1 The availability, accessibility and dissemination of technical and scientific information on peatlands is improved, reducing barriers to access, especially for vulnerable communities.

Indicator:

– Strengthening of official public information platform(s) on peatlands.

– Dissemination and communication strategy implemented with a territorial and sociocultural approach.

– Number of users who access and use the information available on the platform.

2.2 Decision-makers, local communities and sectoral stakeholders recognize the ecosystem and sociocultural value of peatlands, and strengthen their capacities to participate in their conservation.

Indicator:

– Number of stakeholders trained through the multi-stakeholder training programme.

– Level of appropriation of content by local and sectoral stakeholders, measured through surveys and monitoring reports.

Output:

2.1.1 Information on peatlands collected and integrated into official platforms, with open access and territorial visualization.

2.1.2 Communication strategy developed and implemented to promote public awareness and understanding of peatlands, prioritizing accessible media and formats for local communities.

2.1.3 Cycle of scientific and technical seminars conducted to disseminate relevant research findings on peatlands.

2.2.1 Educational materials and communication tools developed based on scientific and local knowledge, adapted to different audiences to strengthen the socio-cultural value of peatlands.

2.2.2 Multi-stakeholder training program designed and implemented, aimed at decision-makers, and communities, collectors, with focus on gender, interculturality, and territorial relevance.

Component 3: Pilot landscapes for the conservation and sustainable management of southern peatlands.

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
904,305.00	3,681,871.00

Outcome:

3.1 Mechanisms, tools and practices are implemented for the conservation, restoration and sustainable use of southern peatlands in pilot landscapes, contributing to their better ecological management, generation of socioeconomic benefits and strengthening of local capacities. Indicator:

- Area (ha) of peatlands under environmental monitoring and ecological restoration.

– Number of local stakeholders applying good production practices, disaggregated by gender.

– Number of creation and implementation of sustainable management plans for *Sphagnum magellanicum moss*.

– Number of collectors (m/f) working at sites with good practices incorporated within the framework of the certification program

-Number of properties associated with mechanisms of remuneration for ecosystem services.

Output:

3.1.1 Sustainable management plans for *Sphagnum magellanicum* developed and implemented in pilot landscapes, incorporating good harvesting, regeneration and environmental monitoring practices.

3.1.2 Technical protocols for ecological monitoring and active restoration of peatlands developed and validated.

3.1.3 Pilot certification program for good practices in sustainable Sphagnum harvesting designed and implemented, with verifiability and traceability criteria.

3.1.4 Mechanisms for retribution of ecosystem services strengthened through technical assistance and territorial coordination, prioritizing local stakeholders and socio-environmental equity.

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
60,288.00	245,458.00

Outcome:

4.1 The implementation of the project is aimed at achieving the expected results in a cost-effective manner.

Output:

4.1.1 Technical and financial supervision carried out by the Project Steering Committee.

4.1.2 Internal monitoring of progress and implementation, reporting and review of lessons learned used to inform adaptive project management.

4.1.3 External evaluations of projects used to improve project performance and sustainability.

Component Balances

Project Components	GEF Project Financing ($)	Co-financing ($)
Component 1: Strengthening institutional and regulatory frameworks for peatland conservation	562,679.00	2,290,942.00
Component 2: Information Management and Knowledge Strengthening	482,296.00	1,963,664.00
Component 3: Pilot landscapes for the conservation and sustainable management of southern peatlands.	904,305.00	3,681,871.00
M&E	60,288.00	245,458.00
Subtotal	**2,009,568.00**	**8,181,935.00**
Project Management Cost	100,478.00	409,097.00
Total Project Cost ($)	**2,110,046.00**	**8,591,032.00**

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

Peatlands are strategic ecosystems of global importance. Although they represent only 3% to 4% of the earth's surface, they store more than 550,000 million tons of carbon, which is equivalent to twice the carbon contained in the entire forest biomass of the planet. This storage capacity is due to the permanent saturation of the soil and the slow decomposition of organic matter, which turns them into natural carbon sinks. In addition, peatlands regulate the hydrological cycle by retaining and purifying water, contribute to the mitigation of extreme hydrometeorological events such as floods and droughts, host highly specialized endemic biodiversity, and provide essential cultural and socioeconomic services.

In the Southern Hemisphere, a significant proportion of peatlands is found across the Patagonian landscape, extending roughly between 39°S (Los Ríos Region) and 55°S (Magallanes Region). They cover an estimated 10,470–10,684 km²—around 1.4% of the national territory—and are mostly distributed in flat, poorly drained areas shaped by glacial retreat and subsequent vegetation colonization. Both natural and anthropogenic types occur: the latter, locally known as *pomponales*, develop on degraded forest sites colonized by *Sphagnum magellanicum* and other hydrophilic species, particularly in Chiloé Island and the northern fringe of Patagonia.

The project will operate through two pilot landscapes that represent the ecological, socioeconomic, and governance diversity of Chilean peatlands. The first pilot, located in the Los Lagos Region, encompasses the Chiloé Archipelago, where extensive Sphagnum-dominated peatlands coexist with smallholder economies that depend on moss harvesting. The second pilot, in the Aysén Region, includes relatively intact bog complexes under increasing pressure from drainage and livestock grazing. Both landscapes provide contrasting yet complementary settings for testing sustainable management models, institutional coordination, and community-based governance approaches.

These ecosystems play a crucial role in maintaining biodiversity and regulating soil and water processes. Their acidic, permanently waterlogged soils support unique communities of flora and fauna, including amphibians such as Darwin's frog (*Rhinoderma darwini*) and the striped toad (*Nannophryne variegata*), which depend on the stable microclimatic and hydrological conditions provided by peatlands. The conservation of these habitats thus contributes not only to carbon storage but also to the preservation of species, ecological connectivity, and soil integrity in the Patagonian landscape, whilst providing sustainable livelihoods for the population that collects the Sphagnum moss.

Over recent decades, the progressive degradation of these ecosystems has compromised their function as carbon sinks, transforming them into net sources of greenhouse gases (GHGs). It is estimated that degraded peatlands currently release about 2,000 Mt CO_2e per year, representing approximately 4% of global anthropogenic emissions. This release is due to microbial oxidation of organic matter under aerobic conditions, accelerated by the loss of water saturation. Recent studies indicate that the current rate of degradation of peatlands is ten times higher than their cumulative rate of formation over the last ten thousand years.

However, peatlands are under increasing pressure from multiple anthropogenic threats, including drainage, land-use change for agriculture and forestry, infrastructure development, the spread of invasive species such as beaver (*Castor canadensis*) and gorse (*Ulex europaeus*), and changing precipitation and temperature patterns. **In addition, the degradation of vegetation cover and soil compaction directly affect their water retention capacity, exacerbating land degradation (LD) processes and reducing ecosystem resilience to climate variability. Among these pressures, the unregulated harvest of *Sphagnum magellanicum* moss has become one of the most significant.** Initially emerging as a subsistence activity within informal rural economies, moss collection has expanded rapidly over the past two decades due to limited alternative livelihoods and weak regulatory frameworks.

In 2023, this activity generated USD 24.5 million in exports, mobilizing more than 3,300 tons of moss; however, most harvesting occurs without sustainability standards, threatening the ecological integrity and regeneration capacity of peatland ecosystem. Beyond the loss of carbon stocks, these extractive pressures contribute to the degradation of soil structure and hydrological function, affecting biodiversity and the provisioning of ecosystem services that sustain local communities. The harvest of this moss has become increasingly important as an economic activity, becoming one of the main non-wood forest raw materials (NWFPs) exported by the country. Currently, *Sphagnum magellanicum* ranks first in exports within this category, with its main destination being Asian markets, where it is widely used as a horticultural substrate. According to official figures from the Forestry Institute (INFOR), in 2023 this activity reached a volume of

3,321.2 tons exported, generating an income of US$24.5 million FOB and representing a share of 28% of total NWFP exports. Despite this economic relevance, extraction is mainly informal and driven by short-term demand rather than sustainable management, generating ecological degradation and social vulnerability among rural harvesters.

In contrast to other non-timber forest products that have evolved through sustainable-use practices, *Sphagnum* moss extraction has expanded within unregulated markets and without ecological safeguards. The unregulated expansion of extractive activity in the southern peatlands has led to a phenomenon of migration of workers (gatherers) and intermediaries who lease these areas for extraction. This situation has generated a pattern of unsustainable exploitation, characterized by the absence of practices that allow the regeneration of the ecosystem. As a direct consequence, there is a high risk to the ecological functionality of peatlands, compromising their ability to provide vital ecosystem services such as water regulation, biodiversity conservation and carbon storage. In the long term, this lack of sustainability also threatens the continuity of economic activity itself, as the degradation of this natural resource will eventually limit its availability for future harvests.

The degradation caused by unsustainable extraction and drainage results not only in greenhouse gas emissions, but also in soil erosion, loss of biodiversity, and reduced water regulation capacity, directly affecting the resilience of local ecosystems and communities. These interlinked impacts demonstrate that peatland conservation is simultaneously a biodiversity (BD), land degradation (LD), and climate change (CC) issue.

