



GEF-6 REQUEST FOR PROJECT ENDORSEMENT

PROJECT TYPE: FULL-SIZED PROJECT
 TYPE OF TRUST FUND: GEF TRUST FUND

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PART I: PROJECT INFORMATION

Project Title: Securing the Future of Peru's Natural Protected Areas			
Country(ies):	Peru	GEF Project ID: ¹	9374
GEF Agency(ies):	World Wildlife Fund, Inc.	GEF Agency Project ID:	G0010
Other Executing Partner(s):	SERNANP, PROFONANPE	Submission Date:	06/22/17 06/26/17 08/30/17
GEF Focal Area (s):	Multi-focal Area	Project Duration (Months)	72
Integrated Approach Pilot	IAP-Cities <input type="checkbox"/> IAP-Commodities <input type="checkbox"/> IAP-Food Security <input type="checkbox"/>		Corporate Program: SGP <input type="checkbox"/>
Name of Parent Program	Amazon Sustainable Landscapes Program	Agency Fee (\$)	810,677

A. FOCAL AREA STRATEGY FRAMEWORK AND OTHER PROGRAM STRATEGIES²

Focal Area Objectives/Programs	Focal Area Outcomes	Trust Fund	(in \$)	
			GEF Project Financing	Co-financing
BD-1 Program 1	Outcome 1.1. Increased revenue for protected area systems and globally significant protected areas to meet total expenditures required for management. Outcome 1.2: Improved management effectiveness of protected areas.	GEFTF	5,645,373	35,460,781
LD-2 Program 3	Outcome 2.2: Improved forest management Outcome 2.3: Increased investments in SFM	GEFTF	359,646	2,000,000
SFM-2	Outcome 3: Increased application of good management practices in all forests by relevant government, local community (both women and men) and private sector actors	GEFTF	2,500,000	14,000,000
SFM-4	Outcome 6: Improved collaboration between countries and across sectors on the implementation of SFM	GEFTF	502,509	3,000,000
Total project costs			9,007,528	54,460,781

B. PROJECT DESCRIPTION SUMMARY

Project Objective: To promote long-term financial sustainability for the effective management of the National System of Protected Natural Areas of Peru (SINANPE) for the protection of globally important biodiversity and ecosystem services in the Amazon Biome						
Project Components/ Programs	Financing Type ³	Project Outcomes	Project Outputs	Trust Fund	(in \$)	
					GEF Project Financing	Confirmed Co-financing
1. Development of a multi-partner, public-private initiative for long-term financial sustainability of the Natural Protected	TA	1.1 Government and donor commitment secured for a long-term financial sustainability initiative for effective management of Peru's	1.1.1 A 10-year integrated conservation and financial Action Plan to consolidate and improve management effectiveness of the	GEFTF	901,978	4,751,556

¹ Project ID number remains the same as the assigned PIF number.

² When completing Table A, refer to the excerpts on [GEF 6 Results Frameworks for GETF, LDCF and SCCF](#) and [CBIT programming directions](#).

³ Financing type can be either investment or technical assistance.

Areas in the Peruvian Amazon		<p>Amazon NPAs</p> <p>1.2 PdP Initiative for financial sustainability of NPAs in the Amazon operationalized</p> <p>1.3 PdP integrated in SERNANP and across other sectors for the management and financing of the Amazon NPAs</p>	<p>Amazon NPAs as agreed between partners of the PdP Initiative</p> <p>1.1.2 PdP Initiative's Framework Agreement (Single Close)</p> <p>1.1.3 Targeted donor communications and fundraising strategy for the PdP Initiative</p> <p>1.2.1 Operations Manual for the PdP Initiative</p> <p>1.2.2 Governance structure and management systems for the PdP initiative</p> <p>1.2.3 A comprehensive financial information management system for all sources of financing</p> <p>1.3.1 Inter-sectoral coordination mechanisms</p> <p>1.3.2 Staff training on PdP</p> <p>1.3.3 Technical support to mainstream PdP into the SINANPE Master Plan</p>			
2. Diversification of sources to increase NPA financing	TA	<p>2.1 NPA values and benefits showcased to increase public and private support for PdP and new financing mechanisms</p> <p>2.2 Increased options for the sustainable financing of NPAs</p>	<p>2.1.1 Economic impact and valuation studies of NPAs</p> <p>2.1.2 Targeted communications, learning tours and meetings to leverage government and sectoral support for NPA financing</p> <p>2.2.1 Short list of mechanisms to generate revenue for the sustainable financing of Amazon NPAs</p> <p>2.2.2 Feasibility studies of the shortlisted financial mechanisms</p>	GEFTF	1,646,564	5,651,556

			<p>2.2.3. Action plan and guidelines for the development of viable mechanisms</p> <p>2.2.4. Pilot implementation of up to three financial mechanisms at site level, new or improved, with the best score</p> <p>2.2.5 Proposals for new or improved mechanisms at national/system level</p> <p>2.2.6 Toolkit for the replication of pilot site mechanisms</p>				
3. Implementation of PdP Action Plan Measures to consolidate and improve the effective management of Amazon NPAs	INV/TA	3.1 Improvements in effective management levels contribute to the conservation of biodiversity, sustainable forest and natural resources management, and maintenance of ecosystem services in 2 to 4 Amazon NPAs	<p>3.1.1 Final selection of NPAs from the short list to be financed with GEF contributions to the TF</p> <p>3.1.2 Work Plan and budget for each selected NPA</p> <p>3.1.3 Implementation of eligible activities to consolidate and improve effective management in selected NPAs</p>	GEFTF	5,375,557	39,792,156	
4. Project Coordination and M&E	TA	4.1 Project M&E data and lessons learned are transparent, participatory and shared with relevant stakeholders to contribute to coordination, knowledge management and achieving program results	<p>4.1.1 Project M&E informs project management</p> <p>4.1.2 Coordination with Regional program</p>	GEFTF	654,499	3,032,756	
Subtotal						8,578,598	53,228,024
Project Management Cost (PMC) ⁴				GEFTF	428,930	1,232,757	
Total project costs						9,007,528	54,460,781

C. CONFIRMED SOURCES OF CO-FINANCING FOR THE PROJECT BY NAME AND BY TYPE

Please include evidence for co-financing for the project with this form.

⁴ For GEF Project Financing up to \$2 million, PMC could be up to 10% of the subtotal; above \$2 million, PMC could be up to 5% of the subtotal. PMC should be charged proportionately to focal areas based on focal area project financing amount in Table D below.

Sources of Co-financing	Name of Co-financier	Type of Cofinancing	Amount (\$)
Recipient Government	SERNANP	Grants	20,000,000
Recipient Government	SERNANP	In-kind	18,000,000
CSO	Betty and Gordon Moore Foundation	Grants	10,000,000
CSO	WWF	Grants	5,000,000
GEF Agency	WWF	In-kind	1,054,781
Other	PROFONANPE	In-kind	406,000
Total Co-financing			54,460,781

D. TRUST FUND RESOURCES REQUESTED BY AGENCY(IES), COUNTRY(IES), FOCAL AREA AND THE PROGRAMMING OF FUNDS

GEF Agency	Trust Fund	Country Name/Global	Focal Area	Programming of Funds	(in \$)		
					GEF Project Financing (a)	Agency Fee ^{a)} (b) ²	Total (c)=a+b
WWF-US	GEFTF	Peru	Biodiversity		5,645,373	508,083	6,153,456
WWF-US	GEFTF	Peru	Land Degradation		359,646	32,368	392,014
WWF-US	GEFTF	Peru	Multi-focal Area	SFM	3,002,509	270,226	3,272,735
Total Grant Resources					9,007,528	810,677	9,818,205

a) Refer to the [Fee Policy for GEF Partner Agencies](#)

E. PROJECT'S TARGET CONTRIBUTIONS TO GLOBAL ENVIRONMENTAL BENEFITS⁵

Provide the expected project targets as appropriate.

Corporate Results	Replenishment Targets	Project Targets
1. Maintain globally significant biodiversity and the ecosystem goods and services that it provides to society	Improved management of landscapes and seascapes covering 300 million hectares	<i>Program target: 73,117,000 hectares</i> <i>Project target: 16.7 million hectares</i>
2. Sustainable land management in production systems (agriculture, rangelands, and forest landscapes)	120 million hectares under sustainable land management	<i>hectares</i>
3. Promotion of collective management of transboundary water systems and implementation of the full range of policy, legal, and institutional reforms and investments contributing to sustainable use and maintenance of ecosystem services	Water-food-ecosystems security and conjunctive management of surface and groundwater in at least 10 freshwater basins;	<i>Number of freshwater basins</i>
	20% of globally over-exploited fisheries (by volume) moved to more sustainable levels	<i>Percent of fisheries, by volume</i>
4. Support to transformational shifts towards a low-emission and resilient development path	750 million tons of CO _{2e} mitigated (include both direct and indirect)	<i>metric tons</i>

⁵ Update the applicable indicators provided at PIF stage. Progress in programming against these targets for the projects per the *Corporate Results Framework* in the [GEF-6 Programming Directions](#), will be aggregated and reported during mid-term and at the conclusion of the replenishment period.

5. Increase in phase-out, disposal and reduction of releases of POPs, ODS, mercury and other chemicals of global concern	Disposal of 80,000 tons of POPs (PCB, obsolete pesticides)	<i>metric tons</i>
	Reduction of 1000 tons of Mercury	<i>metric tons</i>
	Phase-out of 303.44 tons of ODP (HCFC)	<i>ODP tons</i>
6. Enhance capacity of countries to implement MEAs (multilateral environmental agreements) and mainstream into national and sub-national policy, planning financial and legal frameworks	Development and sectoral planning frameworks integrate measurable targets drawn from the MEAs in at least 10 countries	<i>Number of Countries:</i>
	Functional environmental information systems are established to support decision-making in at least 10 countries	<i>Number of Countries:</i>

F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? NO

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN WITH THE ORIGINAL PIF⁶

A.1. *Project Description*. Elaborate on: 1) the global environmental and/or adaptation problems, root causes and barriers that need to be addressed; 2) the baseline scenario or any associated baseline projects, 3) the proposed alternative scenario, GEF focal area⁷ strategies, with a brief description of expected outcomes and components of the project, 4) [incremental/additional cost reasoning](#) and expected contributions from the baseline, the GEFTF, LDCF, SCCF, CBIT and [co-financing](#); 5) [global environmental benefits](#) (GEFTF) and/or [adaptation benefits](#) (LDCF/SCCF); and 6) innovativeness, sustainability and potential for scaling up.

1) Global environmental problem, root causes and barriers. Peru hosts the second-largest portion of the Amazon biome after Brazil, harboring 78,288,000 ha accounting for over 11% of the biome or over 60% of Peru’s national territory. It is characterized by rich biodiversity, extensive forest ecosystems (94.06% of the total national forest cover), and land cover which provides critical benefits, including carbon sequestration and erosion prevention. The region is home to more than 300,000 indigenous people belonging to 51 different ethnic groups.

In recent years, accelerated development in Peru has translated into unprecedented new infrastructure, which, in turn, has opened up this globally significant region to incursion from legal and illegal activities, such as shifting small and medium scale agriculture, cattle grazing, and illegal gold mining. A key strategy of the Peruvian Government (GoP) to safeguard the globally significant biodiversity of its portion of the Amazon biome has been the establishment of natural protected areas (NPAs). Currently the National Service of Natural Protected Areas (SERNANP) manages over 16.7 million ha or 86% of total land area of the NPA system (or SINANPE for its acronym in Spanish). These areas provide protection to more than 24% of the Peruvian Amazon or 8.75% of the global Amazon Biome.

Although NPAs have proven to be more effective than other land uses in shielding forests and other biodiversity features against pressures prevailing in the wider production landscape (MINAM 2016), they are nonetheless vulnerable to threats and, consequently, to loss and degradation of the valuable Amazon biodiversity. The Management Effectiveness Tracking Tool (METT) assessment performed during project preparation showed a number of threats reported across the Peruvian NPAs including illegal logging/wood harvesting (reported by 53.9% of the NPAs), livestock grazing (44.7%), agriculture (44.7%), hunting/collection of terrestrial wildlife (40.8%), human occupation (36.8%), fishing/harvesting of aquatic resources (31.6%), contamination (27.6%), roads (27.6%), mining (21.1%), unregulated recreational activities (15.8%), and spread of non-native species (6.6%).

⁶ For questions A.1 –A.7 in Part II, if there are no changes since PIF , no need to respond, please enter “NA” after the respective question.

