



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT INFORMATION

Project Title:	Transforming Management of Protected Area/Landscape Complexes to Strengthen Ecosystem Resilience		
Country:	Peru	GEF Project ID:	5080
GEF Agency(ies):	UNDP	GEF Agency Project ID:	5152
Other Executing Partner(s):	MINAM	Submission Date:	May 16, 2014
GEF Focal Area (s):	Multi-focal Biodiversity, Land Degradation, Sustainable Forest Management	Project Duration (Months):	60
Name of parent program (if applicable):	N/A	Agency Fee (\$):	899,143

A. FOCAL AREA STRATEGY FRAMEWORK:

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
BD-1	Outcome 1.1: Improved management effectiveness of existing and new PAs.	Output 1.1.1 New PAs (5, to be confirmed during PPG phase) and coverage of unprotected ecosystems (100,000ha) Output 1.1.3 Sustainable financing plans (9)	GEFTF	4,281,634	24,148,894
LD-3	Outcome 3.1: Enhanced cross-sector enabling environment for integrated landscape management	Output 3.1.1 Integrated land management plans developed and implemented Output 3.2.1 INRM tools and methodologies developed and tested	GEFTF	2,140,818	12,074,446
SFM-REDD-1	Outcome 1.3: Good management practices adopted by relevant economic actors.	Output 1.3 (a) Services generated in forests. Output 1.3 (b) Services generated in the wider landscape.	GEFTF	2,140,818	12,074,446
Sub-Total				8,563,270	48,297,786
Project Management Cost (BD-1: 214,082; LD-3: 107,041; SFM-REDD-1: 107,041)			GEFTF	428,164	2,414,892
Total Project Cost				8,991,434	50,712,678

B. PROJECT FRAMEWORK:

Objective: to enhance the resilience of vulnerable ecosystems to the impacts of climate change in PAs and surrounding landscapes, and thereby to secure their biodiversity and ecosystem functionality and derivative ecosystem services including greenhouse gas sequestration and emissions reduction.

Project Component	Grant type	Expected Outcomes	Expected Outputs	Trust Fund	Indicative Grant Amount (\$)	Indicative Co-financing (\$)
Component 1: Core PAs with increased resilience to CC		<p>Improved effectiveness of PAs in protecting vulnerable ecosystems as measured by:</p> <ul style="list-style-type: none"> <u>Effective PA governance</u> protects major habitat blocks, and biodiversity patterns and process, in the face of the modified threats resulting from CC, resulting in reductions in average METT threat ratings for 9 target PAs, from 23 to 17.3, and reductions in levels of ecosystem affectation by anthropic threats, as assessed 	<p>1.1 Additions to areas under conservation, including:</p> <ul style="list-style-type: none"> Regional Conservation Areas Private Conservation Areas Areas covered by Conservation Concessions given to NGOs <p>1.2 Conservation agreements with local communities for supporting the conservation and management of key areas of habitat</p> <p>1.3 PA management instruments strengthened to address climate change induced threats and pressures likely to undermine resilience:</p>	GEFTF	4,289,227	24,191,713

	<p>through standard SERNANP methodology, from 5.52 to 4.15.</p> <ul style="list-style-type: none"> • <u>Increased staffing levels of PAs in recognition of CC-related threats</u>, from 150 to 195 staff members covering 5,966,203ha of PAs and 100,000ha under alternative conservation modalities • <u>Increase in METT scores</u> in 9 target PAs from an average of 57.2 to 71.7 • <u>Increased availability of financial resources</u> to sustain the target PAs and cover the costs of addressing CC issues, as measured by income that exceeds basic management needs by US\$2.08 million (compared to a shortfall of US\$2.00 million at present): income from existing sources \$2,396,512, income from additional financial strategies \$5,400,000. <p><u>Increased area under effective conservation to protect core refugia:</u></p> <ul style="list-style-type: none"> • <u>100,000ha of additional area included in diverse models</u> including regional conservation areas, private conservation areas, conservation concessions and management agreements (up from 6,229,713ha of PAs, RCAs and PCAs). 	<ul style="list-style-type: none"> a) Analyses of implications of CC scenarios for PAs and their constituent BD b) Inter-institutional and inter-sector decision support system c) Modified management and financial plans providing for CC adaptation <p>1.4 <u>Strengthened capacities for PA management and enforcement</u> in the context of CC adaptation</p> <p>1.5 <u>Mechanisms for monitoring, analysing, disseminating and responding to information on the impacts of CC on PAs</u>, and on the effectiveness of vulnerability reduction strategies, and early warning systems for detecting threats exacerbated by CC.</p> <p>1.6 <u>Financing framework for PA and landscape management</u>, reflecting the increased costs associated with addressing CC-related issues and threats</p> <ul style="list-style-type: none"> a) Inter-institutional strategic financing plan for PA adaptation to CC b) PA-specific financing plans and financial coordination mechanisms c) Science-based lobbying instruments and capacities for promoting budgetary assignment to PA adaptation 			
<p>Component 2. CC-resilient production landscapes buffering PAs</p>	<p><u>Improved flows of global environmental benefits in buffer zones</u></p> <ul style="list-style-type: none"> • <u>Avoided loss of 16,269ha of BD habitat</u> in buffer zones (5,976ha of Peruvian <i>yungas</i> and 10,293ha of South Amazonian moist forest) • <u>Avoided emissions of 4,967,677tC</u> as a consequence of the avoided loss of habitat • <u>Increases in ecosystem connectivity</u>, as indicated by indices of patch size, form and juxtaposition (indices and values to be defined at project start) • <u>Application of coffee and cocoa management systems that promote CC resilience and PA buffering</u> over 722ha (10% of the total in the target areas) • <u>Establishment of 2,000ha of agroforestry systems</u> (up from 20,685 at present) in target buffer zones, resulting in: <ul style="list-style-type: none"> - 208,000t of avoided soil erosion - Net total increase in carbon sinks of 176,920tC 	<p><u>2.1 Institutional framework for planning and managing buffer zones:</u></p> <ul style="list-style-type: none"> a) Information systems and tools to facilitate the consideration of ecosystem vulnerability in productive development and EEZ b) Incorporation of CC resilience considerations into spatial, sector and development planning instruments c) Strengthened early warning system for environmental risks d) Awareness raising programme on integration and reconciliation of production and environmental issues in relation to PA adaptation to CC e) Strategic planning documents of key institutions and organizations incorporating landscape approach to CC adaptation in and around PAs f) Integrated inter-institutional programmes for monitoring, evaluation and enforcement g) Strengthened capacities and mechanisms for effective engagement by local stakeholders <p><u>2.2 Sustainable CC-resilient production systems</u> generating SLM benefits, and/or reducing extractive and demographic pressures on vulnerable ecosystems, including:</p> <ul style="list-style-type: none"> • Sustainable agriculture, incorporating soil and water conservation practices • Improved pasture and water management on high altitude camelid grazing lands • Recovery of traditional governance systems 	GEFTF	4,274,043	24,106,073

			<p>and technical practices applied by indigenous communities;</p> <ul style="list-style-type: none"> • Agrotourism or ecotourism. <p><u>2.3 CC-resilient resource management systems which allow the sustainable management and effective conservation of forest ecosystems.</u> including:</p> <ul style="list-style-type: none"> • Management of shade coffee through the use of climate-resilient varieties and modifications to the composition and structure of shade trees • Silvicultural management of natural forests¹ to improve CC resilience, e.g. through changes in species mixes used in enrichment planting and adjustments to thinning intensities to maintain favourable humidity and light levels • Sustainable management of forests for non-timber forest products • Forest-based ecotourism <p><u>2.4 Capacities for the development, transfer and application of CC-resilient production systems,</u> enabling farmers to implement resource management practices that generate BD and LD benefits, including:</p> <ul style="list-style-type: none"> • Integrated training modules for extension agents, resulting in more effective and participatory delivery of extension services aimed at encouraging sustainable land management • Integrated training and extension modules for producers, focusing on BD- and LD-friendly production practices • Mechanisms for systematization, recuperation and horizontal transfer of knowledge, particularly regarding indigenous practices for the management of water and high-altitude pastures 				
			Sub-Total			8,563,270	48,297,786
			Project Management Cost	GEFTF		428,164	2,414,892
			Total Project Costs			8,991,434	50,712,678