Recognizing this multidimensional importance, Chile has assumed a leading role in peatland protection. Since 2020, the country has committed to develop a National Peatland Inventory by 2025 and standardized metrics to evaluate peatland-based mitigation and adaptation by 2030, as part of its Nationally Determined Contribution (NDC). Furthermore, the recent enactment of Law No. 21,660 on Peatland Protection establishes a comprehensive legal framework that explicitly recognizes peatlands as strategic ecosystems for climate mitigation and adaptation, hydrological regulation, biodiversity conservation, and the provision of ecosystem services. This law prohibits peat extraction nationwide and regulates the sustainable management of *Sphagnum* vegetation cover through technical management plans evaluated by the Biodiversity and Protected Areas Service (SBAP) and approved by the Agricultural and Livestock Service (SAG). Aligned with the 2025–2035 NDC update, Chile has also committed to: (a) implement by 2030 two pilot projects for the sustainable management of peatlands in territories with a high presence of moss harvesting, integrating environmental monitoring, community participation, and mechanisms for assessing ecological and social impacts; and (b) develop by 2028 a national methodology for the sustainable harvest of *Sphagnum magellanicum* vegetation cover, to be incorporated into management plans, ensuring that moss collection does not permanently alter the structure and ecological functions of peatlands.

As a regulatory precedent, Supreme Decree No. 25 of the Ministry of Agriculture, in force since 2018, provided measures for the cutting and harvesting of *Sphagnum magellanicum moss*. However, this instrument lacked effective implementation mechanisms, without generating measurable results in terms of conservation of the resource. Despite the fact that 276 harvest plans have been approved since 2020, only 172 remain in force, and most of them have no evidence of their contribution to the regeneration of moss or the protection of the ecosystem functions of peatlands. This highlights the structural weaknesses of current management approaches and the need for a comprehensive governance model that integrates environmental, social, and economic dimensions of peatland management.

Despite significant regulatory advances and growing awareness of the strategic value of peatlands, their effective conservation and sustainable management continue to face several interconnected barriers.

Barrier 1. Weak multilevel governance and fragmented institutional coordination.

The first barrier lies in the absence of an articulated, multi-level governance framework that enables coordinated management across institutions and territories. Although various actors are involved, including government agencies, civil society organizations, research institutions, and local communities, weak inter-institutional coordination and fragmented policy instruments hinder the development of integrated conservation and restoration strategies. This gap is particularly evident between national, regional, and local levels, limiting the capacity for coherent land-use planning and the mainstreaming of peatland conservation into territorial development policies. As a result, interventions remain reactive rather than preventive, increasing long-term costs for restoration and weakening adaptive governance capacities.

Barrier 2. Incomplete implementation of the current regulatory framework.

A second barrier is the incomplete implementation of the current regulatory framework. While Law No. 21.660 and its forthcoming regulation represent a major policy milestone, operational gaps persist due to the limited availability of administrative, financial, and technological tools to support its enforcement. The absence of harmonized technical guidelines and installed capacities to evaluate and supervise management plans prevents consistent application of the law. As a result, informal extraction and overexploitation continue, leading to soil degradation (LD), biodiversity loss (BD), and reduced ecosystem resilience to climate impacts (CC). These weaknesses underscore the need to move from normative recognition to effective implementation through institutional strengthening, capacity building, and cross-sectoral coordination.

Barrier 3. Limited institutional capacity for environmental monitoring and enforcement.

The third barrier concerns the limited institutional capacity for environmental monitoring and enforcement at the local and regional levels. The lack of standardized indicators, both ecological and social, as well as insufficient human and technological resources, restricts the systematic assessment of peatland conditions. The absence of monitoring systems capable of integrating hydrological, biological, and social data prevents evidence-based decision-making and hinders the application of conservation, preservation, and restoration measures. Without robust monitoring, it is not possible to evaluate the effectiveness of management plans or replicate successful practices at larger scales, limiting adaptive management and long-term ecosystem recovery.

Barrier 4. Fragmentation of knowledge and limited public access to information.

The fourth barrier arises from gaps in knowledge management and decision-making capacities. Although valuable scientific and local knowledge exists, it remains fragmented, poorly systematized, and rarely integrated into planning or policy instruments. Technical, scientific, and sociocultural information is dispersed across institutions and not easily accessible to decision makers, local communities, or the general public. The absence of integrated, open-access systems prevents a comprehensive understanding of the ecological, economic, and cultural relevance of peatlands. This lack of accessibility weakens participatory governance, limits evidence-based planning, and contributes to the social invisibility of peatlands. Consequently, they remain undervalued in public policy and markets, despite their role in biodiversity conservation, soil stability, and hydrological regulation.

Barrier 5. Limited intersectoral and territorial coordination mechanisms.

The fifth barrier relates to the limited existence of intersectoral and territorial coordination mechanisms. Responsibilities for biodiversity, water, and land management are distributed among multiple agencies and

levels of government, but few permanent mechanisms exist for coordination, joint planning, and information sharing. This disconnection between environmental, agricultural, and regional development policies leads to overlapping mandates, inconsistent land-use criteria, and duplication of restoration efforts. In addition, the lack of coordination among productive, conservation, and planning instruments restricts the capacity to implement coherent actions at the landscape level, particularly in territories where extractive pressures intersect with vulnerable ecosystems and rural livelihoods. The absence of a coherent territorial governance framework reduces efficiency, increases transaction costs, and hinders the integration of peatland conservation into broader landscape and development policies.

Barrier 6. Absence of effective economic and social incentive mechanisms.

The sixth barrier relates to the absence of effective economic and social incentive mechanisms that promote sustainable practices in the harvesting and management of Sphagnum magellanicum moss. Most collectors and companies engaged in this activity operate in informal contexts and lack access to certification schemes, payment for ecosystem services (PES) programs, or financial instruments that reward conservation and the implementation of good practices. This situation limits private sector engagement, prevents investment in sustainable production models, and restricts the diversification of local livelihoods.

The lack of adequate incentives also perpetuates extractive value chains that fail to generate equitable benefits or social recognition for those who depend directly on these ecosystems. Without targeted incentives and equitable benefit-sharing mechanisms, it will not be possible to advance toward fair and inclusive peatland economies that ensure dignified livelihoods for Sphagnum magellanicum harvesters and promote alternative employment opportunities aligned with the principles of equity, climate justice, gender equality, citizen participation, and transparency.

Project Strategy and Narrative of Future Scenarios

Faced with this complex scenario, it is urgent to articulate a comprehensive response that strengthens the institutional framework, consolidates effective regulatory instruments, promotes the generation, systematization and circulation of knowledge, and strengthens local capacities for sustainable management of southern peatlands. This strategy must explicitly integrate the interlinked challenges of climate regulation (CC), biodiversity conservation (BD), and land degradation neutrality (LD), positioning peatlands as socio-ecological systems that sustain both natural processes and livelihoods.

The project will operationalize this strategy through a set of concrete, field-based interventions in pilot landscapes, designed as replicable models of sustainable management, ecological restoration, and inclusive governance. It is expected that, as a result of this intervention, public entities will effectively coordinate the implementation of Law No. 21,660 and its Regulations, ensuring consistency between biodiversity, land use, and climate policies, that local communities and the private sector will have access to clear information and applicable regulatory tools, that collectors will adopt sustainable harvesting practices and participate in systems of traceability, certification and remuneration for ecosystem services, and that peatlands progressively recover their ecological functions, while generating social and economic benefits under conditions of equity, territorial justice and social cohesion.

If these coordinated actions do not materialize, the degradation of peatlands will likely accelerate, resulting in biodiversity loss, increased soil erosion, and **severe degradation of hydrological and ecological functions.** Such a scenario would heighten socio-environmental vulnerability in southern territories, increase GHG emissions, and compromise Chile's ability to meet national and global environmental commitments under the NDC and the Kunming-Montreal Global Biodiversity Framework. Conversely, if the proposed measures are effectively implemented, peatlands will become models of climate resilience, biodiversity

restoration, and equitable rural development, delivering multiple global environmental benefits and strengthening local adaptive capacities.

Under a “business-as-usual” scenario, the loss of these natural reservoirs would catalyze soil degradation and biodiversity decline, undermine water resilience, and exacerbate climate change, creating cascading effects on rural productivity and community well-being. Conversely, the project’s intervention pathway envisions a regenerative scenario, where ecological integrity is restored, governance systems strengthened, and inclusive economic opportunities created for local and Indigenous populations.

Projections for the year 2050 indicate a reduction in rainfall in Chilean Patagonia, coupled with an increase in temperatures between 1°C and 2°C, which will intensify degradation processes (MMA, 2024). This scenario projects not only an increase in the risk of extinction of endemic species, but also economic repercussions. Recent estimates quantify losses from peatland degradation at up to CLP 1,757 million per hectare affected, a figure that far exceeds current public investment in restoration and conservation (Melo et al., 2023). This underscores the urgent need for proactive conservation, restoration, and adaptive management strategies that enhance biodiversity, soil stability, and community resilience.

This project therefore seeks to transform this uncertain trajectory into an opportunity for environmental and social regeneration, acting as a catalyst for an alternative model of peatland governance that bridges regulatory, ecological, and socioeconomic dimensions. The intervention proposes a paradigm shift through coordinated transformations in the regulatory framework, production processes, governance systems and market mechanisms.