⁷ For biodiversity projects, in addition to explaining the project’s consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

The Peruvian government has made great efforts to expand the national protected area system and improve NPA management, especially since the creation of SERNANP in 2008. However, despite significant increases in annual budget appropriations (from 2.2 million to approximately US\$ 17 million between 2009 and 2016), the necessary resources for effective protected area management have not kept pace with the NPA system growth. Hence, SERNANP still faces significant shortages in staff, equipment, infrastructure, and other resources and capacities to guarantee the long-term conservation and effective management of protected areas. This hampers the ability of the NPA system to ensure the long-term conservation of the Peruvian Amazon.

The great challenge for SERNANP is to be able to increase current levels of funding to improve NPA management effectiveness in the context of a system that has grown significantly but in a non-systematic way (i.e., without consolidating minimum requirements for effective PA management across the system), with economic policies that impose greater restrictions on public spending⁸ and a projected trend of decreasing international cooperation⁹. The environmental problem and threats is further described in Section 1.3.1 of the ProDoc.

There are a number of barriers to addressing this environmental problem, which are summarized in Table 1 below and further described in Section 1.3.2 in the ProDoc. There have been no significant changes to the environmental problem, root causes or barriers since PFD approval.

Table 1 Barriers for reaching the long-term solution

Barrier	Description
1. Insufficient public budget allocation to cover the associated costs for effective NPA management.	Despite sustained increases in public budget appropriations since the creation of SERNANP, different studies have shown that the degree of investment in NPAs has been insufficient to guarantee the long-term effective management of a system that has expanded significantly, both in number of PAs and hectares. With a high dependency on the public budget and given the limited diversification of the finance portfolio (see Barrier 2), the NPA system is vulnerable to changes in government priorities. An underlying cause of insufficient government funding for the NPA System is the limited recognition of the socioeconomic values of NPAs and the strong linkages between protected areas and development.
2. Limited development of financial mechanisms to supplement the public budget	Self-generated resources currently account for 22.44% of SERNANP budget or 16.25% of total resources for the SINANPE, which is insufficient to supplement the ordinary resources and cover the costs for effective management. The limited number of financial mechanisms currently being utilized (and those that exist are not necessarily developed to their full economic potential) is a barrier to financial sustainability. A diversified funding portfolio is needed.
3. Funds from international cooperation not necessarily aligned with the NPA system's strategic priorities	For many years donor funds to Peru's NPAs have been key to supplement the public budget and help cover part of the financial shortfall for NPA management. As to date there is no specific strategy for improved management effectiveness at the system level around which donors can align their contributions, these funds are usually linked to short-term programs/projects at the NPA level. The lack of such a strategy is a barrier to long term financial planning and in helping achieve a standard level of management across the NPA system.
4. Insufficient integration between strategic conservation planning and long-term financial planning	SINANPE's Master Plan for 2009-2019 establishes the strategic policy and planning guidelines for the system as a whole. However, it lacks an integrated financial plan which would allow for more strategic conservation and financial planning. At the site level, the allocation of public funds is based on previous spending performance and the availability of funds and resources that are

⁸ SERNANP 2016. Plan Financiero del SINANPE 2016-2025.

⁹ This projected decrease in international cooperation is mainly due to the significant economic growth of the country in the last fifteen years, its financial stability, progress in social indicators and democratic consolidation, and its categorization as upper-middle income country. Agencia Peruana de Cooperación Internacional. 2016. Situación y Tendencias de la Cooperación Internacional en el Perú: 2011-2014.

http://www.apci.gob.pe/gestion/atach/Situacion_y_Tendencias/Situacion_y_Tendencia_2011_2014.pdf

Barrier	Description
	allocated by the Ministry of Economy and Finance. These are insufficient to cover key activities for biodiversity conservation and the achievement of management effectiveness. In addition, PA management plans lack financial plans and do not include prospective analyses. This short term planning horizon discourages a more strategic approach to budgeting and financial planning that would take into account future NPA needs.
5. Insufficient integration of inter-institutional and multi-sectoral planning and management, and weak coordination	In Peru land and natural resource management fall under the responsibility of a number of national, regional and local institutions and are subject to independent planning and financial processes. However, a disjointed approach to planning and management and the weak spaces for inter-institutional and cross-sectoral coordination have led to inefficient use of available resources, which has resulted in the duplication of efforts and loss of opportunities to fund NPAs and conservation.
6. Insufficient or inadequate technical and institutional capacities for the sustainable finance and effective management of NPAs and the NPA system.	SERNANP, as the governing body of the NPA system, is a relatively young agency (less than 10 years). The necessary resources for effective protected area management have not kept pace with the system's growth. Hence, SERNANP still faces significant shortages in staff, equipment, infrastructure, and other key resources to achieve standard levels of management across the NPA system. In addition, weaknesses in technical and institutional capacities restrict the level and type of conservation activities that can effectively be implemented on the ground and act as barriers to achieving a standard level of effective management

2) Baseline scenario.

Ongoing and planned actions that the Government of Peru (GoP) and other key stakeholders will undertake in the upcoming years to address the barriers to long-term financial sustainability for improved management effectiveness include the following:

2.1 Baseline for a Government endorsed initiative for long-term financial sustainability of the NPA system.

One of the main ongoing actions towards improving financial sustainability of Peru's NPAs is a multi-partner, public-private initiative known as "*Peru's Natural Legacy*" or PdP (for its name in Spanish). This initiative is a joint effort between Peru's Ministry of Environment (MINAM), SERNANP and a group of partners including WWF, the Peruvian Society for Environmental Law (SPDA), PROFONANPE, Andes Amazon Fund the Moore Foundation aimed at developing and implementing an innovative model for the financial sustainability of the NPA System based on the *Project Finance for Permanence* (PFP) approach. One of the key features of the PFP approach is mobilizing in a single burst of effort all of the resources, institutional commitments, policy changes and other conditions needed for successful long-term conservation of globally important places (see Appendix 8 in the ProDoc for a description of this approach). Through a *single closing* or *single framework agreement* pledged funds are delivered once the agreed necessary conditions are met; this helps motivate the parties and draw out additional financial and political commitments.

Since its official endorsement in 2015 (by Presidential Resolution 254/2015) SERNANP -- with support from WWF and other partners-- has been working on the design of the PdP Initiative, including the construction of a detailed data base for *basic* and *structural* levels of management¹⁰ across the NPA system, and initial estimates of associated costs --both in terms of investment needs and recurrent costs-- to reach the structural level in a 15-year timeframe. This represents a significant first step towards linking long-term strategic financial planning to key management activities for conservation. A summary of the costing process can be found in Appendix 9 of the ProDoc.

Given the challenge of raising the necessary funds to enable the consolidation of the structural level of management across all NPAs and RZs in the NPA System, SERNANP decided to adopt a *phased approach* to the PdP Initiative. As a result, the Amazon biome was given priority and selected as the geographic scope for Phase 1 of the PdP due to the high

¹⁰ See figure 3 of the ProDoc for a description of basic, structural, and optimal management levels.
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rate of land use change in this region, the deforestation pressures, the commitments made by the GoP at the international and regional level for the conservation of this biome, the high percentage of total coverage of the System that these areas represent (over 86%), coupled with the interest of potential donors to support this region and the possibility of coordinating this with similar initiatives in neighboring countries in the biome (ARPA in Brazil and a similar initiative underway in Colombia). Other phases will be defined depending on the financial target needed to enable progress of the rest of the areas to structural level of management.

The goal of Phase 1 of the PdP Initiative involves closing the funding gap so that 34 NPAs and 4 RZ in the Amazon biome can improve management effectiveness by consolidating a structural level of management in 10 years. In addition, 12 of those NPAs were selected for investment related to sustainable use of natural resources and 8 NPAs for investment in tourism, based on an expert-driven analysis of their potential and feasibility to achieve these goals, so that these areas can advance towards the optimal level of management. Preliminary long-term funding gap for Phase 1 is approximately US\$ 11.5 million per year.

The approach posed by the PdP Initiative to help bridge this gap includes three groups of complementary actions:

- i. Raising donor contributions (private, multi and bilateral donations) for the single closing agreement and the full implementation of Phase 1, to be channeled to Amazon NPAs either via SERNANP's public budget or a sinking transition fund to be created and managed by PROFONANPE). Currently the financial target for the total amount of donor contributions required for the single closing and full implementation of Phase 1 of the PdP was estimated at a range of between US\$ 60 million and US\$ 70 million. As of May 2017, a total of US\$ 41 million has been pledged in support of the PdP initiative.
- ii. Increasing public funding to cover the annual gap over time by new or modified in-country financing mechanisms or additional allocation of public budget to the PdP management goals. Given the current barriers and assuming a conservative scenario where SERNANP funding baseline remains constant, the current public budget would not be enough to close the funding gap to achieve a structural level of management across all NPAs and RZs in the Amazon.
- iii. Reducing management costs through participatory and collaborative mechanisms, such as interinstitutional and cross sectoral cooperation/budget articulation, conservation agreements, public-private partnerships, management contracts, among others. While in recent years SERNANP has developed an important effort to articulate the Budget Program 057 with over 16 Regional (subnational) budget programs, this has been the result of personal actions carried out by central office staff and not of established policies for inter-institutional articulation and joint planning and management to optimize the conservation expenditure of the country. Without technical and financial support from the GEF it is unlikely that cross-sectoral and inter agency coordination mechanisms would be developed, thus perpetuating the inefficient use of available resources and missing opportunities for cost effective management

In order to finalize the PdP design it is needed to refine the financial model for PdP and calculate the exact donor target; raise additional funds for the Initiative; and negotiate and agree upon the conditions for closing the multi-party single agreement. Significant work is still needed to create the necessary conditions for effectively and efficiently operationalizing the PdP initiative and managing the transition fund to be created. Without an agreed, long term funding strategy linked to an action plan to improve NPA management effectiveness, the valuable Amazon biodiversity contained in Peru's NPAs will remain at risk of loss/degradation.

2.2 Baseline for self-generated resources. Projections for the GEF project period estimate that NPA self-generated income will increase mainly due to the implementation of a new NPA visitor entrance fee system. As a result, and given estimated projections for visitors to the NPAs, SERNANP expects entrance fees to generate at least about US \$ 6.4 million per year. On the other hand, during the project period there are no activities planned for evaluating and proposing improvements for other funding mechanisms that are not yielding their full income-generating potential (e.g., market studies, capacity needs assessments, etc.), thereby the NPA system will maintain a high dependency on ordinary resources (which are insufficient for consolidating a standard level of structural management and improving NPA management effectiveness).

A number of studies have identified a variety of potential new mechanisms to help diversify SERNANP's funding portfolio (see Appendix 7 in ProDoc). However, in-depth studies are needed to determine the viability, functionality and potential revenue of these mechanisms in order to provide validated annual projections of increased self-generated

revenues so that the GoP can fulfill its commitments for the PdP Initiative. Under the baseline scenario, resources to conduct full feasibility assessment will be insufficient; consequently it is unlikely these mechanisms could progress beyond identification. Also, without the leverage and technical assistance that the GEF project could provide (e.g. to develop and implement targeted strategic communications), negotiation with key government institutions and sectors to gain their support for implementation of some of the potential mechanisms will face significant challenges.

2.3 Baseline for NPA management effectiveness and financial management. Donor-funded initiatives have contributed to achieving certain benchmarks associated with PDP goals for effective management (see ProDoc Appendix 12). In addition, SERNANP plans to continue implementing activities to help Amazon NPAs advance towards effective management by consolidating the *structural level* of management during the project period (e.g., adjusting/refining and rolling-out a number of methodologies and tools for improved NPA planning, threat control, public involvement, etc.) and by enhancing tourism development and sustainable natural resource use in some selected areas. So far, the institution has enjoyed some success in hitting several benchmarks associated with the structural level and the goals of the PdP in the 34 NPAs located in the Amazon. However, as shown in Table 2 below and Appendix 6 of the ProDoc, there has been an uneven progress, with no NPAs having completely consolidated even the *basic management level*.

In spite of all the progress made, weaknesses in technical and capacities described under Barrier 6 will limit SERNANP’s ability to adequately perform key management processes and activities which are essential for the achievement of the PdP goals and improving management effectiveness. According to SERNANP, baseline activities and estimated budget would allow for consolidation of about 20% of Amazon NPAs to a *basic level* of management and 10% of Amazon NPAs at the *structural level* in 10 years. Without a sustainable approach to funding and a broad agreement between SERNANP and its allies to coordinate efforts around strategic goals, coupled with strengthened technical and institutional capacity building, it will not be possible to achieve a standard level of management across the Amazon NPAs in the next decade.