C. SOURCES OF CONFIRMED CO-FINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Amount (\$)
Government	SERNANP	Cash	2,208,460
Government	SERNANP	In kind	8,777,454
Government	Regional Government of Madre de Dios Department	Cash	9,300,000
Bilateral cooperation	Belgian Cooperation	Cash	11,691,884 ²
Bilateral cooperation	COSUDE (SIDA)	Cash	2,333,880 ³
Bilateral cooperation	German Government	Cash	7,000,000
GEF Agency	UNDP	Cash	9,401,000
Total Co-financing			50,712,678

TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY

GEF Agency	Type of Trust Fund	Focal Area	Country Name/Global	Grant Amount (a)	Agency Fee (b)	Total c=a+b
UNDP	GEF TF	BD	Peru	4,495,716	449,571	4,945,287

¹ GEF funds will not be used to support timber harvesting from primary forests

² €8,500,000, at the UN exchange rate for 1st April 2014 of US\$1 = €0.727

³ CHF2,067,818, at the UN exchange rate for 1st April of US\$1 = CHF0.886

UNDP	GEF TF	LD	Peru	2,247,859	224,786	2,472,645
UNDP	GEF TF	SFM/REDD	Peru	2,247,859	224,786	2,472,645
Total Grant Resources				8,991,434	899,143	9,890,577

D. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

<i>Component</i>	<i>Grant amount (\$)</i>	<i>Co-financing (\$)</i>	<i>Project total (\$)</i>
Local consultants*	129,845	732,342	862,187
International consultants*	180,365	1,017,278	1,197,643
Total	310,210	1,749,620	2,059,830

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF

A.1 National Strategies and Plans:

1. The project remains fully aligned with relative national strategies and plans, as described in the PIF. The project will be closely coordinated with the country’s initiatives in relation to REDD+. Peru is well advanced in relation the REDD readiness: the R-PP was positively assessed in 2011, and the FCPF PC 8 consequently allocated funding for readiness preparation, with the Inter-American Development Bank (IDB) as Delivery Partner

A.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities:

2. No change in relation to the PIF.

A.3 The GEF agency’s comparative advantage:

3. No change in relation to the PIF.

A.4 The baseline project and the problem that it seeks to address

4. A detailed and highly structured and objective process of multi-variable analysis was carried out during the PPG phase to validate the choice of pilot sites from a range of options across the country, with the full participation of key members of MINAM and SERNANP, and in consultation with actors at regional levels. This confirmed the validity of the sites originally proposed.

5. PPG analyses served to confirm and add site-specific detail to the threats analyses presented in the PIF. The baseline analysis and the details of related initiatives with which the project will be coordinated have been updated, with particular attention to initiatives related to climate change adaptation and mitigation (including REDD+).

A.5 Incremental/additional cost reasoning

6. There are no significant changes to incremental/additional cost reasoning relative to that presented in the PIF.

7. The only significant modification to the proposed outputs was the removal of Output 1.2 on PA management regimes from Component 1 and its integration into Outputs 2.2 and 2.3. This was done in order to avoid repetition and also because in PAs these management regimes would only apply to the relatively small special use areas, where communities were already present prior to PA establishment; the proposed forms of active use are not permissible in PA core areas.

8. The following modifications have been introduced in relation to impact measurements and targets:

- BD impacts will be measured in terms of area of avoided habitat loss, and connectivity, as proposed in the PIF, however monitoring will not be carried out of the status of individual species as was proposed in the PIF. This is for reasons of cost and practicality, and because the project is focused more on ecosystem resilience from an integrated perspective rather than on the conservation of individual component species.
- The project will not directly monitor variables related to water quality and flow, as proposed in the PIF, for reasons of cost and practicality: the area of agroforestry systems capable of improving water quality and stabilizing flow will be used as a proxy measure for these variables.

- On the basis of analyses of institutional capacities and the magnitude and logistical challenges of the target areas, the target for the expansion of the area under agroforestry systems has been reduced from 5,000ha to 2,000; however, the impact of this expansion in terms of carbon capture has been reduced less than proportionately on the basis of estimates of carbon/unit area generated during the PPG phase, from the 253,500tC proposed in the PIF to 176,920tC.
- The target for avoided deforestation given in the PIF has been revised upwards from 12,000ha (8,000ha of lowland forest and 4,000ha of *yungas*) to 16,269ha (10,293ha and 5,976ha respectively), while the target for resulting avoided carbon emissions has been increased from 3,708,000tC (2,900,000tC in lowland forest and 808,000tC in *yungas*) to 4,967,677tC (3,762,915tC and 1,204,762tC respectively).
- Significant additional detail has been included in the indicators of their implications for the generation of socioeconomic benefits, including gender aspects.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks:

9. Increased attention is now paid in the risk analysis on the issue of buy-in by local stakeholders. This risk is classified as “Medium”. To mitigate this risk, the project will work closely with indigenous and other stakeholder organizations and local, regional and national levels, ensuring that they are active participants in the implementation of project activities related to sustainable natural resource management, planning and governance. The precise site-specific nature of these interactions and support will be confirmed through participatory negotiations with these organizations at project start-up, building on the consultation processes carried out during the PPG phase. Buy-in will be promoted by the emphasis of the project, under Outputs 2.2 and 2.3, on “win-win” scenarios for natural resource management that, while generating global environmental benefits and contributing to ecosystem resilience, will also generate economic benefits for local people as well as promoting the sustainability and resilience of their production and livelihood systems.

A.7 Coordination with other relevant GEF-financed initiatives:

10. There are no other directly relevant GEF initiatives concurrent with the project, however the project will build upon the institutional and financial bases for the PA system established through the following GEF projects:

- The now closed IBRD/GEF project “National Trust Fund for Protected Areas” (GEF ID 438), which provided the seed money for the Trust Fund for Conservation of Peru’s Parks and Protected Areas (FONANPE)
- The IBRD/GEF project “Strengthening Biodiversity Conservation through the National Protected Areas Program” (GEF ID 2693).

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE

B.1 Describe how the stakeholders will be engaged in project implementation

11. Members of rural communities, particularly small farmers, will constitute the key target population for the project, especially in relation to the promotion of sustainable production and natural resource management (NRM) systems under Output 2.2 and 2.3. The organizations that represent them will also be targeted for institutional strengthening in relation to environmental governance and planning. At the same time, a selection of these grassroots organizations will be directly involved in the delivery of project outputs, under contractual arrangements, taking advantage of their established local presence and capacities, and their acceptance by local communities. They will play a particularly important role in the promotion of sustainable production and NRM systems among their members and other local people.

12. Local stakeholders will furthermore be involved through PA Management Committees and the numerous other local/regional coordination bodies that exist, most notably regional REDD+ and “Indigenous REDD+” platforms. Project team members will also participate wherever possible in these entities, and will seek to introduce into their agendas discussions of issues directly related to the project and its approach.

13. Key strategies and mechanisms to be used to optimise stakeholder participation in project implementation will include the following:

1) Direct involvement in execution

14. Given the geographical scale and logistical challenges posed by the target areas, the delivery in practice of the project’s outputs at field level will be achieved in large part through collaborative arrangements with existing

organizations active in the field locations. Wherever possible, preference will be given in this regard to grassroots organizations that include and represent the community-level beneficiaries themselves. These entities will therefore be, on the one hand, beneficiaries of project support, in the form of institutional strengthening in relation to their roles in the planning and management of PAs and buffer zones (under Outputs 1.3, 1.4, 1.5 and 2.1); and contractors (under the modality of contractual services – companies) by virtue of their established capacities for providing technical and organizational support to their constituents (especially in relation to Outputs 2.3 and 2.4).