Specifically, the project aims to:

- Strengthen the political and regulatory framework, integrating clear biodiversity and land-use guidelines into public and private planning, consolidating inter-institutional coordination, and promoting collaborative and transparent management. This will be achieved through participatory processes that align sectoral policies on biodiversity, water, land, and climate, fostering coherence across ministries and territorial levels.
- Consolidate unified, open-access knowledge systems that integrate scientific and traditional knowledge, recognizing the ecosystem role of peatlands and facilitating adaptive management by public institutions, private actors, and communities. This system will include standardized ecological and socio-economic indicators, spatial databases, and communication platforms to strengthen evidence-based policymaking and public awareness.
- Promote a fair and inclusive transition for *Sphagnum magellanicum* collectors, through sustainable harvesting practices, gender-responsive certification schemes, and access to differentiated markets that diversify local economies and reduce pressure on ecosystems. This transition will be supported by pilot livelihood initiatives consistent with the principles of equity, climate justice, gender equality, and territorial sustainability.

The effective implementation of Law No. 21,660 and its operating regulations will prevent degradation, reduce future restoration costs, and position Chile as a benchmark in soil carbon conservation and biodiversity.

Finally, it is envisioned that the peatlands of southern Chile will be consolidated as a model of ecosystem governance, where environmental sustainability, social equity and economic resilience converge, generating lasting opportunities for the territories and their communities. In doing so, the project builds on a favorable political context, including the formulation and implementation of the Regulation of Law No. 21.660 and the execution of the National Peatland Roadmap. It also capitalizes on lessons learned from previous initiatives

(such as the GEF Coastal Wetlands Project, the GEF Economic Instruments Project, and the Urban Wetlands Law) which provide a solid foundation of institutional coordination, scientific evidence, and community participation. In doing so, the project fits within the broader investment landscape for nature-based solutions and aligns with Chile's Nationally Determined Contribution (NDC), the National Biodiversity Strategy, and the 2030 Agenda for Sustainable Development, ensuring coherence with both national priorities and global environmental frameworks

Stakeholder Engagement and Governance

The project will be implemented through a broad and coordinated governance structure involving public institutions, academia, civil society, private sector actors, and local and Indigenous communities. This inclusive, multi-stakeholder framework is designed to ensure long-term ownership, institutional sustainability, and scalability of results—extending Global Environmental Benefits (GEBs) in BD and LD, as well as CC as a co-benefit beyond pilot landscapes.

Among the key stakeholders identified in the framework of the Project are various public sector institutions, such as the ministries with competence in the field of conservation, protection and control of peatlands:

- Ministry of the Environment (MMA): In charge of articulating public policies related to the protection and conservation of peatlands, as well as promoting actions to mitigate and adapt to climate change.
    - Biodiversity and Protected Areas Service (SBAP): Supervises and monitors compliance with Law No. 21,660 on the Protection of Peatlands and promotes associated programs, policies and conservation areas.
- Ministry of Agriculture: Coordinates actions through its sectoral bodies:
    - Forestry Institute (INFOR): Researches regeneration and productivity of Sphagnum magellanicum.
    - Institute of Agricultural Research (INIA): Transfers technologies and technical knowledge to local communities and harvesters.
    - National Institute of Agricultural Development (INDAP): Provides financing, training and technical assistance to small producers.
    - Agricultural and Livestock Service (SAG): Supervises and approves peatland management plans in accordance with Law 21,660.
    - Office of Agrarian Studies and Policies (ODEPA): Generates analysis and supports the development of regulations on the productive use of peatlands.
- Undersecretariat of Tourism (SUBTURISMO): Defines guidelines for the development of sustainable tourism in areas with the presence of peatlands.
- Ministry of National Assets: Manages peatlands located on public lands.
- Regional Governments and Municipalities: Participate in territorial planning, ecological restoration, environmental education, monitoring and articulation of local stakeholders.

- General Directorate of Water (DGA): Responsible for ensuring the conservation and sustainable use of the country's water resources. It can monitor activities that affect the water regime of peatlands, such as drainage systems.

- Undersecretariat of Regional Development (SUBDERE): Supports the integration of peatlands into regional planning instruments and the strengthening of the decentralization process.

At the regional and local levels, regional governments and municipalities will be key stakeholders in the formulation of territorial policies, land use planning, the promotion of ecological restoration initiatives and the promotion of environmental education. Coordination with the Undersecretariat for Regional Development (SUBDERE) is important to strengthen the decentralization process and integrate peatland conservation into regional planning and development instruments.

In the academic field, universities such as the Universidad Bernardo O'Higgins and the Universidad de Chile will contribute by generating scientific knowledge, developing monitoring methodologies, and providing evidence for informed decision-making. In the same way, non-governmental organizations with a track record in wetland conservation, such as the Wildlife Conservation Society (WCS), the Kreen Foundation and the National Audubon Society, will play a relevant role in the implementation of sustainable practices, environmental education, community participation and the appreciation of local knowledge.

At the level of pilot projects, the active participation of local and indigenous communities—in particular, foraging communities and the Mapuche-Huilliche people—will be crucial to the success of the initiative, given their deep cultural, territorial, and historical relationship with peatlands. These communities will contribute essential traditional knowledge for the adaptive and sustainable management of ecosystems. Their involvement will be guided by the principles of equity, territorial justice, effective participation and free, prior and informed consent.

Finally, the private sector, mainly represented by companies dedicated to the commercialization of *Sphagnum moss*, will play a strategic role in the adoption of good production practices. Their participation will make it possible to move towards a more responsible, traceable and sustainable management of the value chain, also contributing to the economic diversification of the territories. The articulated participation of these stakeholders will allow the consolidation of a governance model that ensures the conservation of southern peatlands as strategic ecosystems in the face of climate change, and as a support for the livelihoods of the communities that depend on them.

Through this collaborative framework, the project will consolidate an inclusive governance model for peatland conservation—bridging science, policy, and community stewardship—thereby ensuring the delivery of multiple global environmental benefits and lasting improvements in ecosystem resilience and human wellbeing.

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

This section operationalizes the Project's integrated approach and presents how activities will be implemented across the three components, with a clear emphasis on the field implementation of the demonstration

landscapes. These pilot landscapes (introduced in the Project Rationale) will serve as living laboratories to test, validate, and scale conservation, restoration, and sustainable-use models that generate measurable Global Environmental Benefits (BD, LD, and CC as a co-benefit) and strengthen local capacities.

The Project seeks to promote the conservation of southern Chilean peatlands, through a transformation in governance, knowledge management and territorial management, recognizing their value for climate resilience, biodiversity and the well-being of communities that have historically depended on their ecosystem services. Through an integrated intervention approach, the project is structured around three interdependent components, designed to overcome the current barriers that hinder the effective protection and sustainable use of these ecosystems, ensuring adaptive, territory-relevant governance and institutional strengthening:

i) Institutional and regulatory strengthening, aimed at aligning public policies and reducing fragmentation in the management of these ecosystems.

ii) Knowledge management, improving access, quality and dissemination of official public information on peatlands, which supports informed decisions.

iii) Pilot landscapes, through mechanisms and practices for the conservation, restoration and sustainable use of peatlands, generating ecological, economic and social benefits.

Component 1. Strengthening institutional and regulatory frameworks for peatland conservation.

The first component is aimed at institutional and regulatory strengthening to integrate the environmental value of peatlands into public policies. This includes the effective implementation of Law No. 21,660 on Peatland Protection, through regulatory instruments, technical instructions and inter-institutional coordination and multilevel governance mechanisms. The component will prioritize harmonized technical guidelines, clear roles and workflows among competent authorities (e.g., SBAP/SAG), and alignment with biodiversity, land-use and climate instruments to ensure coherent enforcement. This approach aims to improve cohesion between public institutions, harmonise intervention criteria and optimise the use of resources, moving towards efficient management aligned with the conservation objectives of these strategic ecosystems.

In this way, it seeks to close the gap between the regulatory framework and its territorial implementation, through operational guidelines adapted to local realities. A multilevel governance model will be promoted that facilitates interaction between public entities, communities and producers, starting with the mapping of existing articulation instances and the development of formal communication channels to coordinate actions, build agreements and promote investments in conservation. Regulatory implementation will be further supported by inter-agency protocols for plan review, compliance monitoring, and adaptive management, linked to transparent reporting. Likewise, instruments will be designed to link Law No. 21,660 with the stakeholders responsible for its execution, strengthening its practical application.

In this line, specialized tools for environmental inspection and monitoring will be developed, such as technical manuals, methodological guides and applied studies. These tools will cover priority areas such as the ecological restoration of peatlands dominated by Sphagnum magellanicum, monitoring of forcing environmental conditions, and good practices in productive sectors linked to moss harvesting. As part of this strategy, a traceability and management system will also be developed linked to the implementation of the Peatland Protection Law, with the purpose of having technological tools that allow verifying, throughout the entire production chain (harvesting, drying, transport, collection and marketing), that the commercialized moss comes from farms with sustainable vegetation cover management plans duly approved by the competent authorities. This system will contribute to guaranteeing the legality, sustainability and traceability of the activity, thus strengthening governance over these strategic ecosystems.