With regards to specific institutional capacities for financial management, to date there are important advances regarding the design of SERNANP’s Strategic Planning System by All Sources of Financing (SPE for its name in Spanish), a system that integrates technical, administrative and spatial information (currently under development with resources from the SINANPE III project and the public budget). Given the expected role of PROFONANPE in the PdP Initiative as a specialized fund management entity, it is crucial to link its Integrated Administrative Management System software (SIGA) with SERNANP’s SPE to enable effective monitoring and transparent and timely reporting. Without the financial support of the GEF to finalize the SPE design, update PROFONANPE’s SIGA with state-of-the-art technology, and strengthen key technical capacities in both institutions, it will not be possible to make the necessary improvements to consolidate a unified financial planning and management system for the NPA System. This will hinder SERNANP’s ability to know how much of its funding needs are covered by donors and to identify where and for how long the financial deficit will persist, thereby limiting its budget negotiating capacity.

Table 2 Summary of status of the 34 Amazon NPAs and 4 Reserved Zones in relation to the PdP Management Goals

BENCHMARKS (PdP goals)	Extent to which benchmark has been achieved (%)
Transitory Level -- 0% of 4 RZ have achieved definitive management category	
Basic level -- 0% of 34 NPAs have fully consolidated the basic level of management	
1. Designated NPA Manager with adequate knowledge to ensure proper management of the NPA	Achieved: 0% of NPAs Partially achieved: 100% of NPAs
2. The protected area is properly delimited and physically demarcated	Achieved 3% of NPAs Partially achieved: 15% of NPAs Not achieved: 82% of NPAs
3. The protected areas is legally established and recorded in the NPA Registry	Achieved: 38% of NPAs Not achieved: 62% of NPAs
4. The NPA management plan is updated, under implementation, and being monitored and reviewed	Achieved: 0% of NPAs Partially achieved: 94% of NPAs Not achieved: 6% of NPAs
5. An NPA management committee is established, meets at least twice a year; its members have adequate knowledge and capacity for informed participation	Achieved: 0% of NPAs Partially achieved: 88% of NPAs Not achieved: 12% of NPAs
Structural level -- 0% of 34 NPAs have fully consolidated the structural level of management	

6. Control and monitoring activities are adequate to guarantee the negative effects of human activities on biodiversity are not spreading (“ambitos controlados”)	Achieved: 0% de NPAs Partially achieved: 100% of NPAs Not achieved: 0% of NPAs
7. NPA reports on “matrix of effects by human activities” as proxy for monitoring of conservation status and on specific indicators in the corresponding PA management plan	Achieved: 0% of NPAs Partially achieved: 100% of NPAs Not achieved: 0% of NPAs

<p>Key</p> <p>Achieved: NPA has achieved the benchmark (<i>e.g. NPA Manager designated and trained</i>)</p> <p>Partially Achieved: NPA has made progress towards the benchmark but has not yet reached it (<i>e.g. NPA Manager designated in charge of more than one area</i>)</p> <p>Not Achieved: NPA has made little to no progress towards achieving the benchmark (<i>e.g. no designated NPA manager</i>)</p> <p>Definitions for each benchmark can be found in Appendix 6 of the ProDoc (green = achieved; yellow = partially achieved; red = not achieved).</p>
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The baseline is expanded upon in Section 1.4 of the ProDoc. Main changes in the baseline, since PFD approval, include new detail on the PdP Initiative to reflect progress made in the past year, as well as more detailed information regarding NPA management effectiveness and financial management. Finally, the “GEF context” was removed from baseline section in the child project annex and moved to section 1.5 Opportunities and Linkages in the ProDoc. An appendix was added to show how this project builds on previous GEF investments in Peru (Appendix 10 in ProDoc).

3) Proposed alternative scenario, GEF focal area¹¹ strategies, with a brief description of expected outcomes and components of the project.

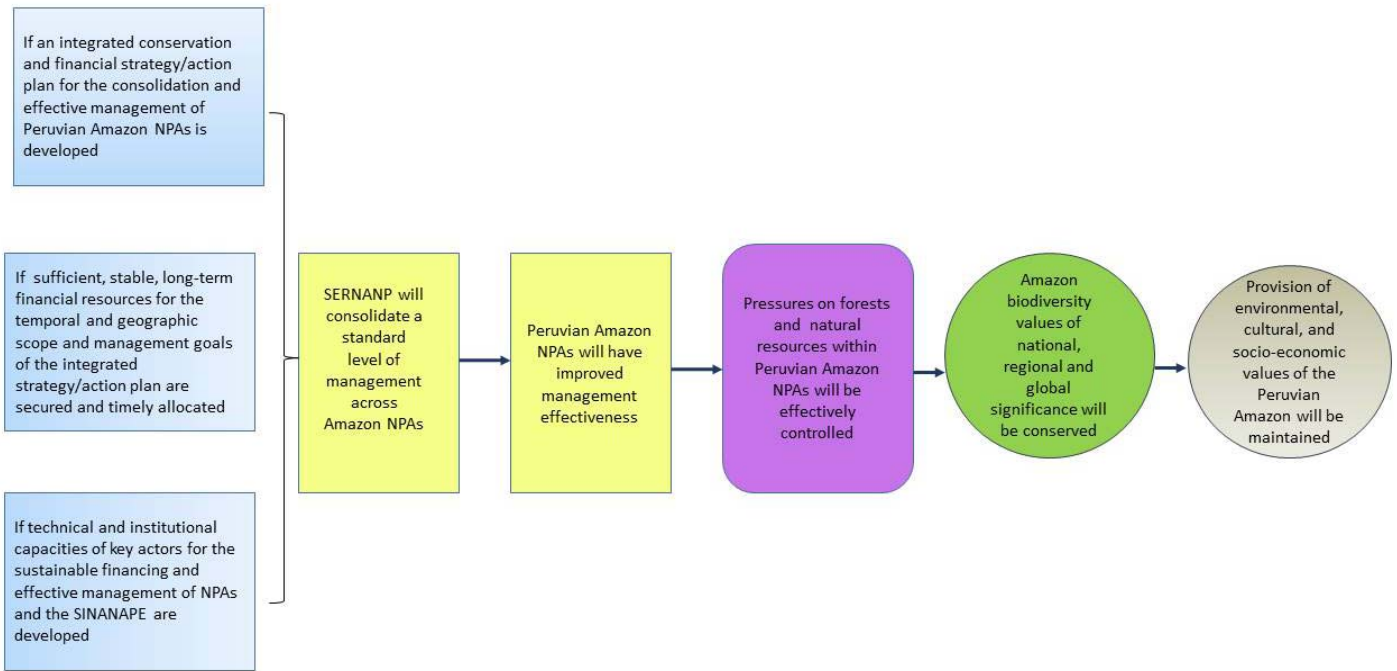
Proposed alternative scenario

Building on prior efforts by SERNANP and its partners for expanding the NPA system and improving NPA management, the long-term solution proposed by the GEF Project "Securing the Future of Peru's Natural Protected Areas" involves a change in the way the funding needs of the SINANPE are met, by applying a holistic approach that, beyond the mobilization of resources to reduce the financial shortfall, addresses the development of systemic, institutional and individual capacities to gradually overcome the barriers to sustainable financing for effective management. To this end, the project will leverage a key opportunity identified in the baseline analysis: the PdP Initiative. Specifically, this project will catalyze the design and implementation of the first phase of the Initiative, which focuses on consolidating effective management of NPAs in the Amazon biome in 10 years.

The **objective** of the project is: *To promote long-term financial sustainability for the effective management of the National System of Natural Protected Areas of Peru (SINANPE) for the protection of globally important biodiversity and ecosystem services in the Amazon Biome.* The objective will be achieved through four interrelated components described in the theory of change (Figure 1) and narrative below.

¹¹ For biodiversity projects, in addition to explaining the project’s consistency with the biodiversity focal area strategy, objectives and programs, please also describe which [Aichi Target\(s\)](#) the project will directly contribute to achieving.

Figure 1 Theory of Change



Project Component 1: Aims to develop a multi-partner, public private strategy for long term financial sustainability of the natural protected areas in the Peruvian Amazon, using an adaptation of the “Project Finance for Permanence” approach, carefully tailored to the context of Peruvian NPAs and the regional development dynamics of the country. Building on preliminary agreements between the Government of Peru and various donors and initial work led by SERNANP during project preparation (see Section 1.4.1 in ProDoc), the project will provide technical and financial support, legal advice and strategic guidelines to catalyze the design of the PdP Initiative and generate the necessary conditions for its effective and efficient rollout.

This includes the preparation of a multi partner, Integrated Conservation and Financial Action Plan for Amazon NPAs agreed by all partners of the PdP to guide the mobilization of resources for the Initiative and help partners maintain a cooperative results-oriented approach; the preparation, negotiation and signature of a Single Close Agreement between the GoP and donors which will detail the financial commitments of each party, the closing conditions, and the milestones for resource disbursement; the establishment of the PdP Initiative’s Governance and Management Structures; the creation of a Transition Fund that will contribute to partially cover costs associated with the Action Plan while awaiting the agreed increase of finance provided by government; and the preparation of an Operations Manual to guide the operations of the PdP Initiative and the transition fund. Given that initial donor commitments are still insufficient to cover the funding gap for achieving the goals of the PdP (while the government increases public funding) Component 1 includes targeted donor communications and fundraising strategies.

Also, under Component 1 GEF funding will support the consolidation of SERNANP’s Institutional Strategic Planning System by All Funding Sources (SPE,); upgrading of PROFONANPE’s SIGA; and interfacing of both systems through a shared IT platform or at least designed in a compatible language. This will enable the planning, review and approval of the PdP Initiative’s annual budget and the implementation and monitoring of expenses in a safe, efficient and transparent online environment and will allow for real time tracking so that PdP goals can be adequately monitored.

This component will provide targeted training to increase knowledge and skills of key staff and decision makers to enable the long-term sustainability of the PdP Initiative and technical support to mainstream the PdP goals and revenue-generation, fund management and financial planning measures in the NPA System Master Plan (Plan Director). The Master Plan will also include mechanisms to ensure inter-institutional coordination within the environment sector and across sectors, and will recommend a strategy to control threats outside Peru’s NPAs. Finally, this component will promote cross sectoral, multi stakeholder dialogue and negotiation to increase involvement of key institutions and sectors

in the PdP, [facilitate inter-agency cooperation between ministries and the private sector, both within the environment sector and cross-sectoral](#), support for the new funding mechanisms, and integration of NPAs in the broader landscape. This will be delivered through targeted communications strategies, facilitating participation of key staff from SERNANP in planning processes led by the Regional (sub-national) governments, and the creation and operations of a [National Working Group for NPA Financial Sustainability](#) (a technical working group composed of professionals and other experts from key government bodies and various sectors and actors with potential to contribute to NPA financing).

Project Component 2: SERNANP's capacity to generate additional funding for improved NPA management will be a key precondition to ensure the PdP Initiative's success and the long-term financial sustainability of the NPA System. Component 2 will enable diversification of SERNANP's funding portfolio through the improvement of existing revenue-generating mechanisms currently operating in a suboptimal way and the development of viable new options to supplement current income streams. Therefore, this component will help ensure that the GoP, through these financing mechanisms, is able to reduce the funding gap to meet the needs of Amazon NPAs to achieve effective management over the long term.

Given that many of the barriers to sustainable financing of PAs stem from low levels of understanding regarding the importance of these areas for conservation and sustainable development, Outcome 2.1 will be aimed at raising awareness on the values and benefits provided by NPAs, building new constituencies for conservation, and gaining social and political support for the PdP Initiative and the adoption of new funding mechanisms. Workshops, targeted communications and other activities, will create support from MEF, MINCETUR, ANA and other key agencies [within the environment sector, across sectors, local government, and other actors](#) for the new mechanisms.

Building on initial studies (See Appendix 7) the project will outsource to a consulting firm that will provide technical assistance to SERNANP to explore and compare the potentialities and challenges of different innovative mechanisms for NPA financing (at the national/system and site levels), and select a shortlist of mechanisms that will undergo targeted in-depth feasibility studies to clarify their financial, social, environmental and political viability. Key elements of each shortlist mechanism to be analyzed by the consulting firm are detailed under Output 2.2.2 in the ProDoc. In addition, considering that new mechanisms may take several years to fully develop (as they may require new skills, partnerships, and regulations) the project will finance expert-led in-depth assessments of existing site-based mechanisms that are not delivering their full potential for income generation, cost reduction, and associated socioeconomic benefits (such as tourism based fees, concessions and leases; conservation contracts; natural resource use fees and licenses; and public-private partnerships) to show key aspects that need improvement for scaling up.

Based on the results of the feasibility analyses, the shortlisted mechanisms will be ranked according to their overall feasibility and financial potential. Up to three mechanisms with highest scores, including at least one national/system-level mechanism and at least one replicable site-based mechanism, will be selected and the project will provide technical assistance for the preparation of an action plan detailing all the activities needed for their implementation, and pilot protocols (including guidelines, legal and institutional procedures, budget and resources). For existing PA-based mechanisms that are currently performing at suboptimal levels, the consultancies will offer recommendations for improving their design and functioning, to generate relevant amount of income for SERNANP while providing benefits for communities.