15. Particular attention will be paid to involving the following types of local and regional entities in this way:

- Indigenous organizations and federations, individually and/or through umbrella organizations such as AIDSESEP and CONAP (a balance will be sought between involving local and national indigenous organizations, in order to ensure that local variations in concerns and interests are adequately taken into account);
- Executors of Administration Contracts or ECAs (see paragraph 180), which are directly responsible for PA management;
- Regional and Local Governments, particularly in relation to land use planning (Output 2.1a, paragraph 274): the project will support the development of capacities, but the GOREs and GOLOs themselves will be responsible for the development of land use plans and the incorporation of considerations of BD conservation and PA resilience.

2) Inception workshops

16. The formal national inception workshop proposed in Section I Part III will be followed by regional inception workshops in the two target regions (additional workshops may be held, if logistical considerations make them necessary to achieve adequate stakeholder representation). These workshops will have the following aims:

- Socialization of the project with all key stakeholders (following up the socialization and discussions held during the PPG phase)
- Validation of specific design details (although core elements of project design will not be negotiable)
- Airing of stakeholder concerns and definition of a route map and mechanisms for taking them into account
- Confirmation of provisions for stakeholder participation in decision making and implementation
- Definition of first year work plans and targets.

3) Project Board

17. At national level, the Project Board will include representatives of local stakeholders, in the form of a representative of the Management Committees of the target PAs, and also a representative of the indigenous organization AIDSESEP, as observer. AIDSESEP will also form part of an *ad hoc* advisory committee for buffer zone activities under Component 2.

4) Regional Steering Committees

18. In addition to the national-level Board, the project will propose the establishment of Regional Steering Committees (RSCs) in each of the two target regions, which will provide the opportunity for the discussion of more locally-specific issues of project execution and the definition of regionally-specific plans within the overall planning framework of the project. Issues discussed and proposals formulated in the RSCs will be communicated to the national Project Board for consideration and, as appropriate, approval. The composition of the RSCs will be similar in principle to that of the national Project Board, but with the participation of regional rather than national actors. Subject to the suggestions of the regional inception workshops, the RSCs are likely to include the managers of the PAs represented in the region, representatives of PA Management Committees and ECAs, and Regional and Local Governments.

5) PA Management Committees

19. Project staff will participate wherever possible in meetings of PA Management Committees, and will request them to include as a standard agenda item discussion of progress and plans of the project, and any stakeholder concerns.

6) Existing coordination mechanisms

20. Project team members will participate in existing multi-stakeholder coordination mechanisms, which will provide them with the opportunity to interact with project stakeholder also represented in these mechanisms, and for stakeholder observations regarding the project to be aired. These mechanisms will include the following:

- REDD Platforms
- Regional Indigenous REDD+ Platforms

- Technical Commissions for Ecological Economic Zoning and Territorial Planning (ZEE-OT)
- Regional Environmental Commissions (CAR)
- Municipal Environment Commissions (CAM)
- Forestry Platforms.
- Civil Defence Committees.

21. The provisions in national legislation for obtaining prior, free and informed consent from indigenous people will be adhered to in the case of any proposal that would have the risk of generating significant negative impacts for indigenous peoples (given that the project does not as yet identify specific locations and details of its proposed actions in support of the expansion of areas under conservation and of productive options, prior, free and informed consent are not necessary at the project preparation stage).

B.2 Describe the socioeconomic benefits to be delivered by the project at the national and local levels; gender dimensions, and how these will support the achievement of global environmental benefits

22. The project will also generate significant and sustainable benefits for local people, in a win-win situation. The sustainability and stability of the target landscapes are to a large degree dependent on the stability of their existing local inhabitants, and the sustainability of their livelihood support systems. A large proportion of the stakeholders in the target areas are indigenous people, from a range of ethnic groups. Over most of the area, indigenous peoples have confirmed de jure rights over the territories which they have traditionally occupied and managed; in practice, however, their lands are subject to widespread encroachment from outside actors, principally colonist farmers of a range of scales and types. The promotion by the project of sustainable, climate-resilient production systems under Outputs 2.2 and 2.3, within a framework of landscape-wide planning and capacity development (through Output 2.1) will help these indigenous peoples to assert their occupancy of their traditional lands; at the same time, they will generate concrete economic benefits from them, which will constitute a social benefit in its own right but will also help further to motivate them to manage and protect their forests and other natural resources, contributing in turn to their sociocultural coherence and stability.

23. The project has specific potential for furthering the social and economic conditions of women. This will be achieved by promoting their active and effective participation in dialogue and decision-making processes, and in concrete terms, promoting opportunities for them to perceive economic and livelihood benefits from production options such as diverse small-scale agriculture, ecotourism and NTFP production. In addition to the generating immediate economic benefits, such options will help to increase their control over natural resources and factors of production, and to promote their social status within their communities.

24. Although indigenous peoples predominate in much of the target areas, and are among the most vulnerable stakeholder groups involved in the project, the project will also address the needs and conditions of non-indigenous stakeholders. They will be included in the target population of the project's actions in support of sustainable, CC-resilient natural resource management practices (Output 2.2 and 2.3), and the project will help to ensure that their interests are also adequately and equitably represented in planning and decision-making entities such as PA management committees. Support to sustainable NRM options among colonist farmers, particularly diverse agroforestry systems, will help to stabilize their production systems and enable them to consolidate rather than having to move progressively deeper into indigenous lands, as they do at present when the lands that they cultivate become exhausted (this approach will be applied with a landscape-wide, intercultural perspective in order to ensure that the respective rights of indigenous and non-indigenous peoples are equitably considered).

25. The results framework includes the following socioeconomic and gender indicators:

- Areas of shade coffee and cocoa remain stable, but in 10% of the area (7,222ha, including 5,771ha of coffee and 1,450ha of cocoa) management systems are applied that promote resilience to CC and the buffering of PAs, while contributing to the sustainability of local livelihoods and to gender equity, directly benefiting 18,050 poor people (of which 8,123 are women and 80% are indigenous).
- An additional 2,000ha of agroforestry systems are established buffer zones, resulting in a net total increase in carbon sinks of 176,920tC and a net total reduction in erosion of 208,000t, benefiting 20,000 poor people (80% are indigenous and 9,000 are women) in 4,000 families, through increased productivity and sustainability of production systems.

B.3 Explain how cost-effectiveness is reflected in the project design

26. The project will constitute a highly cost-effective investment in promoting PA resilience in Peru, inasmuch as it will focus on key strategic gaps in a highly opportune manner. It will build on a significant baseline of investments,

by GEF and other agencies, which has established a solid base of PA effectiveness and financial mechanisms which will allow this project to focus principally on adding qualitative value through the incorporation of considerations of CC resilience and landscape-wide integration of NRM and BD conservation efforts.

27. The fact that the 9 target PAs are closely grouped into two landscape units will confer significant benefits in operational and cost-effectiveness terms. Cost-effectiveness will further be ensured by the fact that the target PA/landscape clusters were selected through a rigorous and objective multi-variable process that confirmed the potential there (relative to other candidate sites) to generate major global environmental benefits and lessons learned, with the resources available.

28. Cost-effectiveness will further be promoted by working through established NGOs and other national local institutions to reach the large and geographically dispersed target population of local stakeholders (particularly in relation to the promotion of production systems under outputs 2.2 and 2.3). This approach will be backed up by close supervision by project team members at central and regional level, to ensure that the actions delegated to these actors are carried out in consistency with the overall integrated vision of the project.

C. DESCRIBE THE BUDGETTED M&E PLAN

Project start:

29. A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan. The Inception Workshop will address a number of key issues including:

- b) Assist all partners to fully understand and take ownership of the project. Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis à vis the project team. Discuss the roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff will be discussed again as needed.
- c) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks.
- d) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled.
- e) Discuss financial reporting procedures and obligations, and arrangements for annual audit.
- f) Plan and schedule Project Board meetings. Roles and responsibilities of all project organisation structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 12 months following the inception workshop.