Component 2. Information Management and Knowledge Strengthening

The second component of the Project seeks to strengthen the capacities of public, private and community stakeholders, through generation, systematization, access and transfer of knowledge on peatlands. This line of action responds to the existing gap in information and technical capacities, which limits informed decision-making and the implementation of policies consistent with national and international commitments on land degradation, biodiversity and climate change.

As the central axis of this component, a knowledge management strategy on peatlands will be developed, consolidated in an official public platform, which will integrate scientific information, traditional knowledge and institutional technical inputs. It seeks to facilitate access to key information for the formulation of public policies, territorial planning and decision-making on conservation, restoration and rational use of peatlands. It will be accompanied by a dissemination and awareness strategy, to ensure its adoption by the different target audiences of the project. The platform will feature open-access data, territorial visualization, standardized indicators (ecological, hydrological, socio-economic), and user-oriented tools to support monitoring and adaptive management in pilot landscapes and beyond.

In addition, a synthesis report will be prepared that characterizes the southern peatlands of southern Chile, highlighting their main ecological attributes, ecosystem functions, relevance in the provision of services such as carbon storage, water regulation and their direct contribution to the well-being of the communities that inhabit and depend on them. This document will serve as a technical basis for the design of conservation strategies and as a pedagogical input for training processes and public awareness campaigns.

The component will include scientific dissemination seminars, which will constitute spaces for meeting and exchange between researchers, decision-makers, representatives of the private sector, territorial stakeholders and citizens in general. These activities will aim to make visible scientific advances, territorial experiences and innovative approaches in the management of wetlands and peatlands, strengthening social recognition of the value of these ecosystems and promoting their integral management. In addition, a robust training program is included, focused on the valorization of the ecosystem and socioeconomic benefits of peatlands, incorporating content on environmental education, environmental supervision and control, sustainable management, ecological restoration and integrated management of the territory under a watershed approach. The aim is to provide participants with technical, conceptual and regulatory tools that allow them to assume active roles in the protection of these ecosystems, in coherence with Law No. 21,660 and other environmental public policy instruments.

To ensure the sustainability of these training actions, the training program should be implemented through consolidated state platforms, such as the Adriana Hoffmann platform of the Ministry of the Environment, which offers environmental courses for professionals and citizens in general, and the Municipal and Regional Training Academy of the Undersecretariat of Regional and Administrative Development (SUBDERE), aimed at strengthening the technical capacities of subnational governments. In this way, it is expected to consolidate a critical mass of trained, informed and sensitized stakeholders regarding the strategic value of southern peatlands, capable of influencing decision-making, effective enforcement of environmental standards and the implementation of sustainable practices from their respective spheres of action. A help-desk function within the platform will provide on-demand technical support to subnational authorities and community organizations to sustain knowledge use over time.

This component is based on the premise that technical knowledge can be transferred and adopted by local stakeholders, and that such transfer, when relevant, contextualized and participatory, generates sustainable changes in management practices and territorial governance. It is also recognized that peatland conservation and economic activities can coexist within a framework of sustainability, provided that communities, authorities and productive stakeholders have the appropriate tools to understand, value and protect these strategic ecosystems.

Component 3. Demonstration Landscapes

The third component represents the field implementation phase of the Project, applying in real territorial contexts the regulatory, technical, and knowledge tools developed in the previous components. This phase seeks demonstrate and validate good practices in the conservation, restoration and sustainable use of peatlands, generating empirical evidence that serves as a basis for replicating successful experiences and consolidating sustainable management models in other similar territories. The strategy is based on the premise that the practical application of sustainable measures, when linked to inclusive governance mechanisms, monitoring systems, and value-chain traceability, can catalyze structural transformations in the management of the resource, while strengthening local capacities, improving the well-being of communities and safeguarding the ecological integrity of these strategic ecosystems.

These demonstration landscapes will be strategically implemented in two municipalities: Ancud, in the Los Lagos Region, and Puerto Aysén, in the Aysén Region. This selection is based on distinct ecological and geographic criteria that make them representative of the diversity of southern Chilean peatlands. Ancud, located on Chiloé Island, encompasses predominantly anthropogenic peatlands that have developed on degraded forest areas colonized by *Sphagnum magellanicum* and other hydrophilic species. Historically, the harvest of this moss emerged within community-based economies as a complementary activity to artisanal fisheries and small-scale agriculture. In contrast, the pilot site in Puerto Aysén represents continental peatlands of glacial origin, characterized by natural hydrological basins, relative isolation, and the coexistence of forestry and agricultural pressures. Ecologically, this contrast between anthropogenic and glacial peatlands enables the project to test and refine adaptive management models across distinct socio-ecological contexts, providing scalable lessons for both insular and continental systems within Chilean Patagonia.

In both pilot sites, management plans for the harvesting of *Sphagnum magellanicum* moss will be developed and implemented, integrating good harvesting practices, vegetation regeneration, and environmental monitoring. These plans will jointly designed and implemented with harvesting communities and local institutions, ensuring social participation and gender inclusion. Monitoring reports will include quantitative and qualitative metrics to evaluate the ecological and socioeconomic impact of implemented practices, generating replicable parameters and evidence for scaling. These reports will provide essential technical inputs for decision-making and for scaling successful experiences to other sites with similar ecological, social or productive characteristics.

In addition, and based on the lessons learned in the field, protocols and technical criteria will be established for the monitoring and restoration of peatlands. These documents will compile the proven good practices, incorporating appropriate technologies, environmental monitoring methodologies and adaptive management schemes that allow the ecological functionality of the intervened peatlands to be maintained or recovered. The protocols will be designed in a differentiated way according to the type of stakeholder involved, with special emphasis on moss collectors and other key links in the production chain, promoting context-sensitive and evidence-based management. Where relevant, the protocols will integrate climate, gender, and intercultural perspectives to ensure equitable access and long-term adoption.

As an essential part of this demonstrative approach, the project contemplates will establish a pilot site certification program for the sustainable collection and management of *Sphagnum magellanicum*, which allows identifying, valuing and giving visibility to those initiatives that apply sustainability criteria in their harvesting and management processes. This certification will be built based on national and international experiences, information obtained in the pilots, and dialogue with territorial stakeholders. It is expected that this system will contribute to expanding the destination markets for moss harvested under responsible practices, promoting product differentiation and traceability in the value chain. Likewise, it is sought that this

tool voluntarily encourages the participation of collectors, marketers and communities, strengthening their commitment to the conservation of peatlands as a common good.

In parallel, a transparent and equitable traceability and marketing strategy will be developed, creating fair connections among all stakeholders along the value chain. This strategy will promote the recognition of stakeholders who apply sustainable practices, generating a sense of belonging and reinforcing motivations to maintain a respectful and responsible relationship with the ecosystem. Together, these actions will contribute to establishing a territorially rooted and socially fair value chain that combines social equity, economic viability, and environmental conservation.

Finally, the project will identify and support the implementation of financial mechanisms that reward conservation and sustainable management actions associated with southern peatlands. These instruments—aligned with Law 21,600 and inspired by Payment for Ecosystem Services (PES) schemes—will recognize both sustainable harvesting practices and broader ecosystem stewardship activities, such as the protection of hydrological functions, carbon sequestration, biodiversity conservation, and micro-watershed management. For their operationalization, specific financing lines and a robust governance and monitoring framework will be established, defining eligibility criteria, benefit structures, and verification protocols. Where feasible, PES instruments will be aligned with certification and traceability systems developed under Component 3, creating coherent, performance-based incentives that reward measurable ecosystem outcomes. This integrated approach will foster synergies between conservation incentives and market-based instruments, linking community-led efforts with public policy goals, strengthening local economies, and laying the groundwork for territorial scalability and long-term financial sustainability.

Description of global environmental benefits and alignment with focal areas

Biodiversity

The protection of peatlands is directly aligned with the objectives of GEF-8, through concrete actions to conserve, restore and promote the sustainable use of high-value ecosystems for biodiversity. The project with the potential will mobilize national resources and foster investment in biodiversity, establishing a foundation for future carbon market mechanisms that can generate long-term conservation incentives.

Chile's southern peatlands are fundamental ecosystems for biodiversity, hosting a wide variety of endemic species adapted to unique hydrological and ecological conditions. Its protection will guarantee the continuity of the ecological interactions that sustain the habitat of a rich biodiversity of flora and fauna (vertebrates and invertebrates) with a total of 64 species. A total of 21 species being typical of a peat bog (Domínguez Erwin et al., 2020). Within fauna, a total of 37 species of birds have been identified that use this ecosystem for food, reproduction and shelter. In addition, a total of 4 species of amphibians and 2 species of reptiles have been identified. Within the invertebrates found in the peatland ecosystem, 5 classes of invertebrates have been recorded, which are essential to maintain the trophic chain of peatlands (Balze, 2004). The macrofauna does not interact much with the peatlands, they are mainly maintained in the ecotones, therefore there is not much data in this regard.

The sustainable management of Sphagnum production areas as well as the restoration of degraded areas and the protection of intact peatlands will enhance ecological connectivity and the integrity of

biological corridor, benefiting endemic and migratory species and strengthening the resilience of these strategic ecosystems in the face of climate change.

Land degradation

This project aligns with the GEF-8 objectives on land degradation by promoting sustainable peatland management, combating desertification, and strengthening resilience to drought through the restoration of degraded areas and the maintenance of soil and water functions.