Some of these new and improved mechanisms will be tested in 2-4 NPAs that will be selected from a short-list of sites developed during project preparation ([see Appendix 15 for site selection criteria, progress of ongoing projects and programs will have weight in the final selection](#)). GEF project resources will provide technical and financial assistance to systematize lessons learned from these experiences and hire consulting services to develop toolkits to help guide the selection, design and implementation of financial mechanisms in other areas and promote best practice for replication. As needed, GEF funds will provide technical assistance and specific consultancies for the development of new or revised legal and regulatory framework. Proposals for the development of feasible mechanisms will be put under consideration of relevant stakeholders and finally submitted to the corresponding government decision makers for their formal approval. [Multi-sectoral \(including within the environment sector\), multi-agency task force/working groups will be convened to assess feasible mechanisms and, as many of the proposals will require the support of more than one government agency and sector, facilitate agreement on the proposals.](#)

All the information gathered such as lessons learned, case studies etc. will be available online, through the institutional websites of SERNANP and PROFONANPE, the ASL Program platform, among others.

Project Component 3: After the PdP Single Close Agreement, and once the PdP Initiative’s governance and management structures are established, the 10-year Action Plan for Amazon NPAs designed and agreed (Output 1.1.1) and capacity building for appropriate management of the PdP Initiative initiated, under Component 3 GEF funding will contribute to the capitalization of the Transition Fund to support consolidation of a standard level of management and improve management effectiveness of a group of Amazon NPAs in the geographic scope of Phase 1 of the PdP. These sites will be selected during year 1 of implementation from the six short-listed sites from the preparatory phase (which include both direct and indirect use areas of high biodiversity value; [see Appendix 15 for site selection criteria](#)) and in coordination with the activities for Component 2 (such that the same sites are financed under Component 2 and Component 3 for project efficiencies). [Work plans and budget for the selected NPAs will be developed for selected sites based on the PdP’s Action Plan. Meetings will be hosted with those involved in the management of NPA’s and buffer zones \(including government ministries and other authorities in the environment and natural resource management sector\) to generate voluntary agreements for monitoring and control \(structural level of management\), synchronized expenditure disbursement, optimization of NPA resources, and improvement inter-institutional coordination.](#)

GEF contributions to the TF and co-financing from other donors (according to the PdP financial model) will supplement the public budget so that these selected Amazon NPAs have the necessary material and human resources, equipment, infrastructure, governance structure, and adequate technical capacities to hit the benchmarks required to consolidate a structural level of management, i.e.:

1. Designated NPA Manager with adequate knowledge to ensure proper management of the NPA
2. Complete physical boundary demarcation
3. Inscription/Registration in the NPA National Registry
4. NPA Management plan updated, under implementation and reviewed annually
5. NPA Management Committee established, adequately trained, meeting at least twice/year
6. Adequate control of threats through SERNANP’s “*Controlled Sectors*” methodology (“*Ambitos controlados*”)
7. Adequate biological monitoring

In addition, two of the 6 short listed NPAs (Allpahuayo Mishana and Pacaya Samiria National Reserves) have been prioritized by SERNANAP to implement [sustainable natural resource use activities](#). Likewise, Allpahuayo Mishana and Pacaya Samiria NR and Tingo Maria National Park have been prioritized to receive funding for the development of [sustainable tourism activities](#). These activities are benchmarks of the *optimal level* of management as defined by SERNANP; therefore, this Component will help these areas advance towards optimum management effectiveness.

Appendix 20 in the ProDoc includes a detailed description of the specific eligible activities that this Component will support to improve management effectiveness of the selected Amazon NPAs with GEF contributions to the TF. These selected NPAs will represent the first cohort of sites under Phase 1 of the PdP Initiative to be financed through the Transition Fund. Progress in management effectiveness of these NPAs will be measured using indicators from the corresponding management plans and annual operational plans, as well as by application of the METT at mid-term and upon the closing of the Project. Improvements in effective management of these NPAs will contribute to the conservation of biodiversity, sustainable forest and natural resources management, and maintenance of ecosystem services in 2 to 4 Amazon NPAs (accounting for up to 2 million ha).

The capitalization of the TF with GEF contributions will become effective once the Single Close Agreement for the PdP Initiative has been signed. Disbursements for the development of Component 3 will be made according to (i) provisions of the PdP Initiative Operations Manual (Output 1.2.1), in particular the specific provisions on the operation of the TF as detailed in that manual, and (ii) policies on prior consultation, safeguards, gender inclusion and other policies relevant for WWF-GEF projects. The PdP Steering Committee will evaluate and approve the specific work plans and budgets that will be prepared for each NPA in order to authorize the corresponding disbursements from the TF.

This component will help build lessons learned into the rest of the implementing activities for the subsequent NPAs and years of the PdP Initiative, thus contributing to scaling up project strategies and results and improving the effectiveness at the system level.

Project Component 4: Integrated monitoring and evaluation will be a key component of the project to enable generating new information to learn, adapt and contribute to effective management. This component will facilitate the implementation of the project’s M&E plan (See Section 7) and coordination among the various project partners, across national and local levels. Based on the most significant lessons learned, GEF funding will support outsourcing to

consulting services for the preparation of specific tools useful for knowledge sharing, replication and upscaling, such as best practice manual, case studies, technical reports, brochures, videos/tutorials, among others. This component will also ensure regular and fluid interaction with the other Child Projects under the ASL Program to promote mutual learning and exchange, help increase uptake of lessons, and build synergies.

The project components, outcomes, and outputs are further described in Section 2.2 of the ProDoc.

Changes in alignment of the project design with the original Child Project Annex in the PFD are shown in Table 3.

Table 3 Changes in alignment of the project design with the original Child Project Annex

	Child Project Annex	Child ProDoc	Explanation of changes
Project Objective	To promote long-term financial sustainability <i>and</i> improved management effectiveness of Peru’s National System of Natural Protected Areas (SINANPE), for protection of the globally significant biodiversity and forest ecosystem services of the Amazon.	To promote long-term financial sustainability for the effective management of the National System of Natural Protected Areas of Peru (SINANPE) for the protection of globally important biodiversity and ecosystem services in the Amazon Biome	The original wording suggested financial sustainability and management effectiveness as parallel processes. Change in wording of the objective was made to better reflect the innovative approach of the project: linking long-term strategic financial planning to key management activities for conservation.
Component 1	Finance for Permanence Mechanism for Peru’s National Protected Areas System	Development of a multi-partner, public-private initiative for long-term financial sustainability of the NPAs in the Peruvian Amazon (PdP)	While the financial sustainability strategy builds on the “Project Finance for Permanence” approach, it has been adapted to the characteristics of the SINANPE, the context of Peruvian NPAs, and the regional development dynamics of the country. Hence the change in wording.
Component 2	Management and Expansion of Peru’s National Protected Areas System	Diversification of sources to increase NPA financing	<p>The child project at PFD submission intended to increase area of global significantly forest ecosystems in new protected areas through categorization of four Reserved Zones in the Peruvian Amazon. During project preparation it was assessed that the necessary time for consultation and public involvement, as required by the legal framework for the categorization of RZ, could extend beyond the project timeframe. As a result, SERNANP decided to remove original Project Outcome 2.2 (Increase in Peruvian Amazon in PA system by 1.3 million ha) from the project proposal. In spite of this, the child project will indirectly contribute to this program goal, given that the GEF funding will catalyze the roll out of the PdP Initiative which in its 10-year timeframe aspires to categorize these four Reserved Zones.</p> <p>New Component 2: While component 1 focuses on the design aspects of the strategy (goals, cost model, financial model, governance and management structures), Component 2 will help SERNANP develop financing mechanism to supplement the public budget and as such help the Government of Peru fulfill its commitments for the PdP Initiative and help close the funding gap over the long term.</p>
Component 3	Strengthen the Effective Management of Protected Areas	Implementation of PdP Action Plan Measures to consolidate and improve the effective management of Amazon NPAs	In the child project Annex, wording of Component 3 didn’t adequately show the link between management activities and the financial strategy. New wording reflects the link between C3 and the previous components
Component 4	Project Coordination and M&E	Project Coordination and M&E	No change in wording, although outcomes in the ProDoc stress the role of component 4 for adaptive management and knowledge management.

Consistency with GEF Focal Areas

This project seeks to promote the long-term financial sustainability of Peru's protected area system, thereby ensuring the effective management of Amazon NPA's that are rich in biodiversity, extensive forest ecosystems, and land values. As such, the project objective contributes to the Biodiversity, Land Degradation, and Sustainable Forest Management focal areas and related global environment benefits.

Biodiversity: The proposed project will directly contribute to the goals of GEF-6 Biodiversity Strategy (in particular Objective BD1/Program 1 and its expected outcomes) by improving financial sustainability and effective management of globally significant protected areas within Peru's national system. The project will do so by developing a comprehensive, long-term financing strategy to fully address the funding gap for improved management effectiveness of all NPAs in the Peruvian Amazon from a systemic perspective and supporting its initial implementation (thus, contributing to BD1/Program 1/Outcome 1.1).

The Project will also contribute towards improving sustainability of the SINANPE by supporting institutional strengthening and targeted capacity building in order to develop the necessary capacities for financial planning, the generation of income through the economic opportunities that PAs provide, fund management, developing cost reduction strategies, and the implementation of standardized practices to improve management effectiveness across constituent PAs in the national protected area system (BD1/Program 1/Outcome 1.2).

Land Degradation and Sustainable Forest Management: The results of a long-term financing strategy for Amazon NPAs will also contribute to the conservation of key land values and forest protection (LD2/Program 3/Outcome 2.3). By promoting a territorial approach for Amazon NPA planning and management and strengthening PA governance structures, the project will also help strengthen and develop partnerships between the PA authority (SERNANP) and local communities, regional governments, NGOs, and the private sector to achieve the long-term financial sustainability of the SINANPE. Through an integrated approach to managing forest protected areas and the sustainable use of forest resources the project will also address the objectives of GEF-6 Land Degradation (LD3/Program 3/Outcome 2.2) and Sustainable Forest Management Focal Areas (SFM4/Program 9/Outcome 6). In particular, through Component 2, the project will test and promote viable site-based revenue generating mechanisms some of which will also provide opportunities for enhanced sustainable livelihoods for local communities and incentives for reducing pressures on forest ecosystems (e.g., through sustainable natural resource management and nature-based tourism) (SFM2/Outcome 3). This will contribute to reducing forest loss as well as forest and land degradation within protected areas and their buffer zones.

In addition to GEF focal areas, the project supports the following *Aichi Biodiversity targets*: (3) Incentives for the conservation and use of biodiversity; (5) By 2020, the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced; (11) Areas of particular importance for biodiversity and ecosystem services are conserved through effective and equitable management; (14) Ecosystems that provide essential services, including services related to water, and contribute to health, livelihoods and well-being, are restored and safeguarded, taking into account the needs of women, indigenous and local communities, and the poor and vulnerable; (15) Ecosystem resilience and the contribution of biodiversity to carbon stocks enhanced through improved conservation.

See Section 2.7 of the ProDoc for full details. Since PFD approval, BD-1 Program 2 was removed, since the project decided to not increase the size of the protected area system. Instead, these funds were consolidated into BD-1 Program 1, to improve the effective management of existing NPAs in the Amazon.

4) Incremental cost reasoning

As an integral component of the ASL Program, the Child Project adds significant incremental value to the ongoing global efforts for the conservation and protection of Amazon biodiversity through improved management effectiveness and sustainable financing of PAs and PA systems.

The Project objective is to promote long-term financial sustainability for the effective management of the National System of Protected Natural Areas of Peru (SINANPE) for the protection of globally important biodiversity and ecosystem services in the Amazon Biome. Given current suboptimal management and heterogeneous levels of

management across the Amazon NPAs, SERNANP aspires to consolidate at least a *structural level* of management which is operationalized by a number of attributes/processes/activities an area must have to effectively control threats and conserve the biodiversity they purport to protect (See Appendix 5a in the ProDoc).

In the baseline scenario, the available financial resources (i.e., budgetary allocations, self-generated resources and cooperation funds) and current technical and institutional capacities will not be sufficient to enable the consolidation of a structural level of management across Amazon NPAs that would ensure the effective protection of biodiversity of global importance in the face of the threats described in Section 1.1.3 of the ProDoc.

In the alternative scenario, building on initial work GEF support will give the GoP the convening power to bring together the existing donors and bring in additional donors and fast-track the PdP Initiative. By catalyzing the development of the PdP Initiative, the project will promote greater efficiency and strategic direction in the use of donor contributions (guided by a 10-year strategic Action Plan for Amazon NPAs) and increased government contributions, which will result in an improvement in management effectiveness of the SINANPE. With GEF support protected area financial planning and management capacities of staff and key stakeholders will have been strengthened and SERNANP will be able to expand and test models for sustainable financing to provide diversified options, such that they can increase their budget and close the funding gap over time as the transition fund is used up. Moreover, the project will also help establish the necessary conditions for up-scaling the feasible mechanisms to a system-wide basis.