30. An Inception Workshop report will be a key reference document and will be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

Quarterly:

- Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.
- Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical).
- Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot.
- Other ATLAS logs can be used to monitor issues, lessons learned etc... The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

Annually:

- Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared by the Project Coordinator to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

31. The APR/PIR includes, but is not limited to, reporting on the following:

- Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative)
- Project outputs delivered per project outcome (annual).
- Lesson learned/good practice.
- AWP and other expenditure reports
- Risk and adaptive management
- ATLAS QPR
- Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

Periodic Monitoring through site visits:

32. UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

Mid-term of project cycle:

33. The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation (insert date). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

End of Project:

34. An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

35. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

36. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

Learning and knowledge sharing:

37. Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

M& E workplan and budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Inception Workshop and	▪ Project Manager	Indicative cost: \$3,000	Within first two


Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team staff time</i>	Time frame
Report	<ul style="list-style-type: none"> UNDP CO, UNDP GEF 		months of project start up
Measurement of Means of Verification of project results.	<ul style="list-style-type: none"> UNDP GEF RTA/Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members. 	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	<ul style="list-style-type: none"> Oversight by Project Manager Project team 	To be determined as part of the Annual Work Plan's preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	<ul style="list-style-type: none"> Project manager and team UNDP CO UNDP RTA UNDP EEG 	None	Annually
Periodic status/ progress reports	<ul style="list-style-type: none"> Project manager and team 	None	Quarterly
Mid-term Evaluation	<ul style="list-style-type: none"> Project manager and team UNDP CO UNDP RCU External Consultants (i.e. evaluation team) 	Indicative cost: 30,000	At the mid-point of project implementation.
Final Evaluation	<ul style="list-style-type: none"> Project manager and team, UNDP CO UNDP RCU External Consultants (i.e. evaluation team) 	Indicative cost : 30,000	At least three months before the end of project implementation
Project Terminal Report	<ul style="list-style-type: none"> Project manager and team UNDP CO local consultant 	0	At least three months before the end of the project
Audit	<ul style="list-style-type: none"> UNDP CO Project manager and team 	Total indicative cost approx.. \$13,640	Yearly
Visits to field sites	<ul style="list-style-type: none"> UNDP CO UNDP RCU (as appropriate) Government representatives 	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 76,640	

PART III: ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT AND GEF AGENCY

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT ON BEHALF OF THE GOVERNMENT: (Please attach the Operational Focal Point endorsement letter(s) with this template).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
José Antonio González Norris	GEF Operational Focal Point	Environment	09-AUG-2012

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF policies and procedures and meets the GEF/LDCF/SCCF criteria for project identification and preparation.					
Agency Coordinator, Agency name	Signature	Date	Project Contact Person	Telephone	Email Address
Adriana Dinu, UNDP/GEF Executive Coordinator and Director a.i.		May 16, 2014	Helen Negret, EBD Senior Technical Advisor	+507 302-4510	helen.negret@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

	Indicator	Baseline			Target			Source of Verification	Risks and Assumptions		
Objective: to enhance the resilience of vulnerable ecosystems to the impacts of climate change in PAs and surrounding landscapes, and thereby to secure their biodiversity and ecosystem functionality and derivative ecosystem services including greenhouse gas sequestration and emissions reduction	O1. Reductions in the rates of loss of principal habitat types in buffer zones (Peruvian <i>yungas</i> (PY), South Amazonian moist forest (SAMF), and Central Andean Puna (CAP), generating benefits for BD and avoiding the loss of carbon sinks	Habitat	Annual loss (ha)	Total loss over project period (without project)	Habitat	Total loss over project period (with project)	Net avoided loss due to project		Remote sensing (satellite imagery)	No major changes in social, economic and climatic context (beyond projected CC trends)	
								(ha)			(tC)
		PY	11,952	59,760	PY	53,784	5,976	1,204,762			
		SAMF	20,585	102,925	SA MF	92,632	10,293	3,762,915			
		CAP	0	0	CAP	0	0	0			
		Total	32,537	162,685	Total	146,416	16,269	4,967,677			
		O2. Increases in ecosystem connectivity (measured by patch size, form and juxtaposition)	Values to be defined once capacities for analysis are developed			Values to be defined once capacities for analysis are developed			Remote sensing (satellite imagery)		
		O3. Reductions in threat ratings for target PAs, as assessed in METTs	PA	Rating	PA	Rating			METT assessments by PA managers		
			PNYCH	19	PNYCH	14					
			RCY	23	RCY	17					
	BPSMSC		39	BPSMSC	29						
	RCES		26	RCES	20						
	PNM		26	PNM	20						
	PNAP		19	PNAP	14						
	RCP		14	RCP	11						
	RCA		23	RCA	17						
	SNM		18	SNM	14						
	Average	23	Average	17.3							
	O4. Reductions in levels of ecosystem affectation by anthropic threats, as assessed through standard SERNANP methodology	PA	Rating	PA	Rating			Assessments by PA managers			
		PNYCH	1.70	PNYCH	1.28						
		RCY	15.29	RCY	11.47						
		BPSMSC	13.36	BPSMSC	10.02						
		RCES	2.69	RCES	2.02						
		PNM	0.33	PNM	0.25						
		PNAP	7.55	PNAP	5.66						
		RCP	2.84	RCP	2.13						
		RCA	5.38	RCA	4.04						
		SNM	0.58	SNM	0.44						
	Average	5.52	Average	4.15							
Outcome 1: Core PAs with increased resilience to CC	1.1 Increase in PA management capacities, as assessed in METTs	PA	Rating	PA	Rating			METT assessments by PA managers	Existing levels of Government financial and policy support to PAs are at least maintained Continued buy-in by local communities to environmental governance and collaboration with		
			PNYCH	55	PNYCH	69					
			RCY	60	RCY	75					
			BPSMSC	47	BPSMSC	59					
			RCES	57	RCES	71					
			PNM	75	PNM	94					
			PNAP	62	PNAP	78					
			RCP	55	RCP	69					
			RCA	44	RCA	55					
			SNM	60	SNM	75					
	Average	57.2	Average	71.7							

	1.2 Effectiveness of oversight and control in target PAs, as measured by numbers of personnel per unit area	150 PA staff covering 9 PAs with a total area of 5,966,203ha	195 staff covering 5,966,203ha of PAs and 100,000ha under alternative conservation modalities	SERNANP data	Government (despite reservations about conventional PA models)		
	1.3 Level of local participation in oversight and control of PAs, as measured by the existence of conservation agreements whereby local communities complement SERNANP in actions of oversight and governance PA governance	No conservation agreements are currently active in the target PAs	At least one conservation agreement functioning in each target PA, resulting in increased participation by local communities in PA oversight and governance	Reports of PA managers			
	1.4 Degree of incorporation of CC resilience considerations into management instruments	None of the target PAs have specific analyses or master plans that incorporate CC considerations	All target PAs have specific analyses and master plans that incorporate considerations of CC and are reflected in PA management decisions	Review of PA instruments			
	1.5 Increase in the coverage of areas under conservation, to protect key ecosystems	9 Natural Protected Areas (5,966,203ha), 2 Regional Conservation Areas (239,552ha) and 20 Private Conservation Areas (23,958ha) in the 10 target provinces	100,000ha are managed for the conservation of key ecosystems, through alternative modalities (other than SINANPE PAs).	Declaration instruments of new conservation areas			
	1.6 Availability of financial resources (US\$) for the management of the target PAs, taking into account the implications of climate change	Income (2014)	2,396,512	Income from existing sources		2,396,512	SERNANP financial data
				Income from additional financial strategies ⁴		5,400,000	
				Total income	7,796,512		
		Budget needs (basic management scenario)	4,398,771	Budget needs (basic management scenario), incorporating CC considerations ⁵	5,718,403		
		Budget needs (optimum management scenario)	7,541,958	Budget needs (optimum management scenario), incorporating CC considerations	9,804,545		
		Balance (basic management scenario)	-2,002,259	Balance (basic management scenario) incorporating CC considerations	+2,078,109		
	Balance (optimum management scenario)	-5,145,445	Balance (optimum management scenario) incorporating CC considerations	-2,008,033			
Componente 2. CC-resilient production landscapes buffering PAs	2.1 Degree of incorporation of considerations of CC resilience in planning instruments in the target provinces bordering PAs	64% of the area of the 5 target regions is covered by ZEE, none of which make specific provision for CC resilience	Two of the target regions, and one province and one district in each, have ZEE instruments that make specific provision for CC resilience	Review of ZEE instruments	Recognition by GOREs of the importance of addressing CC		

⁴ See ProDoc, Section IV Part VIII.