Peatlands act as natural regulators of water flow, contributing hydrological balance and soil stability. Their conservation is key to addressing the effects of desertification and soil degradation. The Project also seeks to strengthen the regulatory framework and promote sustainable management practices, including a certification program for good practices in the harvest of *Sphagnum magellanicum*.

Restoration efforts, covering approximately 28,000 km² (León et al., 2024), are expected to benefit over 1,098,000 inhabitants (INE, 2017) in the project's target regions by improving water regulation, maintaining carbon storage functions, and enhancing water quality—delivering long-term environmental and economic benefits.

The conservation and restoration of Chile's southern peatlands not only protect biodiversity and prevent land degradation but also play a critical role in carbon management and reducing greenhouse gas (GHG) emissions as a co-benefit. Pilot interventions will serve as models for different peatland types across Chile, promoting the replication of sustainable practices at the national level.

To maximize this multiplier effect, the project will be supported by strategic policies, consolidated regulatory frameworks, and capacity building at national and regional levels, ensuring long-term socioeconomic and ecological impact.

This project promotes inter-ministerial collaboration for integrated peatland management, ensuring that biodiversity data are integrated into decision-making across productive sectors. With accessible and long-term information, the project fosters a balanced and sustainable development model. Complementary activities such as sustainable Sphagnum harvesting and eco-tourism will create local economic opportunities, strengthen livelihoods, and promote gender equity and community resilience. This integrated approach demonstrates that the conservation of Chile's southern peatlands is not only essential for biodiversity and carbon regulation, but also enhances local economic and social resilience, laying the foundations for sustainable development that balances environmental protection with social and economic well-being.

The innovative nature of the project lies in its integrated socio-ecological approach, the first of its kind in Chile, to address both ecological and socio-economic dimensions of peatland management. The project will establish a certification program to ensure responsible extraction practices, creating economic incentives for collectors and producers committed to peatland conservation. It will also centralize scientific information to strengthen governance and inter-institutional coordination, fostering collaborative management and community participation.

The Project's sustainability approach ensures active participation and commitment of local communities and stakeholders, strengthening their planning and monitoring capacities under a coherent, integrated management framework. The financial strategy includes incentive tools, economic instruments and sustainable management practices to promote economic development consistent with peatland conservation. Each demonstration pilot will be implemented with stakeholder participation and supported by monitoring and evaluation to ensure the replication and scaling up of best practices.

Institutional and regulatory support from the national environmental authority will guarantee that peatland conservation initiatives are consolidated and maintained over time. At the socioeconomic level, the project seeks to generate stable income for communities, reduce economic vulnerability and improve gender equality. Diversifying economic activities, such as sustainable tourism and environmental education, will reduce local dependence on extractive activities and enhance long-term socio-ecological resilience.

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

The project has been designed to build on ongoing national, regional and global initiatives, ensuring complementarity, avoiding duplication and maximizing global environmental benefits.

At the national level, the project capitalizes on the lessons from the GEF/MMA/UNEP Project 'Promoting the conservation and sustainable management of coastal wetlands and their contributing watersheds...' (2019–2024), GEF ID 9766, particularly in the areas of multilevel governance, territorial planning, stakeholder participation and knowledge management. It is also articulated with the implementation of Chile's Nationally Determined Contribution (NDC), especially Integration Contribution No. 2, contributing to the strengthening of the representation of wetlands and peatlands in the National Greenhouse Gas Inventory by improving activity data and emission factors.

The project will also support the effective implementation of Law No. 21,660 on Environmental Protection of Peatlands, including the development of sustainable management pilots in territories with the presence of Sphagnum magellanicum collection, in coherence with the current regulatory framework. Similarly, it will be coordinated with the GEF project that supports the implementation of the SBAP Biodiversity and Protected Areas Service (2024–2029):'Strengthening inter-institutional coordination for the mainstreaming of biodiversity conservation in national, regional and local public policies in Chile' GEF ID 11208, strengthening institutional coherence and the development of technical capacities in the field of biodiversity. Articulation with initiatives financed by the Green Climate Fund and bilateral cooperation linked to adaptation and nature-based solutions in southern Chile will also be promoted.

The Project will also build on the lessons learned from Project 'Economic instruments and tools to support the conservation of biodiversity, the payment of ecosystem services and sustainable development' GEF ID 10213, specifically on economic instruments such as PES, Certification of Good Practices in agriculture, tourism and others.

At the regional and global levels, UNEP will facilitate linkages with the Global Peatlands Initiative (GPI) and other specialized programs, promoting the exchange of carbon restoration, monitoring and accounting methodologies with timeframes consistent with international standards.

Operationally, the project will be articulated with initiatives currently under implementation identified as strategic partners, without replicating experiences or duplicating pilots in execution. In particular, it will be coordinated with the ANID 2025–2027 project of the Bernardo O'Higgins University on validation of regenerative peatland management, and with The Nature Conservancy's global initiative 'Conservation and Sustainable Management of Peatlands' (2025–2027), whose pilots are being developed in the Los Lagos and Magallanes regions. This coordination will make it possible to harmonize monitoring and restoration

methodologies, strengthen community Sphagnum management mechanisms, integrate scientific evidence applied in the GEF project pilots, and optimize public and private resources.

Through these cooperation mechanisms, the project will strengthen synergies between initiatives associated with biodiversity protection, climate change mitigation and sustainable land management, ensuring lasting, scalable and transformative impacts beyond the GEF funding period.

Core Indicators

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
279	0	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

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

Indicator 3.2 Area of forest and forest land under restoration

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 woodland under restoration

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

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
279.00			

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)
160000	0	0	0

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)

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

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)
160,000.00			

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

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

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Document(s) that justifies the HCVF)

Title

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_2e (direct)	4097	0	0	0
Expected metric tons of CO_2e (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)
Expected metric tons of CO_2e (direct)	4,097			
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting	2027			
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_2e (direct)				
Expected metric tons of CO_2e (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 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	550,103			
Male	548,296			
Total	**1,098,399**	**0**	0	**0**

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

The project will employ a participatory, inclusive, and evidence-based approach to advance the conservation and restoration of Chile's southern peatlands, considering relevant sub-indicators.

- Indicator 3 Area of land restored: The initiative seeks to protect wetland areas that are being intervened with unsustainable practices. Approximately 279 hectares of degraded peatlands under existing harvest management plans will be rehydrated and restored. Priority areas will be identified through geospatial analysis and participatory diagnostics. Restoration actions will focus on rehydration through water flow recovery, regeneration of Sphagnum magellanicum cover, and protection of associated species, supported by continuous monitoring to assess ecological impacts.

- Indicator 4 Landscapes under improved practices: Landscape areas under improved management, certification and sustainable management: Practices that improve landscape management for biodiversity conservation will be implemented, incorporating sustainable management plans validated by the authorities. The certification of good practices in the collection of moss will be encouraged, ensuring environmental and social standards. In addition, sustainable production systems will be developed, combining technical and local knowledge, which reduce pressure on ecosystems. 2 pilots will be carried out in areas with authorized harvest plans, each with a total drainage area (sub-sub-basin) of approximately 160,000 hectares.

- Indicator 6 Greenhouse gas emissions mitigated: The project will implement ecological restoration and improved harvest management practices in at least 279 hectares of peatlands currently under intervention through harvest management plans. These areas are assumed to present altered hydrological conditions comparable to drained peatlands, leading to net CO_2 emissions from organic soils. For estimation purposes at PIF stage, the project applies the Tier 1 emission factor provided in the 2013 IPCC Wetlands Supplement (Table 3A.3.2) for boreal and temperate nutrient-poor drained peatlands: 0.2 t C ha^{-1} yr^{-1}. This factor is considered conservative and appropriate given the climatic conditions of southern Chile. The mitigation potential is calculated over a 20-year accounting period, consistent with GEF carbon accounting guidance: 0.2 t C ha^{-1} yr^{-1} × 279 ha × 20 years = 1,116 t C

The conversion from carbon to carbon dioxide equivalent (CO_2e) uses the standard molecular weight ratio (44/12 = 3.67): 1,116 t C × 3.67 = 4,097 t CO_2e.

Therefore, the project is estimated to mitigate approximately 4,097 tons of CO_2 equivalent over a 20-year period. This estimate is conservative, as it assumes stabilization toward neutral emissions rather than full recovery to a carbon sink. Emission factors may be refined during project implementation as site-specific data becomes available.

- Indicator 11: The project will ensure the inclusion of local communities in all stages of planning and implementation, promoting their leadership and access to economic opportunities through workshops, jobs in restoration and training in sustainable practices. The social and economic benefits will be distributed equitably, addressing the specific needs of the communities to improve their quality of life. Although there is no further information on the formation of communities directly

involved in activities involving peatlands, it is sought to estimate them and to propose, in terms of gender, an instance of identification of such stakeholders involved mainly in the harvest of moss.