In summary, in the alternative scenario, the project will develop and implement a financial sustainability strategy (the PdP Initiative) that will not only help close the funding gap for improved management by bringing in supplementary resources, but also help build institutional capacity, bring key governmental stakeholders together, catalyze long-term strategic planning, and coordinate different funding institutions, among other. As a result, the project will help leverage funding to allow for 100% of the Peruvian Amazon NPAs to achieve a *structural level* of management in 10 years and enable some of them to advance towards *optimal level* through the development of tourism and sustainable natural resource management. By developing capacities and securing funding for the implementation of a multi-partner, agreed strategic action plan the project will catalyze improvements in management effectiveness of 16,748,518 ha under protected areas in 10 years.

Table 5 in the ProDoc summarizes the situation at the baseline (i.e. the ‘business-as-usual’ scenario), the alternative scenario that the project will provide, and the additional global environmental benefits to be achieved through project interventions.

Appendix 16 of the ProDoc shows the contribution of the GEF project towards the intervention hypothesis upon which SERNANP’s conceptual framework for effective management is based.

See Section 2.4 of the ProDoc for full detail. There have been no significant changes to the incremental cost reasoning since PFD approval.

5) Global environmental benefits

The support of GEF to the Amazon Sustainable Landscapes Program in general will give rise to cooperation and synergies between initiatives that operate to promote the conservation and sustainable management of the Amazon forests and associated natural resources, which will lead to an integrated intervention that includes protected areas, landscapes and productive corridors.

In particular, through improvements in the levels of management effectiveness of Amazon NPAs, guided by a 10-year Action Plan and associated financial strategy (Output 1.1.1) and through direct interventions under Component 3, this child project will contribute to the long term conservation of biodiversity of global importance contained in over 16.74 million ha of protected areas. These represent 21 % of the Peruvian Amazon Biome and 8.75 % of the global Amazon Biome. These areas include many endemic and threatened species, forests and freshwater ecosystems, and provide ecosystem services of national, local and global relevance.

By contributing to the protection and sustainable use of Amazon forests and associated resources (through improved surveillance and control, biodiversity monitoring, improved sustainable natural resource use and tourism practices that provide benefits to local communities, among other) the project will maximize the long-term delivery of environmental benefits including conservation of biodiversity, carbon storage, watershed protection, and arresting land degradation.

There have been no significant changes to the global environment benefits since PFD approval.

6) Innovativeness, sustainability and potential for scaling up.

Innovation. The proposed project will develop an innovative conservation and sustainable financing strategy based on the Project Finance for Permanence approach, carefully crafted to the characteristics of Peru and its Amazon region, to ensure the effective protection of vital ecosystems at a large scale, rather than area by area or following a piecemeal approach. This approach is relatively new and to date has only been applied in the Amazon Region in Brazil, through another GEF-supported initiative (ARPA). Part of the innovativeness of the project lies on the promotion of a multi-party, public-private partnership that will provide a framework to bring different levels of government, donors, civil society, and other partners together in a coordinated and collaborative effort to address and achieve agreed goals and objectives for all NPAs within a whole biome in the country (i.e., the Amazon Biome); this is unprecedented in Peru. Another innovation for Peru will be the preparation of an agreed multi-partner 10-year action plan and associated strategic financial model for the consolidation and improved management effectiveness of Amazon NPAs (this will be the first integrated conservation planning and long-term financial planning experience in the country).

Another innovation of this approach will be the use of a *single closing/framework agreement* to incentivize the GoP's commitment for developing and promoting new national and site-based revenue generating mechanisms to diversify the funding portfolio and increase public funding for NPA management. Finally, an innovation with respect to other PFP initiatives is that Peru's PdP will allow potential donors to choose how to channel their resources for NPA financial sustainability, either (i) through the transition fund that will be managed by PROFONANPE or (ii) through the public budget program (e.g., donations from bilateral and multilateral cooperation and other donors) that will be managed by SERNANP.

Sustainability. Environmental sustainability will be promoted by strengthening key institutional and technical capacities for improved management effectiveness across the network of Amazon NPAs, including the development of BD baselines, improved biological monitoring, enhanced surveillance and control, and strengthened capacities of local stakeholders for sustainable resource use. Over the medium and long-term, the planning framework provided by the PdP Initiative's Action Plan will offer consistent and strategic direction for the effective management and conservation of biodiversity of all Amazon NPAs in Peru and ensure the continuity necessary for achieving impacts that will take longer than the project's lifespan to emerge. As such, the project will maximize the long-term delivery of environmental benefits including conservation of biodiversity, carbon storage, watershed protection, and arresting land degradation. At the Regional level, ecological sustainability will be promoted through the ASL Program, particularly by integrating protected areas with sustainable agriculture within landscapes of the Amazon.

Financial sustainability will be promoted through the project's significant inputs for overcoming existing barriers, including: (i) the development of a detailed, strategic financial model that will account for existing and future funding needs for enhanced management effectiveness and expansion of Amazon NPAs (based on the PdP Action Plan); (ii) diversification of SINANPE's funding portfolio through the improvement of existing revenue-generating mechanisms and the development of viable innovative options so that the GoP is able to reduce the funding gap to meet the funding gap for effective management over the long term; (iii) preparation of proposals for the development of feasible mechanisms that will be put under consideration of relevant stakeholders and submitted to the corresponding government decision makers for their formal approval; (iv) targeted communications strategies to help increase government and other key stakeholders support for NPA funding and for the adoption of new revenue generating mechanisms; (v) enhanced institutional and technical capacities for integrated conservation and financial planning, business planning, financial management and the mobilization of additional resources over the medium and long term to further reduce the funding gap.

Institutional sustainability will be promoted by the project's holistic approach that will move from a traditional focus on reducing the 'funding gap' towards strengthening systemic, institutional and technical capacities for enhanced financial planning and management effectiveness. The early involvement of key staff from SERNANP and PROFONANPE in project design and related activities of the preparatory phase has already inspired a strong sense of ownership which is expected to fuel motivation for project implementation and commitment towards adoption of successful policies and practices for effective NPA conservation and financial planning and management. The project's management arrangements will ensure that all institutional levels are involved in project coordination and working closely together; this, coupled with targeted strengthening of competences and skills, will contribute to the development of technical

capacities needed for the long-term sustainability of project outcomes. Finally institutional sustainability will be promoted by providing technical support to SERNANP to ensure that the proposed PA revenue-generation, fund management and financial planning measures of the PdP Initiative are mainstreamed into the system-wide Strategic Plan (*Plan Director*) that will be updated during project implementation.

Social sustainability will be improved through efforts to support and empower local communities for greater involvement in NPA management activities, for example, through improved capacities and enabling conditions for sustainable uses of natural resources and co-management arrangements. Feasibility studies of NPA-level income generating mechanisms will consider --among selection criteria-- their potential for providing opportunities for gender equity and participation of local and indigenous communities. By strengthening NPA management committees and raising staff and institutional capacities for stakeholder participation the project will lead to improved PA governance, thus contributing to the overall sustainability of project outcomes. Finally, support from different levels of society will be strengthened by the project awareness-raising and communications efforts regarding the economic and social benefits that effectively managed NPAs can provide.

Potential for replication and scaling up. By addressing NPA system-level barriers the project strategies will have broad application in other regions and biomes within Peru, and potential impacts beyond the pilot sites. In fact, given the phased approach that SERNANP and its partners adopted for the PdP Initiative, by supporting its first phase the project will lay the foundation upon which the following phases will be developed, hence enabling the long term financial sustainability of the whole Peruvian NPA System. Scaling up will also be facilitated by the project's communications strategies aimed at engaging additional donors to support successive phases of the PdP Initiative.

Likewise the project presents an opportunity for replicating the proven financial mechanisms, sustainable resource management strategies, and effective management practices across the global Amazon Biome, as the barriers it addresses are shared to a fair extent by other national PA systems in neighboring countries. The general approach of the project could also be replicated in other highly biodiverse and ecosystem service rich regions where there is insufficient core budget for effective PA management. To help guide the selection, design and implementation of financial mechanisms in other areas and promote best practice for replication, the project will prepare toolkits will be available online, through the institutional websites of SERNANP and PROFONANPE, the ASL Program platform, among others.

For further details on innovativeness, sustainability and potential for scaling up see section 2.9 in the child ProDoc. There have been no significant changes to this section since PFD approval.

A.2. Child Project? If this is a child project under a program, describe how the components contribute to the overall program impact.

The objective of the Amazon Sustainable Landscapes Program is to protect globally significant biodiversity and implement policies to foster sustainable land use and restoration of native vegetation cover. The proposed child project will contribute directly to this Program, in particular to Program Component 1- Integrated Amazon Protected Areas and its Program Outcome 1.1: *Increase area of global significant forest ecosystems in new protected areas and ensure financial sustainability and management effectiveness* by strengthening management effectiveness of over 16.7 million ha of Amazon PAs accounting for 8.75% of the global Amazon Biome, including improved capacities for threat control, thereby safeguarding the nation and region's valuable biodiversity.

The child project will directly contribute to achieving this program outcome by supporting an innovative financial model and developing key institutional and technical capacities that will ensure that Peru's Amazon protected areas have adequate and long-term sustainable financing to significantly improve their management effectiveness.

Project Component 1 will provide strategic, technical and financial support, and legal advice to catalyze the development, launching and institutionalization of a strategy for the financial sustainability of 34 NPAs and 4 RZ in the Amazon biome (the PdP Initiative) that will secure government and donor commitments and funds towards an agreed 10-year Action Plan for improved management effectiveness of these areas.

Project Component 2 will enable diversification of SERNANP's funding portfolio through the improvement of existing revenue-generating mechanisms operating in a suboptimal way and the development of new viable options to supplement current income streams. This will ensure that the GoP, through these financing mechanisms, is able to

increase income for NPAs to supplement budget appropriations and reduce the funding gap to meet the needs of Amazon NPAs to achieve effective management over the long term.

Project Component 3 will directly support improved management effectiveness of a group of Amazon NPAs in the geographic scope of Phase 1 of the PdP, through the consolidation of a standard level of management defined by SERNANP as *structural level*. These sites include both direct and indirect use areas of high biodiversity value (see Appendix 15). GEF contributions to a sinking transition fund (to be created under Project Component 1) and co-financing from other donors (according to the PdP financial model) will supplement the public budget so that these selected Amazon NPAs have the necessary material and human resources, equipment, infrastructure, governance structure, and adequate technical capacities to hit the benchmarks required to consolidate a structural level of management, including designated NPA Manager with adequate knowledge to ensure proper management of the NPA; complete physical boundary demarcation; inscription/registration in the NPA National Registry; NPA Management plan updated, under implementation and reviewed annually; NPA Management Committee established, adequately trained, meeting at least twice/year; adequate control of threats through; and adequate biological monitoring.

The child project interventions will also contribute to Program Component 2 - Integrated Landscape Management and its Outcome 2.1: *Innovative mechanisms to reduce the loss and promote the sustainable management of native forests*. For example, feasibility studies of NPA-level income generating mechanisms will consider --among selection criteria-- their potential for providing opportunities for gender equity and participation of local and indigenous communities. Then, the project's site interventions will strengthen capacities of these communities and improve enabling conditions for sustainable uses of NTFP and other natural resources. Lessons learned from these experiences could be applied beyond protected areas in other forests in the wider landscape.

Finally, the child project approach and interventions will contribute to Program Component 4 - Capacity Building and Regional Cooperation and its Outcome 4.1: *Improved national and regional inter-agency coordination on efforts to maintain forest resources, protect biodiversity, particularly illegally traded endangered species, enhance forest management and restore forest ecosystems, through knowledge and technology exchange amongst countries and stakeholders*. For example, through Outcome 1.3 the project will foster inter-institutional coordination, multi-sectoral strategic planning and the integration of NPAs in the broader landscape through:

- facilitating the participation of key staff from SERNANP in planning processes led by the Regional (sub-national) governments
- strengthening NPA level governance structures (i.e., the NPA Management Committees)
- the creation and operation of a National Working Group for NPA Financial Sustainability. This group will be led by SERNANP and be composed of representatives from key government bodies (e.g. MEF, MINAM) and various sectors and actors with potential to contribute to NPA financing (such as regional governments, key donors, NGOs and the private sector). It is conceived mainly as a technical working group composed of professionals and other experts that will act as a mechanism to improve inter-institutional coordination, promote multi-sectoral dialogue, and stimulate support for the NPA financing strategies that will be promoted by the PdP Initiative. Furthermore, through Project Component 4, GEF funding will support the articulation of this group with the Financial Sustainability Group of RedParques (the Latin American Technical Cooperation Network on National Parks, other Protected Areas, Wildlife and Flora), e.g. by supporting travel costs for meetings.