⁵ Under the assumption that the incorporation of CC considerations, involving the need for additional specialized staff to address these issues as well as increased enforcement staff to address CC-related increased in threat levels, will increase costs by an estimated 30%.

2.2 Increase in the potential of tree-based production systems (coffee and cocoa) to buffer PAs against the direct and indirect implications of CC, in the target provinces bordering PAs	49,914ha of coffee ⁶ and 14,500ha of cocoa ⁷ under shade in La Convención target province; 7,804ha of coffee under shade ⁸ in Oxapampa target province.	Areas remain stable, but in 10% of the area (7,222ha, including 5,771ha of coffee and 1,450ha of cocoa) management systems are applied that promote resilience to CC and the buffering of PAs, while contributing to the sustainability of local livelihoods and to gender equity, directly benefiting 18,050 poor people (of which 8,123 are women and 80% are indigenous)	Data from MINAGRI, local governments and producer organizations	Continued competitiveness of agroforestry systems in terms of potential for livelihood support, relative to extensive low-BD production systems
2.3 Increase in the role of community-based forest management (CBFM) in motivating the protection of forests under conditions of CC, and reinforcing occupancy rights of local communities	15,833ha of forest under CBFM, of which 4,500ha are covered by tourism plans and 6,900ha are included in a conservation concession ⁹ , without specific consideration to the generation of global environmental benefits or resilience to CC	Considerations of CC resilience are incorporated into management over 50% of the area covered by tourism plans (2,250ha) and included in the conservation concession (3,450ha)	Management instruments and reports, consultations with indigenous groups, field inspections	Continued security in practice of indigenous occupancy, tenure and use rights over areas in buffer zones
2.4 Increase in the contribution of agroforestry systems in buffer zones to the generation of GEBs, the stabilization of landscapes and resilience to CC	20,685 ha of agroforestry systems ¹⁰ in buffer zones, containing a total of 3,092,200tC ¹¹ and with average soil erosion rates of 2.64t/ha/year	2,000ha additional area of agroforestry systems in buffer zones, resulting in a net total increase in carbon sinks of 176,920tC ¹² and a net total reduction in erosion of 208,000t, benefiting 20,000 poor people (80% are indigenous and 9,000 are women) in 4,000 families, through increased productivity and sustainability of production systems	Consultations with extension agencies and indigenous groups, field inspections	
2.5 Increased participation by local communities in environmental governance in buffer zones	Community-based forestry oversight bodies (<i>Veedurías Forestales Comunitarias</i>) are operating in Ucayali, Atalaya and Oxapampa, and “Indigenous REDD+” platforms in Ucayali, Atalaya and Madre de Dios provinces, but do not address CC issues	Existing <i>Veedurías Forestales Comunitarias</i> and “Indigenous REDD+” platforms make specific provisions for addressing CC issues	Field visits to <i>Veedurías</i>	
2.6 Degree of incorporation of CC resilience and BD considerations in rural extension programmes	No rural agriculture or forestry extension agencies currently address considerations of CC resilience and BD	18 extension agencies (ECAs/NGOs) throughout the target areas incorporate considerations of CC resilience and BD conservation	Review of extension programmes and instruments	

⁶http://www.expocafeperu.com/archivos/2012/Alternativas_de_produccion_Sostenible_de_Cafe_Reiles_Zapata_Comercio_y_Cia.pdf

⁷http://www.minag.gob.pe/portal/download/pdf/herramientas/organizaciones/dgpa/documentos/estudio_cacao/4_5_2cuzco_informe_final.pdf

⁸http://www.expocafeperu.com/archivos/2012/Alternativas_de_produccion_Sostenible_de_Cafe_Reiles_Zapata_Comercio_y_Cia.pdf

⁹Source: <http://www.queros.net/concesion-conservacion-comunidad-nativa-queros/>. The balance, 4,357ha, is covered by permits for timber and NTFP extraction (source: http://dgffs.minag.gob.pe/pdf/estadistica_forestal/anuarios/ANUARIO_PERU_FORESTAL_2012.pdf). GEF funds will not be used to support timber extraction from native forests.

¹⁰ 41,371 rural families in the 20 target districts meta, with 0.5ha of agroforestry systems per family

¹¹ Average 149.49 tC/ha. Source: Gonzales, F. y Chávez, J. (2010). Estimación del carbono almacenado en un sistema agroforestal de cacao (*Theobroma cacao*) comparado con un bosque secundario de tres edades. Tesis para optar el título de Ingeniero Agrónomo en la Universidad Nacional Agraria de la Selva (UNAS) Tingo María, Perú. (CACAO ASOCIADO)

¹² Agroforestry systems will have 149.49tC/ha and will be established in agricultural and grazing areas with an average of 61.03tC/ha, resulting in a net carbon gain of 88.46tC/ha. Soil erosion rates under agroforestry systems are estimated at 2.64t/ha/year, compared to 23.44t/ha/year for the agricultural and grazing areas which they will replace. Total avoided soil loss is calculated by multiplying the difference in rates between agroforestry and agricultural/grazing systems by the number of hectares converted and the number of years between the conversion of each hectare and the end of the project (although benefits will continue beyond the end of the project). [(23.44-2.64) t/ha/year x 2,000 ha x 5 year] = 208,000 t.