Key Risks

	Rating	Explanation of risk and mitigation measures
CONTEXT		
Climate	Low	Extreme climate changes, such as rising temperatures and erratic rainfall pose a low risk but may affect conservation outcomes and pilot activities. Southern peatlands are exposed to increasing climate variability, including changes in precipitation patterns, drought events and extreme rainfall, which may affect hydrological regimes and restoration outcomes. Mitigation measures include incorporating climate risk screening into site selection, applying adaptive management in restoration pilots, and aligning interventions with regional climate projections to ensure hydrological resilience.
Environmental and Social	Moderate	The project involves sustainable harvest management activities and pilot restoration interventions in peatlands where local communities, including Indigenous Peoples present in the intervention territories, may maintain economic, cultural or traditional interests. Although no physical displacement, land acquisition or involuntary restrictions of access are foreseen, there is a moderate risk associated with potential impacts on local livelihoods and differing perceptions regarding the sustainable commercial use of peatlands. In southern Patagonia, harvesting of Sphagnum magellanicum represents an important seasonal income source; therefore, any adjustment in management regimes may generate uncertainty if not adequately consulted and co-designed. To mitigate these risks, and in accordance with UNEP Safeguards requirements, the project will adopt a participatory approach, ensuring early, structured, and culturally appropriate consultation processes with local communities and Indigenous Peoples in the pilot areas. Social and cultural considerations will be integrated into the design of pilot interventions and sustainable management plans, in coherence with Law No. 21.660, while safeguarding local livelihoods. In addition, transparent mechanisms for grievance management and feedback will be established, and inclusive participation of women, youth, and other potentially vulnerable groups will be promoted. During the PPG phase and project implementation, specific environmental and social management instruments will be developed and applied to address the identified risks, including: - An ESMP with specific templates on labour management plan and livelihood restoration plan depending on the nature and scale of the impacts. - A stakeholder engagement plan (SEP) to identify the interested and affected stakeholders with a project specific GRM in managing grievances as a resultant of project activities. It will

		explicitly include vulnerable groups as well as protocols for protecting cultural heritage. - An Indigenous Peoples Plan (IPP) that outlines measures to ensure Free, Prior and Informed Consent (FPIC) while engaging with the indigenous community - A gender analysis will be conducted to identify potential differentiated impacts and opportunities for equitable participation. Appropriate gender-responsive measures will be incorporated into the final project design prior to CEO Endorsement. - The application of FPIC procedures in all relevant cases, ensuring inclusion of vulnerable or marginalized groups, including persons with disabilities and seasonal or temporary users of the areas. - Detailed site-level screening will be undertaken during the PPG phase including consultations with Indigenous Peoples and Local Communities (IPLCs). - Cultural screening and consultations will be conducted during PPG to confirm absence of negative impacts.
Political and Governance	Low	The project has strong government support, however, minor tensions may arise among stakeholders due to differing political interests, which could slightly affect coordination and trust between communities and government agencies. Mitigation includes the establishment of a formal inter-institutional coordination mechanism led by MMA, periodic technical steering committee meetings, and transparent reporting to ensure continuity across administrative cycles.
INNOVATION		
Institutional and Policy	Moderate	The evolution of public policies and changes in the institutional framework during the execution of the project could alter the coordination and alignment between government agencies, making it difficult to create sustainability and governance indicators. This could compromise the assessment of the project's impact and delay the implementation of key activities. To mitigate this risk, it is essential to establish clear and flexible institutional arrangements from the outset, capable of adapting to possible political or administrative changes. In addition, multidisciplinary teams must be formed that include local and national stakeholders, ensuring continuity in the definition and monitoring of indicators. Finally, it is essential to hold periodic workshops to validate and update indicators, involving all stakeholders to adjust the metrics to the new political or institutional realities. This approach will ensure the coherence and sustainability of the project in a dynamic institutional context.
Technological	Moderate	The moderate risk associated with delays in the adoption of technologies for monitoring and dissemination could limit the effectiveness of the project. Mitigation measures include establishing partnerships with technology providers, training end users, and adapting tools to local knowledge and needs.
Financial and Business Model	Moderate	There is a moderate risk that the certification program will not be widely accepted due to a lack of confidence in the economic benefits it could offer. To mitigate this risk, it is essential to design a certification program, within the current regulatory framework (Law 21,600 that creates the Biodiversity and Protected Areas Service 'SBAP'). In addition, a traceability mechanism must be incorporated through digital systems that reinforce transparency and trust in

		the value chain. Finally, it is crucial to carry out information campaigns that effectively communicate the economic and environmental benefits of the system, promoting its adoption among key stakeholders.
EXECUTION		
Capacity	Moderate	The limited and ever-shrinking budgets of government agencies have led to restricted operational capacities at both the national and local levels, posing a moderate risk to the effective implementation of the project. The lack of trained personnel, coupled with the potential turnover of staff, could delay the implementation of key activities. To mitigate this risk, it is proposed to develop a structured training program that addresses peatland management and restoration techniques. This program must include an official certification program for participants, accompanied by periodic evaluations that measure its effectiveness. Additionally, it is recommended to incorporate a dedicated external supervision team, key to ensuring the timely solution of any identified challenge. It is essential that this external stakeholder is an NGO with experience in peatland conservation and restoration to support knowledge management and ensure operational continuity in the event of loss of officials or capacities in public bodies, thus strengthening the long-term sustainability of the project.
Fiduciary	Low	The experience of the agencies involved in the financial management of GEF projects, together with the monitoring and oversight provided by UNEP from the early stages of other projects, provides a strong fiduciary basis. To mitigate associated risks, annual financial audits will be conducted to ensure transparency and compliance. In addition, it is crucial to design pilot projects based on scientific studies that ensure their viability, establishing clear monitoring and evaluation protocols to make adjustments according to the results obtained. The inclusion of communities at all stages of the project will foster ownership and long-term sustainability. Sufficient financing must also be guaranteed before starting the project, complemented by a contingency plan that has additional resources. Finally, it is recommended to monitor and adjust activities frequently to adapt to emerging circumstances and results.
Stakeholder	Moderate	There is a moderate risk related to the continued involvement of stakeholders, as a widely established project requires a detailed and thorough analysis of key stakeholders, which cannot always be done at the PIF development stage. In addition, conflicts may arise over the use of the land that cause the withdrawal of important groups. Also, if sustainable use activities do not generate the expected livelihood benefits, communities could lose interest in the project. To mitigate this risk, it is essential to design inclusion protocols that ensure equitable participation, prioritizing the representation of different members of local communities, such as women, youth, and indigenous people. It is recommended to carry out public consultations and participatory forums on a regular basis, establishing transparent mechanisms for feedback and communication of decisions. In addition, it is key to design clear incentives to encourage the active participation of communities and key stakeholders, facilitating participatory and transparent processes that promote a sense of

		ownership of the project. These actions will help strengthen commitment and collaboration throughout the implementation of the project.
Other		
Overall Risk Rating	Moderate	The overall risk rating is consistent with the assessment performed in UNEP's safeguard format SRIF.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

The proposed interventions are closely aligned with GEF-8 programming strategies, Chile's national priorities, and international commitments, highlighting the Kunming-Montreal Global Biodiversity Framework, the 2022 Country Determined Commitments (NDCs), and the Long-Term Climate Strategy (LTCS). This project contributes to the implementation of multilateral agreements, such as the Convention on Biological Diversity, and fosters synergy between global goals and local needs.

In the national context, the project supports the implementation of Law No. 21,660 of 2024 on the protection of peatlands and decree No. 25 of the Ministry of Agriculture that regulates the management of *Sphagnum magellanicum* moss. At the regional level, it reinforces the conservation of priority ecosystems and strengthens institutional capacity for sustainable management, aligning with the Global Goals for 2030. Goal 1 (Reduce threats to biodiversity) of the Global Biodiversity Framework through participatory spatial planning and the use of governance tools. In addition, restoration and pilot actions in peat bogs. Goal 2 (Reduce threats to biodiversity) promote the effective restoration of degraded ecosystems, while the development of standardized metrics and certification of sustainable harvesting practices for Sphagnum moss support and incentivize collection with environmental constraints that contribute to the control and reduction of threats. Target 8 (Reduce threats to biodiversity), by integrating nature-based solutions for climate change mitigation. Target 9 (Meet people's needs through sustainable use and benefit-sharing) is addressed through a certification program that ensures sustainable use and benefits for local communities, with an emphasis on those in vulnerable situations. Targets 20, 21, 22 and 23 (Tools and solutions for implementation and integration) are reflected in the project's training and dissemination strategy, which promotes inclusive governance, access to scientific data and information, participation of diverse stakeholders and gender equality. These initiatives are designed to include indigenous peoples and local communities in decision-making processes, respecting their rights and traditional knowledge.

No national policies have been identified that contradict the expected results of the project. On the contrary, emerging regulations, such as the Peatlands Law and the provisions on *Sphagnum magellanicum moss*, strengthen the regulatory framework on which the project is based.

In the event that regulatory challenges or conflicts of interest arise, the project will address these aspects through participatory instances of dialogue between stakeholders, including conflict resolution mechanisms established in its governance plan.

This integrated approach ensures a significant contribution to GEF-8 objectives, national priorities and multilateral commitments, establishing a replicable model for peatland conservation in Chile and other countries.

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities:

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

Gender Equality and Women´s Empowerment

Incorporating a gender equality approach into the project is essential, especially considering that these regions have a particular demographic situation: the male population exceeds the female population, unlike the national average (INE, 2017). This context makes it necessary for the project to implement specific tools that promote gender equity, guaranteeing their active participation in all stages of the process.