Project Component 4 will also contribute to the goals of Program component 4 through adequate and timely M&E and by compiling, analyzing, storing and sharing lessons learned among the various project partners, across national, local and regional levels. It will also ensure regular and fluid interaction with the other Child Projects under the ASL Program to promote mutual learning and exchange, help increase uptake of lessons, and build synergies. For these purposes the project will also support the preparation of specific tools for knowledge sharing, replication and upscaling, such as best practice manual, case studies, technical reports, brochures, videos/tutorials, among others.

A.3. **Stakeholders.** Identify key stakeholders and elaborate on how the key stakeholders engagement is incorporated in the preparation and implementation of the project. Do they include civil society organizations (yes /no)? and indigenous peoples (yes /no)? ¹²

Extensive stakeholder consultations were conducted during project preparation, as shown in the Stakeholder Consultation Log in the ProDoc (Appendix 23). This started with two inception workshops (an internal one between WWF and SERNANP and another one with key stakeholders and potential partners) in Lima in April 2016, and finished with a validation workshop in April 2017.

Key staff from the two main partners in project implementation (i.e. SERNANP and PROFONANPE) was actively involved in project design through numerous meetings and workshops, and participated with the local PPG team in consultations at the site level. This helped instill a strong sense of ownership which is considered key for the success of project implementation.

At the national and regional (sub-national) level, Project proponents consulted with key institutions including the Ministry of Economy and Finances (MEF), Ministry of the Environment (MINAM), Ministry of Agriculture (MINAGRI), Regional Governments, an indigenous rights association (AIDSESP), and NGOs (SPDA, WCS, WWF,), among others .

At the local level, different stakeholders were consulted to determine their priorities and perspectives, and to request their feedback about the proposed project strategies. This included consultations with 32 different communities living within or around the NPAs, local government representatives, local businesses, and local organizations that work directly with communities and have links with NPA headquarters, as well as universities and other actors from the academia.

Five of the six shortlisted NPAs were visited: the Río Abiseo National Park, the Pacaya Samiria National Reserve, the Machiguenga Communal Reserve, the Allpahuayo Mishana National Reserve and the Tingo Maria National Park. In-situ consultations included (i) deliberations with key stakeholders of each NPA, including NGOs, research centres, private companies and municipalities; ii) wherever possible, meetings with members of the NPA management committee; iii) meetings with regional stakeholders playing a more strategic/political role, and iv) conversations with the communities living within the NPA and those who live outside but have access and benefit from the NPA. NPA managers were consulted through meetings in the Macro-regional Workshops in Lima, Chiclayo, Iquitos, Cusco and Huancayo and during a 4-day consultation workshop with the managers of the six shortlisted NPAs in Lima (See Appendix 23).

Key stakeholders will continue to be engaged during project implementation, either as partners in or beneficiaries of project interventions, as described in Tables 9 and 10 in the ProDoc. [A stakeholder analysis will take place during implementation to validate key stakeholders for the 2-4 selected NPAs. This will ensure consistency of action, building on progress, and to avoid redundancy in financing. Stakeholders will be engaged through a variety of coordination mechanisms, including memos and invitations to planning meetings. See appendix 12 of the ProDoc for linkages and details of how the project will ensure consistent communication and engagement.](#)

See section 4 of the ProDoc for full details. This section was not fully elaborated in the PFD, therefore stakeholder engagement was developed during the PPG stage. A plan for stakeholder engagement during implementation has been provided.

A.4. **Gender Equality and Women's Empowerment.** Elaborate on how gender equality and women's empowerment issues are mainstreamed into the project implementation and monitoring, taking into account the differences, needs, roles and priorities of women and men. In addition, 1) did the project conduct a gender analysis during project preparation (yes /no)?; 2) did the project incorporate a gender responsive project results framework, including sex-disaggregated indicators (yes /no)?; and 3) what is the share of women and men direct beneficiaries (women X%, men X%)?

¹² As per the GEF-6 Corporate Results Framework in the GEF Programming Directions and GEF-6 Gender Core Indicators in the Gender Equality Action Plan, provide information on these specific indicators on stakeholders (including civil society organization and indigenous peoples) and gender.

The project recognizes the importance of a gender equality approach that includes the roles of both women and men, their knowledge, skills, and their relationship with natural resources for achieving environmental sustainability goals. As a result, the project will incorporate gender equality in all possible areas, consistently with both WWF and GEF gender-related policies.

During the project design, several meetings were held in different communities living inside Amazon protected areas and their buffer zones. Women attended the meetings to varying extents, and relevant gender notes were recorded (see Appendix 25 of the ProDoc). However, given that a gender analysis was not performed during project preparation, not enough information could be collected regarding different gender roles in Amazon ecosystem conservation and natural resource use. In addition to face-to-face meetings, a desk study was undertaken using data collected from reports and other existing publications to understand the gender context in general in Peru and the Amazon region.

As a first step in understanding the gender dynamics and the context in the project area and what will be needed in the gender integration strategy/action plan for this project, a gender analysis will be performed at the start of the implementation phase. Women and men beneficiaries will be determined to the best of the project’s ability at that time. Opportunities for inclusion of both men and women and areas to reduce gender inequality will be assessed and mainstreamed in each of the four project components (see Section 6 of the ProDoc for full detail).

The results of this analysis will enable refinement of current tools for participatory PA management (e.g. gender sensitive stakeholder mapping, radar of stakeholder participation). Other provisions to promote gender equality and mainstreaming include compilation of data on natural resource use/management disaggregated by gender; gender sensitive participatory tools that would encourage the involvement of both women and men, either together or separately if necessary due to cultural, social or other reasons; inclusion of gender specific indicators in management plans, among other.

In the Results Framework, indicator for Project Outcome 4.2 (Best practices in priority topics related to financial mechanism for PA and management effectiveness in the Amazon, documented transparently, and disseminated widely with relevant stakeholders), when relevant, will be disaggregated by gender.

See Section 6 of the ProDoc for more details. This section was not elaborated in the PFD, therefore the information above was developed during the PPG stage.

A.5 Risk.

Risks in the PFD were reviewed and reassessed during a participatory session involving key staff from SERNANP and PROFONANPE, in light of a more detailed project proposal. For some risks wording was adjusted to better reflect their link to project strategies (e.g. original risks 4 and 6). Other risks in the PFD (e.g., Limited understanding of value of protected areas; failed past attempts to ensure financial sustainability; and uneven capacity to plan in Protected Area System) were addressed in project design as *barriers* instead of risks and, therefore, specific activities and outputs were developed. Risks analysis and mitigation measures for the Securing the Future of Peru’s Protected Areas Project are shown in table 4 below.

Table 4 Risk analysis and mitigation measures

Risk	Likelihood & potential impact	Risk mitigation measure	Responsible for risk monitoring
1. Restriction of public budget allocations to SERNANP due to exogenous effects (e.g. political or economic crises, etc.)	Likelihood: Low Impact: High	<ul style="list-style-type: none"> Communications efforts will be aimed at increasing the recognition on the socio-economic values of NPAs and their link to national, regional and local development, in order to maintain or increase the political will towards funding for the SINANPE. Targeted communication campaigns will address key policy and decision makers, including the Ministry of Economy and Finances and other high-level central government officials, and be aligned to 	SERNANP

Risk	Likelihood & potential impact	Risk mitigation measure	Responsible for risk monitoring
		the budget negotiation and approval cycle.	
<p>2. Funding commitment to implement the long-term financial sustainability for Amazon NPAs is not reached</p>	<p>Likelihood: High Impact: High</p>	<ul style="list-style-type: none"> • In addition to initial pledges by some PdP partners, through Output 1.1.3 GEF funding will provide specialized consulting services to design a fundraising strategy to attract additional resources for the PdP. These efforts will be segmented according to different target audiences, including foundations, corporate donors, multilateral and bilateral cooperation, and other stakeholders in the private sector, and government institutions involved with budget allocations to PAs. • If these efforts prove to be unsuccessful, <u>the signing of the framework agreement can take if 80% of the final donor target has been pledged and there are reasonable indications of obtaining the remaining amount from specific identified donors. If less than this amount is committed</u>, the Project Steering Committee will have two options: <ol style="list-style-type: none"> 1. Postpone the deal close and renegotiate terms with each donor. 2. Reduce the scope of phase 1 of the PdP initiative in terms of NPAs or conservation goals. • <u>In the event that the deal closing is postponed</u>, WWF GEF Agency will consult with the GEF to evaluate the following three options: <ol style="list-style-type: none"> 1. Transfer the funds to PROFONANPE after year 1 as initially scheduled. The funds will be invested by the transition fund's investment manager and begin to accrue investment returns while project executing agencies and partner NGOs work toward the deal closing with the established financial donor target. 2. Wait to transfer funds to the transition fund along with other donors participating in the single close deal. In the interim period, funds would remain with WWF GEF agency. 3. Use funds to directly fund PdP conservation activities in the 2 - 4 of the shortlisted NPAs. WWF GEF Agency would transfer funds to PROFONANPE, who would then issue sub-grants to SERNANP and the selected NPAs, thus directly funding the same activities that would be funded through the PdP initiative during the project period. • <u>If the close is postponed and/or it closes with between 85% and 100% of the final donor target</u>, SERNANP and WWF will continue the fundraising efforts to cover as much of the remaining gap as possible during GEF project implementation. Under all scenarios, the executing agencies will work towards increasing revenues from new or modified sustainable financing mechanisms. 	<p>SERNANP</p>
<p>3. Lack of political will to support the regulatory changes necessary to implement new financial</p>	<p>Likelihood: Medium; Impact: Substantial Likelihood: Medium; Impact:</p>	<ul style="list-style-type: none"> • Activities under Output 2.1.2 will provide targeted communications, learning tours and meetings to leverage government and sectoral support for NPA financing and the implementation of the new viable mechanisms as prioritized by SERNANP • In addition, the National Working Group on PA financial 	<p>SERNANP</p>

Risk	Likelihood & potential impact	Risk mitigation measure	Responsible for risk monitoring
mechanisms at national level	Substantial	sustainability under Output 1.3.1 will act as a mechanism for improving inter-agency coordination, promote cross-sectoral dialogue and achieve the necessary support for new national and local level NPA financing mechanisms.	
4. Increase in the level and/or number of threats by illegal and/or unsustainable activities that increase the financial requirements of the areas (hence, the funding gap)	<p>In the subset of NPAs supported by GEF funding under Comp. 3:</p> <p>Likelihood: Medium; Impact: Moderate</p>	<ul style="list-style-type: none"> • The PdP Initiative involves building institutional and technical capacities which are key for improved management activities, including surveillance and control. By consolidating a standardized <i>structural level of management</i> across Amazon NPAs, SERNANP will have adequate capacities and conditions (i.e. adequate number of trained park rangers, infrastructure, vehicles, and equipment) to implement effective control and surveillance actions so that the existing threats do not increase in intensity or magnitude. • By promoting a territorial approach for PA planning and management and strengthening PA governance structures, GEF funding will help strengthen inter-institutional coordination and cross-sectoral planning and management and foster cooperation and synergies among initiatives that work to promote the conservation and sustainable management of Amazon forests, which is expected to contribute towards enhanced threat control in buffer zones. • In addition, pilots under Component 2 will develop new site-based revenue-generating mechanisms and help improve existing ones (such as tourism and sustainable natural resource management) so that they can develop their full financial potential and in turn provide a higher level of benefits to local communities. By providing technical assistance to help local stakeholders improve their resource management practices and business capacities, the project will help reduce or avoid negative impacts due to unsustainable activities. It is also expected improved governance (through strengthening of NPA management committees will help increase support of local actors for NPA management (e.g., through joint surveillance). 	SERNANP
5. Vulnerability to the effects of climate change that could limit the development of site level financial mechanisms pilots.	<p>Likelihood: Medium Impact: Substantial</p>	<ul style="list-style-type: none"> • Bearing in mind vulnerability to climate change, the feasibility analysis of financial mechanisms under Output 2.2.2 will take into account different climate change scenarios so as to select robust financial mechanisms (mainly those based on natural resource use, who should focus on resilient natural resources in order to not lose the investment made in the design and implementation of these mechanisms). • For this purpose the project will build upon the experience developed under the “EbA Montaña” Project in the Nor Yauyos Cochas Landscape Reserve, the “EbA Amazonía” project in the Tuntanain and Amaraeri Communal Reserves, among other. • In addition, coordination with Budget Program 068 for "Disaster Risk Management" and the early warning system developed with the support of UNDP/GEF Resilience Project will be promoted. 	SERNANP
6. Environment	Likelihood:	The project is classified as a Category B for safeguard purposes. The	PROFONAPE