ANNEX B: RESPONSES TO PROJECT REVIEWS

STAP comment:	Response
<p>1. MFA projects, in particular, need to pay particular attention to anticipated global environmental benefits (Section B2 in the PIF). For the current project proposal, the PIF tabulates anticipated 'environmental benefits' per project component and by focal area (in Table 1), mixing those that are local and domestic with those that could, if properly presented, be included as global environmental benefits (GEB). Paragraph 67 currently has text with some possible candidate GEBs but no systematic choice that includes scientific methods that are appropriate for the resources available and the changes to be anticipated. GEF funding is, of course, conditional on achieving GEBs which need to be specified at the very outset. STAP strongly urges the proponents to identify GEBs in terms of a judicious sample of Expected Outcome indicators chosen from the GEF-5 focal area strategies (not just for BD, but also LD, CCM and SFM), along with the methodologies that will be used to track these. Indicators that serve for more than one focal area would be particularly useful. For example, changes in land cover might be chosen with a reference to remote sensing techniques; or changes in total system carbon using sampling and measurement. Attention to this matter in Section B2 would considerably enhance the proposal and make it convincing for GEF-funding.</p>	<p>In relation to BD1, the project will use GEF 5 Outcome Indicator 1.1 (Protected area management effectiveness score as recorded by Management Effectiveness Tracking Tool). Indicator O1, which combines two of the indicators in the PIF, now serves for both BD1 and SFM1: it refers to avoided loss of globally important habitats (a valuable measure of GEBs for BD), and at the same time the implications of this in terms of avoided carbon emissions (SFM1 Outcome Indicator 1.2b: Enhanced carbon sinks from reduced forest degradation). Avoided habitat loss/deforestation will be measured through remote sensing, compared with historical information on past deforestation rates; its equivalence in terms of avoided emissions will be estimated through secondary data reported in the literature on the average carbon contents (t/ha) of the target habitats compared to the agriculture/pasture systems to which they would otherwise be converted.</p> <p>Indicator 2.4 (increases in the area of agroforestry systems, with a net carbon gain of 176,920tC and net reduction in erosion of 208,000t over the project period) combines LD3 indicator 3.2 "Application of integrated natural resource management (INRM) practices in wider landscapes" (the area of agroforestry systems) with SFM1 indicator 1.3b "Services generated in the wider landscape" (the equivalence of the area of agroforestry systems in terms of net increases in carbon sinks and reduced erosion rates). The area of agroforestry systems will be measured directly in the field by the participating institutions and producers; its equivalence in terms of carbon sinks and erosion rates will be calculated from data in the literature on carbon content and erosion rates under these systems, in comparison with the alternatives.</p>
<p>2. Overall, STAP wishes to emphasize the importance of fully addressing the critical issues left to the PPG phase in the proposal i.e. the precise areas in which the project will work; the links with the Forest Carbon Partnership and the strategies to be used to improve forest ecosystems; and, in particular, the mainstreaming of gender issues into the project's implementation at all governance levels. STAP expects more detailed descriptions and explanations of these project aspects in the full proposal.</p>	<p>The issue of site selection is addressed in response to STAP comment #3 below; gender issues are addressed in response to GEFSec comment #16 below; and links with the FCP are addressed in response to GEFSec comment #9 below.</p> <p>Strategies to improve forest ecosystems are presented in ProDoc paragraphs 285-289, and Tables 27 & 28, for example as thinning, enrichment planting and controlled burning; Box 2 presents examples of experiences of Community-Based Forest Management and sustainable use, on which the project will build.</p>
<p>3. STAP is concerned about the lack of science-based methodologies and criteria for the selection of the target PAs and their surrounding areas. A systematic and well-designed process should be adopted where criteria for conservation are established prior to choice is strongly advised. On this matter, proponents may refer to Dinerstein, E., D. M. Olson, D.J. Graham, A. L. Webster, S. A. Primm, M. P Bookbinder</p>	<p>During the PPG phase a highly systematic and objective process was applied to prioritize the target sites from a total of 5 candidate PA complexes. The methodology and results of this process are presented in Section IV Part II of the Project Document. This prioritization process involved the application of 27 different criteria grouped into four main themes, namely biophysical, social, economic and policy factors.</p> <p>All three of the target ecoregions included in the selected areas are included in the list of priority terrestrial ecoregions of Dinerstein et al (1995): Peruvian yungas were classified as</p>

<p>and G. Ledec. 1995. A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean. The World Bank, Washington D.C.. Environment Canada also has useful guidance, which could be modified for Peru, for choice of PA at http://www.ec.gc.ca/appa/default.asp?lang=En&n=BEB3DB50-1</p>	<p>Critical/Endangered, Central Andean dry puna as Vulnerable and Southwest Amazon Moist Forests as relatively stable; however none of these classifications took into account the implications of climate change which, as explained in the ProDoc, is expected significantly to affect quantitative and spatial aspects of the ecology and microclimates of all of the ecoregions, as well as the threats affecting them.</p> <p>The selection process also included variables of specific relevance to climate change, its impacts and the capacities of ecosystems to adapt to it; most notably, the magnitude of the altitudinal gradients covered by the different candidate PAs complexes and the inclusion of transition areas where the implications of climate change are expected to be particularly strongly felt.</p>
<p>4. The proponents should address more extensively the particular socio-political challenges inherent to the implementation of SLM/SFM in each of the different areas. For example, UNDP could describe the relative security of land tenure arrangements in the targeted areas. Land tenure, which is likely to be affected by CC impacts, greatly affects soil conservation practices. UNDP may wish to refer to the following two publications: 1. Agrawal, A. 1999. Greener Pastures. Durham: Duke University Press. And 2. Young, K. R., and J. K. Lipton. 2006. Adaptive governance and climate change in the tropical highlands of western South America. <i>Climatic Change</i> 78: 63-102.</p>	<p>Tenure conditions are described in paragraphs 105-108 of the Project Document. Although major advances have been made with establishing <i>de jure</i> tenure rights through the titling of indigenous lands, weak governance conditions mean that in many cases these do not translate into secure <i>de facto</i> rights, in the face of threats of land grabs by non-indigenous colonists. The implications of this in relation to the feasibility of SLM and SFM are discussed in response to the next STAP comment.</p>
<p>5. The project intends to have an important contribution to land management in PA buffer zones. Production landscapes in buffer zones present with very particular problems such as marginality and opportunity costs of labour that are very different from standard SLM. There is little in the PIF that indicates the approach that will be adopted, other than it is intended to be participatory. STAP urges the proponents to draw on lessons in buffer zone management from both Peru (e.g. Cordillera Azul National Park - http://www.threddesk.org/activity/redd_project_in_the_cordillera_azul_national_park) and more widely (e.g. UNESCO/WHC World Heritage Paper No. 25, 2008, which contains a number of instructive case studies and experiences - http://whc.unesco.org/uploads/events/documents/event-473-1.pdf)</p>	<p>The target areas indeed face many of the socio-political challenges to SLM/SFM that are typical of agricultural frontier areas throughout the humid tropics. Foremost among these challenges are the following (see ProDoc paragraphs 230-233):</p> <ul style="list-style-type: none"> i) <i>De facto</i> tenure insecurity (see response to comment 4 above): this acts as a disincentive to the establishment of land management systems that require high levels of investment of financial and human capital, such as intensive agroforestry systems based on planted trees, or labour-intensive soil conservation structures. ii) Relative abundance of off-farm tree products, meaning that farmers may not be stimulated by scarcity to invest in establishing trees on farm, in intensive agroforestry systems. iii) Relative abundance of land, meaning similarly that farmers may not be stimulated by declining soil fertility and falling yields to invest in soil conservation, but may instead prefer to open up new areas for cultivation; iv) Opportunity cost of labour: faced with numerous alternatives for investing their limited labour, such as agricultural expansion and off-farm work, investing it in intensive agroforestry systems may appear unattractive. <p>In recognition of these factors, the project will emphasize low input, low investment forms of land management such as maize/Mucuna based systems, the use of felled fallow vegetation as mulch; and the promotion of natural tree regeneration (coupled with rationalization or elimination of the use of fire) rather than planting. The maize/Mucuna system and fallow mulch offer the advantages of having very low requirements of labour or other inputs (in fact</p>