In Chile, women have played an important role in recent decades in the fight against poverty and the consolidation of the middle class, thanks to their growing participation in paid work and their leadership in various areas of civil society. These advances have facilitated their access to equality before the law, full integration into public life, greater personal autonomy and economic independence, as well as a leading role in entrepreneurship.

The project will ensure that stakeholders and local communities are involved in the design and implementation of activities. Gender-sensitive participatory methods will be used to collect disaggregated information reflecting the interests, needs and perspectives of women, men and other gender identities. These tools will identify priorities such as capacity building, organizational needs, traditional uses and responsible marketing practices, from an inclusive perspective.

In addition, the design of the project will integrate the perceptions and motivations of the different stakeholders, taking into account factors such as gender, age, educational level, social conditions and belonging to indigenous groups. During the preparation phase, a detailed assessment of specific gender-related needs and opportunities will be carried out in pilot areas, ensuring that the actions implemented

promote equity, inclusion and sustainable development, thus ensuring that social and economic benefits will be equitably distributed, addressing the specific needs of each person to improve their quality of life.

Stakeholder Engagement

The project concept was developed through a participatory process involving key stakeholders from civil society, academia, public institutions and the private sector with longstanding experience in peatland conservation and sustainable use in southern Chile. These stakeholders have strong regional presence and in-depth knowledge of local ecological and socio-economic dynamics.

Targeted consultations were conducted through bilateral meetings and interviews during the PIF preparation phase. Private interviews were held with the Wildlife Conservation Society (WCS) on November 8 and 27, 2024, given their extensive experience in conservation initiatives in southern Chile. The company Lonquén, which has operated in the *Sphagnum magellanicum* market for over 12 years, was consulted on November 20, 2024, to gather insights on harvesting practices and market dynamics. Discussions were also held with the Office of Agrarian Studies and Policies (ODEPA), Ministry of Agriculture, on December 5, 2024, to analyze sectoral data and policy instruments relevant to sustainable production systems.

In addition, a multi-stakeholder participatory workshop was convened on November 26, 2024, with 19 participants representing NGOs, universities, government agencies and private sector actors. The workshop focused on identifying synergies with ongoing initiatives, assessing alignment with national policies and exploring potential strategic partnerships for project implementation.

No formal consultations with Indigenous Peoples and Local Communities were conducted during the PIF stage, as pilot sites have not yet been defined at site level and the geographic scope remains at the municipal scale. During the PPG phase a comprehensive Stakeholder Engagement Plan will be developed and for the cases where closer geographic definition of pilot sites involves IPLC, if any, structured and culturally appropriate consultations will be undertaken.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE

Medium/Moderate

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

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

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant($)	Agency Fee($)	Total GEF Financing ($)
UNEP	GET	Chile	Biodiversity	BD STAR Allocation: BD-1	Grant	844,018.00	80,182.00	924,200.00
UNEP	GET	Chile	Land Degradation	LD STAR Allocation: LD-2	Grant	1,266,028.00	120,272.00	1,386,300.00
Total GEF Resources ($)						**2,110,046.00**	**200,454.00**	**2,310,500.00**

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount ($)

100000

PPG Agency Fee ($)

9500

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	PPG($)	Agency Fee($)	Total PPG Funding($)
UNEP	GET	Chile	Biodiversity	BD STAR Allocation: BD-1	Grant	100,000.00	9,500.00	109,500.00

UNEP	GET	Chile	Land Degradation	LD STAR Allocation: LD-2	Grant			0.00
Total PPG Amount ($)						**100,000.00**	**9,500.00**	**109,500.00**

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total($)
UNEP	GET	Chile	Biodiversity	BD STAR Allocation	899,660.00
UNEP	GET	Chile	Land Degradation	LD STAR Allocation	1,520,340.00
Total GEF Resources					**2,420,000.00**

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing($)	Co-financing($)
BD-1-4	GET	844,018.00	3436413
LD-2	GET	1,266,028.00	5154619
Total Project Cost		**2,110,046.00**	**8,591,032.00**

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)
Recipient Country Government	Ministerio del Medio Ambiente	In-kind	Recurrent expenditures	211355
Recipient Country Government	Ministerio del Medio Ambiente	Public Investment	Investment mobilized	915596
Recipient Country Government	Ministerio de Agricultura - INFOR	In-kind	Recurrent expenditures	12926
Recipient Country Government	Ministerio de Agricultura - INFOR	Public Investment	Investment mobilized	46387

Private Sector	Universidad Bernardo Ohiggins	In-kind	Recurrent expenditures	2274
Private Sector	Universidad Bernardo Ohiggins	Public Investment	Investment mobilized	249916
Civil Society Organization	WCS Chile	Public Investment	Investment mobilized	867827
Civil Society Organization	TNC	In-kind	Recurrent expenditures	250000
Civil Society Organization	TNC	Public Investment	Investment mobilized	400000
Private Sector	UK Centre for Ecology & Hydrology (UKCEH)	Public Investment	Investment mobilized	5634751
Total Co-financing				**8,591,032.00**

Describe how any "Investment Mobilized" was identified

At this stage of the proposal, only the most conservative estimate of resources being co-programmed by partners are being included while exploratory dialogue with potential stakeholders continues.

In this context, the in-kind contributions are mostly operational and staff costs of the environment and agriculture ministries and academic partners. Investments consist in expenses to be realized by same partners for field interventions. They also include an important contribution that would be mobilized by the project from the academic and CSO partners in the project area in alignment with project outputs.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Ersin Esen	12/3/2025	GEF Coordination Office		ersin.esen@un.org
Project Coordinator	Robert Erath	12/3/2025	Task Manager		robert.erath@un.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Miguel Ernesto Stutzin	GEF OFP, International Affairs Office	Ministry of the Environment	11/4/2025

ANNEX C: PROJECT LOCATION

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

Chile's peatlands cover an estimated area between 10,470 -10,684 km², which represents approximately 1.4% of the national territory and 30% of of the country's wetlands. These ecosystems are mainly distributed from the Araucanía Region to the Magallanes and Chilean Antarctic Region, with the highest concentration found in Los Lagos, Aysén del General Carlos Ibáñez del Campo, and Magallanes Regions (León et al., 2024). Due to their ecological, social, and economic importance, these areas constitute the core geographic focus of the Project.

The pilot interventions will be strategically implemented in two communes: Ancud, in the Los Lagos Region, and Puerto Aysén, in the Aysén Region. The selection was based on technical and geographical differentiation criteria, as both sites represent contrasting socio-ecological contexts—insular (Ancud) and continental (Puerto Aysén)—with distinct geological formations, hydrological regimes, and levels of anthropogenic alteration in their peatlands.

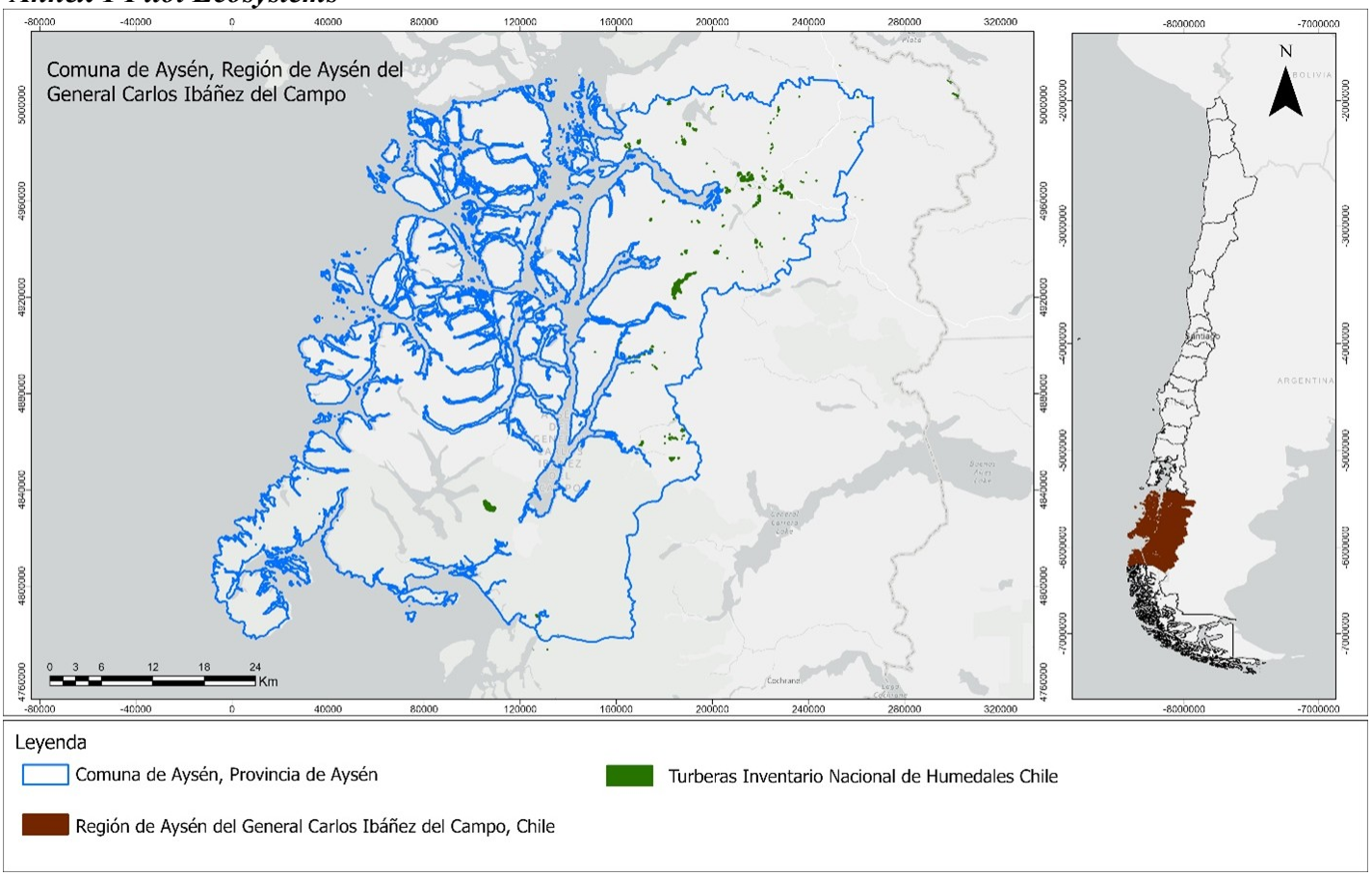
These pilot areas were selected as representative demonstration landscapes for testing scalable models of sustainable peatland management, rehydration, and community-based governance, allowing results to be replicated across southern Chile's peatland regions.