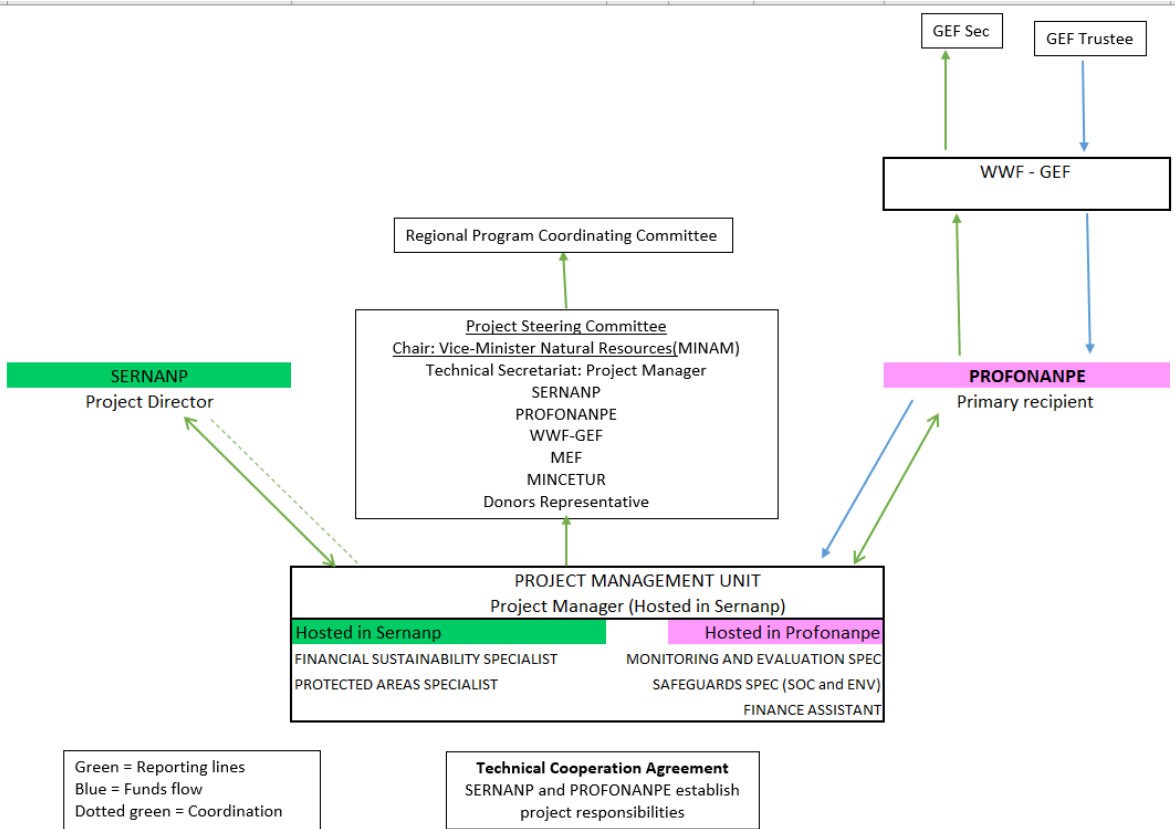
Risk	Likelihood & potential impact	Risk mitigation measure	Responsible for risk monitoring
and Social Risks	Medium Impact: Substantial	project is essentially a conservation initiative, expected to generate positive and long-lasting social, economic and environmental benefits. However, Component 2 and 3 of the project have some potential social and environmental impacts as it includes acquisition of equipment and vehicles, equipment maintenance, surveillance system improvements, biological control and monitoring, master plan updating, boundary marking, basic infrastructure construction and repositioning and resource management plan preparation. An ESMF was prepared during project preparation by PROFANPE in close coordination with SERNANPE to comply with WWF's Environment and Social Safeguards Integrated Policies and Procedures. The ESMF contains elements of an Indigenous People Planning Framework as well as Process Framework.	and SERNANP

A.6. Institutional Arrangement and Coordination.

The main institutional actors for implementation of this child project are: WWF-US as GEF Implementing Agency; PROFONANPE as main recipient of GEF funds and signatory to the WWF-GEF Grant Agreement; and SERNANP as governing authority for NPAs and responsible for strategic guidance and operations of the project.

The organization structure for the Project is shown below (figure 2).

Figure 2 Institutional Arrangement for Securing the Future of Peru's Protected Areas Child Project



A Project Management Unit (PMU) will be responsible for the day-to-day management and coordination of project activities and fulfillment of its goals. Based on the experience of previous projects (see Appendix 22 in ProDoc), the technical staff will be housed in SERNANP and the administrative and financial staff in PROFONANPE (see Figure 2 above). The PMU will be comprised of a Project Manager, a Protected Area Specialist/Technical Advisor, and a Sustainable Finance Specialist/Technical Advisor who will be housed in SERNANP, and a Monitoring and Evaluation Specialist, an Administrative and Finance Assistant and an Environmental and Social Safeguards Consultant that will be hosted in PROFONANPE. [A Gender Specialist will be contracted through cofinancing.](#)

The overall coordination of the project is tasked to the Project Steering Committee (PSC). The PSC will be chaired by the Vice-Minister of MINAM and will include representatives from SERNANP, PROFONANPE, WWF-GEF, MEF, MINCETUR, and the private donors. To meet Conservation Finance Alliance (CFA) recommendations, the project anticipates that two additional donor representatives will join the PSC during implementation. This entry will be determined by criteria prepared during project implementation. The Project Steering Committee will coordinate with the Regional Program Steering Committee established to coordinate the ASL program in the three countries and for the five child projects. The Program SC is led by the World Bank and has representatives from the implementing agencies (World Bank, WWF, and UNDP) and the country governments.

Through the activities under Component 4, the PMU and PSC will ensure regular and fluid interaction with the other Child Projects under the Amazon Sustainable Landscapes Program to promote mutual learning and exchange, help increase uptake of lessons, and build synergies. In particular, the project will complement and build upon the lessons learned and the capacities developed through Brazil's ARPA for Life and will coordinate with the proposed child project of Colombia.

The Institutional Framework and Implementation Arrangements are described in Section 3 of the ProDoc. This section was not elaborated in the PFD, therefore the above information was developed during the PPG stage.

A.7 Benefits.

The socio-economic benefits of the project at the local and regional (subnational) level will derive from measures to promote the sustainable livelihoods of the local communities living within the NPAs or their buffer zones (e.g. through improved capacities and enabling conditions for sustainable uses of natural resources and nature-based tourism), soil and watershed protection, forest carbon stock conservation, coupled with decreased environmental and social costs. Furthermore, feasibility studies of NPA-level income generating mechanisms will consider --among selection criteria-- their potential for providing opportunities for gender equity and participation of local and indigenous communities. As such, the Project will contribute to global environmental benefits of reduced deforestation and land degradation, maintenance of biodiversity, and reduced carbon emissions.

A.8 Knowledge Management.

The long-term financial sustainability of Peruvian Amazon NPAs (and the SINANPE in general) will depend, to a large extent, on the broad adoption of the project's lessons learned and the implementation of the necessary changes leading to sustained impact through replication and scaling-up of the project's results. As detailed under Component 4, in order to enable the development of future replication and scaling-up plans, the PMU will promote a systematic approach in order to: (i) identify knowledge deemed to be relevant and valuable; (ii) capture and retain that knowledge; (iii) share that knowledge with key audiences; (iv) if possible, applying transferred knowledge during the project lifespan or designing guidelines for future replication and up-scaling; and (v) assess the value or benefits of specific knowledge generated as a consequence of project interventions.

Lessons will be broadly grouped under different categories linked to the project components and will be assessed to determine their significance and how they could be possibly used nationally and regionally. Based on the most significant lessons learned, the project team will prepare a list of specific topics for future replication/scaling-up strategies and plans (e.g., link to policy documents or policy reform; partnerships with government agencies; partnerships with the private sector; public involvement; capacity building, etc.); identify key audiences (from stakeholders linked to the pilot sites and subset of PAs which will receive direct GEF funding, to other stakeholders in Peru's Amazon region, other stakeholders in the global Amazon Biome, etc.), and finally select and prepare specific tools useful for knowledge sharing, replication and upscaling (e.g., proposals for policy or legal reforms; best practice manuals; workshops; case studies; technical reports; brochures; videos/tutorials; etc.).

Following STAP recommendations, knowledge management under the ASL Program will expand beyond specific products towards learning and knowledge sharing among practitioners in Peru, Brazil and Colombia through existing thematic networks--such as RedParques and RedLac-- and communities of practice fostering transboundary and South-South cooperation among projects and national partners. The project will complement and build upon the lessons learned and the capacities developed through Brazil's ARPA for Life and will coordinate with the proposed child project of Colombia. Lessons from the project will also be shared widely through the WWF international network.

Horizontal exchange mechanisms will be developed for enabling the sharing of knowledge and experience from field staff in one NPA to another, and will also involve a wide variety of stakeholders in and around NPAs including regional and local government officials, local communities, the private sector, e.g. through SERNANP's Macro Regional workshops; meetings and special events within the NPA management committees; community workshops; presentations at the meetings of the Regional and Municipal Environmental Commissions, among others.

B. DESCRIPTION OF THE CONSISTENCY OF THE PROJECT WITH:

B.1 Consistency with National Priorities.

At the national level, this initiative ties in with, and contributes to the implementation of the National Biodiversity Strategy to 2021 and its Action Plan 2014-2018 (EPANDB) approved by Supreme Decree No. 009-2014-MINAM; in particular with the strategic objective 1 "*Improving the state of biodiversity and maintaining the integrity of the ecosystem services it provides*", which notes that the conservation state of biodiversity should be improved and the supply of goods and services for human wellbeing provided by Protected Natural Areas maintained. In particular, the PdP directly supports a key instrument of the National Biological Diversity Strategy: the National Protected Area System. By catalyzing the PdP Initiative and strengthening key technical and institutional capacities, the project will contribute to achieving a number of strategic outcomes set out in the NPA System Master Plan (Plan Director 2009-2019) as shown in Table 6 in the ProDoc.

By improving PA management effectiveness the project will help enhance the protection of major wetlands of international importance in the Amazon region, such as the Pacaya Samiria National Reserve and the Arreivatadas Lagoon (located in the Tabaconas Namballe National Sanctuary), thus contributing to the commitments of Peru under the RAMSAR Convention.

The project will also contribute to achieving targets of the United Nations Framework Convention on Climate Change (UNFCCC), by avoiding deforestation and forest degradation in protected natural areas of the Peruvian Amazon and, thus, avoiding future greenhouse gas emissions. It will contribute to the goals of the National Strategy on Forests and Climate Change which aims at "*contributing to the reduction of forest loss and greenhouse gas emissions, and improve the resilience and welfare of inhabitants of forest landscapes*" through the consolidation of the NPA system among other strategies. By helping maintain the standing forests of the NPAs in the Amazon Biome the project will contribute to mitigation of and adaptation to climate change as part of the Nationally Determined Contributions (NDC).

With regards to Desertification, Land-degradation and Sustainable forest management (SFM) (UNCCD decision 4/COP 8), the Project will help "*reinforce SFM as a means of preventing soil erosion and flooding, thus increasing the size of atmospheric carbon sinks and conserving ecosystems and biodiversity*" by promoting sustainable use of forest resources and NTFP.

C. DESCRIBE THE BUDGETED M & E PLAN:

The M&E plan for the child project adheres to WWF project management standards and is consistent with GEF RBM policy and guidance. The plan is designed to support the effective planning, execution and reporting progress towards achieving project objectives and outcomes.

The Project Management Unit (PMU) is responsible for ensuring the M&E activities are carried out in a timely and comprehensive manner and that the data collected is used appropriately for reporting and adaptive management. In particular the PMU will be responsible for the following: *Project Results Monitoring Plan* (Results Framework, Annex A); *Annual Work Plan Tracking*; *Quarterly Financial Reports*; *Annual Reflection Exercise/ Workshop*; *Bi-annual Project Progress Reports* (PPRs); *GEF Tracking Tools*; *Project Closeout Report*. The WWF GEF Agency will be

responsible for the following project reporting elements: *Annual WWF-GEF Project Implementation Report (PIR)*; *Annual WWF-GEF Monitoring Review (AMR)*; *WWF-GEF Project Supervision Reports*. Project evaluation will be conducted through *independent Mid-term* and *Terminal Evaluations*.

Project staff involved in M&E includes the Project manager; the Monitoring, Evaluation, and Reporting Officer; and the Finance and Operations Manager. The frequency and schedule of data collection and reporting for the project is defined in section 7.1 of the ProDoc, along with the roles and responsibilities of project team members (section 7.2).