	<p>reducing labour costs by suppressing weeds; maintaining/restoring soil nutrients; and (importantly in relation to CC resilience) protecting soil moisture.</p> <p>Despite the proven potential of these systems throughout the humid tropics, the participatory approach that is proposed will be of vital importance to maximize ownership and buy-in to the SLM systems promoted, and to ensure their compatibility with complex and often site-specific social, economic, cultural and biophysical conditions.</p> <p>In relation to buffer zone management strategies more generally, as recommended in relation to World Heritage Sites in the UNESCO/WHC World Heritage Paper:</p> <ul style="list-style-type: none"> - <i>A buffer zone should be clearly linked to the appropriate level of legal and management frameworks in order to provide protection:</i> in this case buffer zone management prescriptions will be developed in accordance with landscape wide territorial land use plans and in close consultation with regional and local governments, and also, importantly, with the indigenous communities in whose territories it will operate; - <i>Relationships need to be strengthened between the management within the PA, and the need for a holistic (integrated) approach that encompasses management of a wider area including the designated buffer zone(s):</i> the project will advise on the process of territorial land use planning of the broader landscape, as well as the formulation or updating of PA management plans, specifically in relation to the incorporation of landscape-wide considerations and the interactions between PAs and buffer zones. - <i>Where possible, management systems should include both the PA and its buffer zone(s), although in many cases this is not possible:</i> active management will principally be concentrated in buffer zones, rather than the core zones of PAs where the priority will be to maintain ecosystem intactness; active management will, however, receive support and/or guidance through the project in the “special zones” of PAs, where local/indigenous people have pre-existing occupancy and use rights. - <i>There should be a process for stakeholders at all levels to endorse the designation of any buffer zone;</i> the project will not result in the establishment of new PAs or buffer zones within the SINANPE <i>per se</i>, but will support the definition of new areas to be managed for conservation under alternative modalities. In all cases, the definition and establishment of such areas will be subject to extensive consultation with local stakeholders, including, as and when required by national legislation, formal procedures for obtaining the prior informed consent of local indigenous stakeholders. - <i>Management of PAs and their buffer zones needs to encourage all levels of decision makers (and especially local and regional authorities) to be brought into the management process and the assessment of the management framework. Attention should be paid to the levels of involvement when evaluating PAs, and when monitoring management effectiveness;</i> the stakeholder participation plan presented in the Project Document sets out clearly how the effective participation of stakeholders at all levels will be ensured, and highlights the use of selected METT indicators specifically for tracking the effectiveness of arrangements for stakeholder participation.
<p>6. STAP suggests that the proponents include more specific information concerning the GEF projects that will support the</p>	<p>Estimates of the potential for additional income to be generated from a range of sources are presented in the Section IV Part IX of the Project Document: these analyses suggest that it is</p>

<p>financial sustainability of the project, as well as the potential long-term sources of funding for the initiative. Proponents could describe, for example, the specific provisions implemented in existing baseline programs that support the financial sustainability of the project; potential mechanisms ensuring the increased cost-effectiveness of the ecosystem governance systems; and the specific tools that will be used to streamline payments from ecosystem services to support the long-term implementation of the project's components.</p>	<p>possible to generate a significant surplus for the target PAs even taking into account the extra costs implications expected as a result of climate change (a much more conservative target is included in the logical framework, which still involved the PAs comfortably breaking even). These potential sources are described under Output 1.6 (paragraph 265). They include REDD+, with which significant advances have been made in Peru with support from the FCPF, and the complementary “Indigenous REDD+”, which aims to apply a more holistic approach to ecosystem service payments that is in line with indigenous visions and norms and therefore more socially and culturally acceptable than conventional REDD+.</p> <p>The flow of income in support of the long term implementation of the project’s components will be streamlined through the development of a systemic financing plan (Output 1.6a) that will identify strategies for promoting inter-institutional synergies in order to promote the efficient and well-targeted use of available funds; PA-specific financing plans and financial coordination mechanisms (Output 1.6b) that will harmonize site-specific PES initiatives; and the establishment of mechanisms to ensure the effective participation of local (including indigenous) stakeholders in the project, which will result in negotiated agreements on the establishment of local PES mechanisms and for the channelling of PES resources generated through mechanisms such as indigenous REDD+ to PA and buffer zone management. These participation mechanisms will include the <i>ad hoc</i> advisory committee for Component 2, in which indigenous organizations will participate, and the Project Board in which PA Management Committees will be represented, with indigenous organizations as observers.</p> <p>In addition to generating additional income from these sources, the project will promote cost-effective ecosystem governance through the conservation agreements proposed under Output 1.2, which will function as incentive mechanisms for community participation in PA governance; the promotion of sustainable production systems in buffer zones, under Component 2, will (subject to the strict application of criteria of environmental compatibility) also generate concrete social benefits for local people, and the project will promote the role of these as stimuli for local participation in buffer zone governance by raising awareness of the links between productive and environmental sustainability.</p> <p>Although there are no relevant GEF projects concurrent with this initiative that support PA financial sustainability, the project will build on the strong bases developed by the previous projects 438 and 2693, in particularly the establishment and consolidation of the National Fund for Protected Areas FONANPE.</p>
<p>7. The Risk Assessment in Section B.4 appears limited.</p> <p>i) In response to the risk of institutional rigidity and barriers to inter-institutional collaboration, the proponents propose to raise awareness of the negative externalities of CC on BD and PAs. Given that the core components of the project depend on inter-jurisdictional cooperation, STAP is concerned that a mere communication strategy may be insufficient to tackle the challenge at hand. UNDP could</p>	<p>It is proposed to promote such integration at a number of levels:</p> <ul style="list-style-type: none"> - Under Output 1.3, the project will support the integration of improved decision-making systems between SINANPE and MINAM as a whole (the National System for Environmental Information SINIA), and the development of mechanisms for the effective channelling of the information managed by the integrated systems to diverse institutional and local stakeholders. - Similarly, under Output 2.1, the project will support the development of information management and planning systems to guide diverse institutional and local actors from a range of different sectors (covering both productive, social development and environmental issues), thereby supporting the integration and harmonization of their actions.

<p>consider, for example, promoting the integration of critical institutional stakeholders in instances of strategic decision-making, which would help further raise the profile of the initiative as well as create shared stakes among institutional partners.</p>	<p>- Under Output 2.3, the project will support the incorporation of considerations of CC resilience and adaptation into the planning instruments of diverse institutions, again promoting their integration and harmonization; in the case of Consensus-Based Development Plans (PDCs) in particular, this process will involve cooperation and negotiation between multiple stakeholders.</p>
<p>ii) The proposal also suggests that the risk of weak enforcement of land use stipulations in the landscape will be addressed by building on baseline projects and financially strengthening the management systems. STAP is particularly concerned that enforcement capacities will not improve as the magnitude of the threats increases; in fact, a major risk lies in the possibility that enforcement capabilities could fail when most needed.</p>	<p>It is indeed likely that increases in threats, as a result of climate change, will result in increasing demands being placed on enforcement capacities. As indicated in paragraph 265 of the ProDoc, additional resources will be required for enforcement, above current levels, given the risk of increased flows of population to the target ecosystems as a result of CC-related livelihood and productive collapse in other areas; the progressive thinning out of the canopy of lowland forests canopies as a result of their CC-related drying out, which will make them more vulnerable to conversion to agriculture and ranching; and the weakening of traditional governance structures as a result of CC-related migration processes.</p> <p>The financial sustainability analysis carried out during the PPG phase has highlighted a number of options with significant potential to increase the availability of funds for enforcement. Under Output 1.4 (paragraphs 262-263), the project will strengthen capacities for PA management and enforcement in the context of CC adaptation, through the provision of equipment for surveillance, monitoring, communication and transport, enabling them to detect and respond effectively to threats, complemented by the provision of training to PA staff in order to develop their technical capacities, in terms of increased awareness and technical knowledge of the implications of CC for ecosystem characteristics and threats, and of corresponding options of enforcement strategies. Detailed strategies for putting this capacity strengthening into practice will be defined in detail in the first year of the project, on the basis of in-depth site- and institution-specific analyses of current capacities. In the case of SERNANP, the project will focus on putting into practice the recommendations contained in the existing SERNANP training strategy. This makes specific reference to training on issues of global change and PAs, including climate change, aimed at management committees, park guards, park heads, PA specialists and staff of central and regional offices, and covering issues such as BD monitoring, biological corridors, PA ecosystem services, sustainable NRM, buffer zone management, REDD projects, agroforestry and agroecological projects, ecotourism and environmental interpretation. Project support will focus on ensuring that considerations of integrated landscape management, interinstitutional and inter-sector integration, global benefits, resilience and gender aspects are incorporated into this training.</p> <p>In addition, the project will place particular emphasis on realizing opportunities for local communities to become involved in natural resource management and governance in both PAs and their buffer zones, for example through “conservation agreements” whereby local communities will receive significant economic and in-kind benefits in exchange for supporting PA and natural resource governance, thereby complementing the resource available to SERNANP.</p>
<p>iii) Finally, STAP recommends that UNDP also consider the risk that the exclusion of stakeholders can pose to the</p>	<p>The risk of stakeholder exclusion has now been included in the risk analysis. It will be mitigated through the project approach of channelling support to SFM and SLM practices</p>