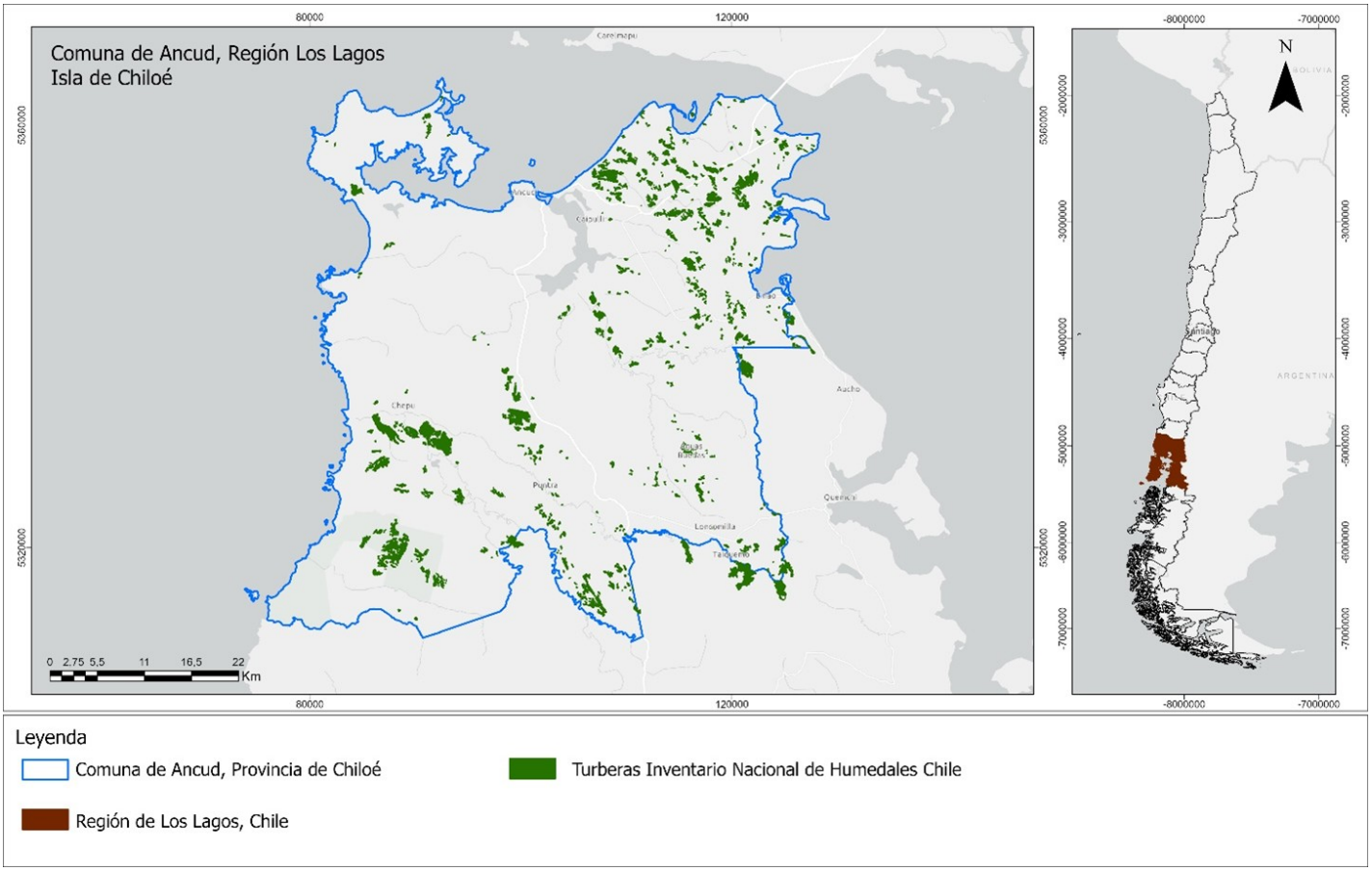
Table. Comparative Summary of Pilot Landscapes

Variable	***Pilot 1 – Ancud***	***Pilot 2 – Puerto Aysén***
Region	Los Lagos	Aysén del Gral. Carlos Ibáñez del Campo
Geographic type	Insular (Chiloé Island)	Continental (Patagonian mainland)
Surface area (km²)	1 752.4	29 796.4
Population (2024)	40 949 inhabitants (+5 % vs 2017)	25 218 inhabitants (+5.3 % vs 2017)
Rural population (%)	≈ 29 %	12.1 %
Estimated peatland area (ha)	**6 033 ha**	**4 490 ha**
Dominant peatland type	Ombrotrophic bogs dominated by *Sphagnum magellanicum*	Mixed bog–fen systems with partial degradation
Main pressures	High *Sphagnum* extraction, land-use conversion	Drainage, grazing, emerging extraction *Sphagnum*

Both pilot landscapes encompass key peatland ecosystems representative of the biophysical and governance diversity of southern Chile. Their contrasting ecological conditions provide complementary opportunities for testing sustainable management, ecological restoration, and policy integration at multiple scales.

Annex 1 Pilot Ecosystems





ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title
Chile Peatlands SRIF 10

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	No Contribution 0	Principal Objective 2	Significant Objective 1

ANNEX F: TAXONOMY WORKSHEET

Level 1	Level 2	Level 3	Level 4
Influential Models	Transforming policy and regulatory environments		
	Strengthen institutional capacity and decision-making		
	Convene multi-stakeholder alliances		
	Demonstrate innovative approaches		
	Deploy innovative financial instruments		
Capacity, Knowledge and Research	Enabling activities		

Level 1	Level 2	Level 3	Level 4
	Capacity/Development		
	Knowledge Generation and Exchange		
	Focused research		
	Learning	Theory of Change	
		Adaptive Management	
		Indicators to measure change	
	Innovation		
	Knowledge and Learning	Knowledge Management	
		Innovation	
		Capacity Building	
		Learning	
Stakeholders	Stakeholder Engagement/Engagement Plan		
	Indigenous Communities		
	Private sector	Capital providers	
		Financial intermediaries and market facilitators	
		Small and Medium Enterprises	
		Individuals/Entrepreneurs	
	Beneficiaries		
	Local Communities		
	Civil society	Community Based Organization	
		Non-governmental Organization	
		Academia	
	Type of Engagement	Information Dissemination	
		Partnership	
		Consultation	
		Participation	
	Communications	Awareness Raising	
		Education	
		Public Campaigns	
		Behavior Change	
Gender Equity	Gender mainstreaming	Beneficiaries	
		Women Groups	
		Sex-disaggregated indicators	
		Gender-sensitive indicators	
	Gender results Areas	Access and control over natural resources	
		Participation and Leadership	
		Access to Benefits and Services	
		Capacity building	
		Awareness	
		Knowledge Generation and Exchange	
Focal Areas/Themes	Biodiversity	Protected areas and landscapes	Terrestrial protected areas
			Productive landscapes
		Mainstreaming	Community Based Natural Resource Management
			Tourism
			Certification (national standards)
			Certification (International Standards)
		Species	Threatened species

Level 1	Level 2	Level 3	Level 4
			Wildlife for Sustainable Development
			Plant Genetic Resources
			Invasive Alien Species (IAS)
		Biomes	Southern Peatlands
		Finance and Accounting	Payment for ecosystem services
			Natural Capital Assessment and Accounting
			Conservation Trust Funds
			Conservation Finance
	Land degradation	Sustainable Land Management	Restoration and rehabilitation of degraded lands
			Ecosystem approach
			Integrated and cross-sectoral approach
			Community-based natural resource management
			Sustainable livelihoods
			Income-generating activities
			Sustainable agriculture
		Land degradation neutrality	Carbon stocks above or below ground