<p>success of the project. Since the implementation of SLM/SFM will require significant participation from local-level stakeholders, STAP suggests including the risk of limited stakeholder buy-in.</p>	<p>directly to grassroots organizations (e.g. Executors of Administration Contracts, PA Management Committees and indigenous organizations). Effective stakeholder participation will be promoted through the presence of representatives of such organizations on the overall Project Board, and also on regional-level advisory committees.</p>
<p>8. Similarly, while STAP welcomes the detailed description of the multiple stakeholders involved in the project and their roles in relation to the project components, it also desires to see the inclusion of local-level stakeholders in the table presented in Section B.5. Local stakeholders include small farmers, indigenous groups, and private companies. They are significant because, as mentioned above, local-level actors are given an important role in the implementation of the project, as well as remain particularly vulnerable to the impact of CC.</p>	<p>Specific information has been provided, in paragraphs 197-201 of the Project Document, on local stakeholders in the target areas and their vulnerability to climate change; further data on socioeconomic conditions (poverty, productive systems and tenure) among local stakeholders are presented in paragraphs 99-108, and Section IV Part VII.</p>

<p>GEFSec Comments</p>	<p>Responses</p>
<p>9. Is the project consistent with the recipient country's national strategies and plans or reports and assessments under relevant conventions, including NPFE, NAPA, NCSA, or NAP? August 27, 2012: <i>Gap:</i> links with Peru's plans relating to forest carbon are not clear. <i>Corrective Action:</i> Please provide details of how the project links with national REDD strategies in particular FCPF and FIP. September 06, 2012 Additional information provided. Addressed. At CEO Endorsement please provide full details of how these activities are coordinated.</p>	<p>Updated information on the country's progress in relation to REDD, in particular REDD readiness supported by the FCPF, is presented in paragraphs 210-211 of the Project Document. Information on how the project will coordinate with these initiatives is presented in paragraphs 215-219 (Coordination with related initiatives): key to this coordination will be the well-established regional REDD+ platforms in each of the target areas.</p>
<p>16. Is there a clear description of: a) the socio-economic benefits, including gender dimensions, to be delivered by the project, and b) how will the delivery of such benefits support the achievement of incremental/additional benefits? A fuller description of how local communities will be impacted by the project will be expected at CEO Endorsement</p>	<p>The socioeconomic benefits expected from the project are described in paragraphs 295-297 of the Project Document.</p> <p>The promotion by the project of sustainable, climate-resilient production systems will help indigenous peoples assert occupancy of their traditional lands and will generate concrete economic benefits, at the same time motivating local people to manage and protect their forests and other natural resources. The project has specific potential for furthering the social and economic conditions of women, by promoting their active and effective participation in dialogue and decision-making processes, and promoting opportunities for them to perceive economic and livelihood benefits from production options such as diverse small-scale agriculture, ecotourism and NTFP production. It will also help to increase their control over natural resources and factors of production, and to promote their social status within their communities. The project will also address the needs and conditions of non-indigenous stakeholders,</p>

	<p>through the promotion of sustainable, CC-resilient natural resource management practices and their equitable representation in planning and decision-making entities.</p> <p>The project’s results framework includes indicators that recognise social benefits, broken down by ethnicity and gender:</p> <ul style="list-style-type: none"> - The promotion of tree-based production systems will contribute to the sustainability of local livelihoods and to gender equity, directly benefiting 18,050 poor people (of which 8,123 are women and 80% are indigenous) - The promotion of agroforestry systems in buffer zones will benefit 20,000 poor people (80% are indigenous and 9,000 are women) in 4,000 families, through increased productivity and sustainability of production systems <p>The approach of the project to addressing gender issues is set out in the section on Design Principles and Strategic Considerations (paragraphs 237-240 of the ProDoc). Taking into account recommendations generated by UN Women during the PPG phase, the strategies to be applied will include the following:</p> <ul style="list-style-type: none"> - The development and dissemination of a concrete gender strategy at project outset; - Awareness raising and training regarding the gender focus of the project in order to ensure full understanding and buy-in among all participants; - The systematization of relevant experiences regarding women managing natural resources and contributing to CC resilience; - The promotion of women’s participation in spaces of dialogue and decision-making in relation to the project; - The identification and characterization of existing organizations representing women’s interest, and their involvement and strengthening as mechanisms for women’s participation in the project; - The adoption of active measures to contribute to women’s economic empowerment, with a specific budgetary provision for “<i>ad hoc</i>” use in support of opportunities that may arise for such measures. - Assignment to the project of staff with specialist capacities in relation to gender issues (for example United Nations Volunteers, Junior Professional Officers or interns. <p>Paragraph 239 provides concrete examples of NRM strategies that have potential to contribute to women’s equitable involvement and empowerment, based on experiences generated to date in Peru. These strategies will be promoted under Outputs 2.2 and 2.3 of the project. Additional text has furthermore been added to paragraph 240 stating that gender equity will be specifically provided for in the rules for the conformation and functioning of the project’s participation mechanisms.</p>
<p>17. Is public participation, including CSOs and indigenous people, taken into consideration, their role identified and addressed properly? August 27, 2012: Yes. Sufficient at PIF stage. More information will be required at later stages, in particular on the role of local communities within PA and buffer zone planning and implementation of activities.</p>	<p>As set out in the Stakeholder Participation Plan (Section IV Part XI of the Project Document), the project will place a strong emphasis on achieving effective local participation as a condition for the delivery of project outputs and for their social sustainability.</p> <p>Members of rural communities, particularly small farmers, will constitute the key target population for the project, especially in relation to the promotion of sustainable production and natural resource management (NRM) systems under Output 2.2 and 2.3. The organizations that represent them will also be targeted for institutional strengthening in relation to environmental governance and planning. At the same time, a selection of these grassroots organizations will be directly involved in the delivery of project outputs, under contractual arrangements, taking advantage of their established local presence</p>

	<p>and capacities, and their acceptance by local communities. They will play a particularly important role in the promotion of sustainable production and NRM systems among their members and other local people.</p> <p>Local stakeholders will furthermore be involved through PA Management Committees and the numerous other local/regional coordination bodies that exist, most notably regional REDD+ and “Indigenous REDD+” platforms. Project team members will also participate wherever possible in these entities, and will seek to introduce into their agendas discussions of issues directly related to the project and its approach.</p>
<p>20. Is the project implementation/execution arrangement adequate? August 27, 2012: Yes. Key organizations are named in the PIF with brief descriptions of their involvement in the project. As the roles of Regional and Municipal governments are important in terms of natural resource planning and management, fuller description of these organizations responsibilities will be expected at CEO Endorsement.</p>	<p>Regional and Municipal Governments will be directly targeted for institutional strengthening under Output 2.1, particularly in the form of methodological and conceptual guidance for the incorporation of considerations of BD conservation and PA resilience into spatial planning processes. The Governments themselves will however be directly responsible for the delivery of these instruments. They will also have direct participation in discussions related to the project and its approach, through their participation in the proposed Regional Steering Committees, as well as existing coordination mechanisms (in which project team members will also take part) such as Technical Commissions for Ecological Economic Zoning and Territorial Planning (ZEE-OT), Regional Environmental Commissions (CAR) and Municipal Environment Commissions (CAM).</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. DESCRIBE FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION, IF ANY:

None: PPG studies confirmed the target sites and strategies proposed in the PIF.

B. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: \$99,475			
<i>Project Preparation Activities Implemented</i>	<i>GEF Amount (\$)</i>		
	<i>Budgeted Approved</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
1. Validation of target sites; ecosystems and baselines for on-the-ground intervention in the FSP	24,150	24,150	0
2. In-depth analysis of national and local capacities related to CC resilience in priority ecosystems (policy, regulatory, institutional and financial frameworks for management; control and enforcement)	36,725	36,725	0
3. Development of key project design elements	38,600	38,600	0