A total of US\$ 654,499 has been budgeted for monitoring and evaluation activities and associated staff and consultancy needs.

The full M&E budget is shown in Table 5 below.


TABLE 5 M&E BUDGET

Description	Component under which expense is budgeted	M&E Total Costs
Salaries and Benefits (Position and % of time)		
Manager 20%	Component 4	85,194
NPA Specialist 10%	Component 4	20,500
Financial Sustainability Specialist 10%	Component 4	20,500
M&E Specialist 80 %	Component 4	152,000
Administrative and Financial Assistant 80%	Component 4	144,800
Technical Assistance	Component 4	75,807
		TOTAL SALARIES AND BENEFITS US\$ 498,801
Travel		
Local monitoring and technical/financial evaluation trips (six NPAs)	Component 4	76,100
To conduct learning exchange workshops.	Component 4	40,000
		TOTAL TRAVEL US\$ 116,100
Equipment		
2 laptops	Component 4	5,000
1 printer	Component 4	600
		TOTAL EQUIPMENT US\$ 5,600
Other direct costs		
Operational costs	Component 4	33,998
		TOTAL OTHER DIRECT COSTS US\$ 33,998
TOTAL M&E		654,499
TOTAL PROJECT BUDGET		9,007,528
% M&E OF OVERALL BUDGET		7.27%

PART III: CERTIFICATION BY GEF PARTNER AGENCY(IES)

A. GEF Agency(ies) certification

This request has been prepared in accordance with GEF policies¹³ and procedures and meets the GEF criteria for CEO endorsement under GEF-6.

Agency Coordinator, Agency Name	Signature	Date (MM/dd/yyyy)	Project Contact Person	Telephone	Email Address
Herve Lefeuvre, World Wildlife Fund, Inc.		08/30/2017	Herve Lefeuvre	(202) 459-8533	Herve.LeFeuvre@WWFUS.ORG

¹³ GEF policies encompass all managed trust funds, namely: GEFTF, LDCF, SCCF and CBIT
GEF6 CEO Endorsement /Approval Template-August2016

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

COMPONENT / OUTCOME	INDICATOR / UNIT	MEASUREMENT AND DESCRIPTION	METHOD / SOURCE	BASELINE	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6																					
Objective indicators																															
<i>Project Objective: To promote long-term financial sustainability for the effective management of the National System of Natural Protected Areas of Peru (SINANPE) for the protection of globally important biodiversity and ecosystem services in the Amazon Biome.</i>																															
Sustainable Financing	Achieve single close to cover the financial gap (estimated between \$60-70M) for management of the Amazon natural protected areas (NPAs). Target: Single Agreement achieved (\$70 million) and closing conditions agreed to.	Non Cumulative Single close agreement is defined in prodoc.	Single agreement signed Legal Terms sheet and Memorandum of Understanding signed by the partners of the Initiative as part of the Single Agreement.	\$40M has been currently committed towards single close.		Single close signed for 70M																									
Effective management	Number of hectares with improved METT score due to Project intervention Target: Targets will be established during the first 6 months of the Project, after it is determined which NPAs will be financed through the Project.	Cumulative	Standard METT score assessed by Project team The number of hectares will be determined based on the areas of the NPAs that improve their score.	<table border="1"> <thead> <tr> <th>NPA</th> <th>Area (ha)</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>Allpahuayo Mishana</td> <td>58,069.9</td> <td>44 (45.83%)</td> </tr> <tr> <td>Machiguenga</td> <td>218,905.6</td> <td>42 (42.42%)</td> </tr> <tr> <td>Pacaya Samiria</td> <td>2,080,000</td> <td>51 (51.52%)</td> </tr> <tr> <td>Rio Abiseo</td> <td>274,520</td> <td>61 (63.64%)</td> </tr> <tr> <td>Tabaconas-Namballe</td> <td>32,124.87</td> <td>60 (62.5%)</td> </tr> <tr> <td>Tingo Maria</td> <td>4,777</td> <td>58 (60.42%)</td> </tr> </tbody> </table>	NPA	Area (ha)	Baseline	Allpahuayo Mishana	58,069.9	44 (45.83%)	Machiguenga	218,905.6	42 (42.42%)	Pacaya Samiria	2,080,000	51 (51.52%)	Rio Abiseo	274,520	61 (63.64%)	Tabaconas-Namballe	32,124.87	60 (62.5%)	Tingo Maria	4,777	58 (60.42%)	TBD	TBD	TBD	TBD	TBD	TBD
	NPA	Area (ha)	Baseline																												
Allpahuayo Mishana	58,069.9	44 (45.83%)																													
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Tingo Maria	4,777	58 (60.42%)																													
	Improvement of the conservation status (in %) of the NPAs participating in the Project. Target: The target will be determined during the first 6 months of the Project, after the baseline is groundtruthed and its corresponding sources of information and prospective analyses are established.	Cumulative Improvement of conservation status determined by standard scorecard. To be measured annually and at baseline.(Degree of area impacted).	This is a standard scorecard used by SERNANP to test for anthropogenic activities/drivers for affecting biodiversity - no CC- i) overuse of resources, ii) pollution, iii) displacement of native species, iv) habitat loss. Link is available at: http://www.sernanp.gob.pe/documentos/10181/12318/11+Doc+Trabajo+SISTEMA+DE+MOIT+OREO+DEL+ESTADO+DE+CONSERVACION-GRILLAS.pdf/49265472-1895-4b19-bf38-718aeab25bfc	Baseline to be determined during the first 6 months of implementation. * A goal of improved conservation status cannot be placed without a prospective analysis and revision of the current baseline. Annual targets will be established during project implementation.	TBD	TBD	TBD	TBD	TBD	TBD																					
Outcome indicators																															

Component 1: Development of a multi-partner, public-private initiative for long-term financial sustainability of the NPAs in the Peruvian Amazon										
1.1 Government and donor commitment secured for a long-term financial sustainability initiative for effective management of Peru's Amazon NPAs	% increase in the public budget that SERNANP contributes to PDP (once established) for the management of the Amazon NPAs. Target: 5% mid-term and 10% end of the project	Non-Cumulative The budget that contributes to PdP would be collected from the services NPAs bring at the site level or at the system level (self generated resources –RDR) Funds will only be counted that can be reasonably determined to be a result of Project intervention. To be measured on an annual basis.	Increase of the public budget via self-generated resources (<i>recursos directamente recaudados or RDR</i>) POA and quarterly and annual reports of NPA management. MEF Economic Transparency Portal : https://www.mef.gob.pe/es/seguiimiento-de-la-ejecucion-presupuestal-consulta-amigable SERNANP's Institutional Operational Plan (POI)	10% of self generated resources (RDR) increase from 2016 to 2017 (3,435,739 PEN, equivalent to USD 1M approx.) * Target established based on historical trend of self-generated resources (RDR) and projection of SERNANP's Office of Planning and Budget (OPP).			5%			10%
1.2 PdP Initiative for financial sustainability of NPAs in the Amazon operationalized	# Of Amazon NPAs that are receiving funding from the initiative (to assess whether the initiative was made operational or not) through GEF funds and co-financing Target: The target will be updated if needed, based on the disbursement prioritization that will be completed during Year 1 of the project	Cumulative	Reports of budget execution by area by source of financing. OPP reports. Report of the PROFONANPE SIGA.	0 NPA			2			4
1.3 PdP integrated in SERNANP and across other sectors for the management and financing of the Amazon NPAs	# Number of high level official strategic documents that incorporate PdP Target: PdP mainstreamed in new NPA System Master Plan (Plan Director)	Non-Cumulative	SINANPE Master Plan (Plan Director)	0			1			
	# of NPA management plans that incorporate financial planning according to all PdP goals.	Cumulative Financial planning incorporated to the management plans means the MP has a strategy directly related to PdP goals with activities and costs budgeted	NPA Management plans	BL: 0 (it's important to clarify that management plans nowadays have some financial planning – basically costs – and articulate their action lines with the PdP goals. However, just about 20 of them, and not for all the PdP goals and not a complete financial planning, that is why we are considering BL = 0)		3	10	12	15	20
Component 2: Diversification of sources to increase NPA financing										

2.1 NPA values and benefits showcased to increase public and private support for PdP and new financing mechanisms	# Of sustainable national mechanisms developed based on the Project pilots, with the support of other sectors. Target: 2 sustainable mechanisms supported by other sectors (MEF, MINCETUR, ANA, MINAGRI, PRODUCE)	Cumulative Sustainable national mechanism: A financial mechanism that is designed to give continuous, reliable funding to protected areas. Developed means mechanism is implemented and instrumentalized. Other sectors could include tourism, agriculture, etc.	Official documents Institutional arrangements for the operation of mechanisms.	0 sustainable mechanisms supported by other sectors.			1			2
2.2. Increased options for the sustainable financing of NPAs	Amount of revenues (USD) generated at the individual NPA level thanks to the financial mechanisms piloted by the Project. Targets: TBD once the financial mechanisms are selected. Collection dates also TBD.	Cumulative	<ul style="list-style-type: none"> Operational Planning System reports to all sources. Inter-institutional agreements for the operation of mechanisms. POA and quarterly and annual reports of ANP headquarters. 	0						
	# Of financial mechanisms at system level with legal proposals for implementation Target: 1 proposal for a mechanism through current regulations at end of project.	Cumulative	Legal proposal documents	0 national mechanisms at system level						1
Component 3: Implementation of PdP Action Plan Measures to consolidate and improve the effective management of Amazon NPAs										
3.1 Improvements in effective management levels contribute to the conservation of biodiversity, sustainable forest and natural	# Of NPAs that achieve all the benchmarks under “structural” management Target: The end target is that 3 NPAs directly supported by GEF funding via the TF (still to be determined) achieve “structural” management levels. Annual targets will be milestones towards achieving the end target. The targets for years 1-5 will be established in the first 6 months of the project based on the NPAs selected to receive GEF funding.	Cumulative The NPAs will be selected among the 6 shortlisted in the preparatory phase and will receive GEF funding via the TF The structural management level is based on criteria established by SERNANP and detailed in ProDoc	Team will assess progress towards each criterion in both “basic” and “structural” management using a table titled "Levels of progress in the management goals of the NPA"	0 NPAs have achieved “structural” management. Most are at varying degrees of progress towards achieving the “basic” level.	TB D	TBD	TBD	TBD	TBD	3 NP A

resources management, and maintenance of ecosystem services in 2 to 4 Amazon NPAs	Increase in METT score of the NPAs participating in the Project. Target: TBD during first six months of project based on selected ANPs.	Non-Cumulative METT applied during the preparatory stage (PPG), mid-term and at the end of the project. 2-4 NPAs will be selected in year 1 from a shortlist of 6 to receive funding from the GEF to support activities to improve management effectiveness, based on the agreed PdP Action Plan. The METT scores of those 2-4 NPAs will be reflected in the baseline, in consultation with each NPA Manager.	See guidelines to tool at: https://www.protectedplanet.net/system/comfy/cms/files/files/000/000/045/original/WWF_METT_Handbook_2016_FINAL.pdf	<table border="1"> <thead> <tr> <th>NPA</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>Allpahuayo Mishana</td> <td>44 (45.83%)</td> </tr> <tr> <td>Machiguenga</td> <td>42 (42.42%)</td> </tr> <tr> <td>Pacaya Samiria</td> <td>51 (51.52%)</td> </tr> <tr> <td>Rio Abiseo</td> <td>61 (63.64%)</td> </tr> <tr> <td>Tabaconas-Namballe</td> <td>60 (62.5%)</td> </tr> <tr> <td>Tingo Maria</td> <td>58 (60.42%)</td> </tr> </tbody> </table>	NPA	Baseline	Allpahuayo Mishana	44 (45.83%)	Machiguenga	42 (42.42%)	Pacaya Samiria	51 (51.52%)	Rio Abiseo	61 (63.64%)	Tabaconas-Namballe	60 (62.5%)	Tingo Maria	58 (60.42%)	TBD	TBD	TBD	TBD	TBD	TBD
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Component 4: Project Coordination and M&E																								
4.1 M&E plan finalized with measurement, reflection and reporting on time to aid in results-based decision making and adaptive management	Formal validation/modification of theory of change during reflection exercise Target: One reflection exercise/meeting per year	Theory of change (ToC) is the logic behind how the project strategies will lead to the expected results. The ToC is illustrated by results chains diagram in the ProDoc.	Validation/modification of ToC will be based on a formal exercise that gathers PMU with other relevant stakeholders to review M&E data and field reports /stakeholder feedback (as applicable) provided to PMU. This information will be considered when reviewing the project results chains (theory of change). The team will determine if the theory of change is still valid and if any modifications are necessary to ToC or project strategies. These changes will be proposed in the upcoming annual work plan and the reflections will be reported in the PPR	Theory of change (results chains) in Prodoc serve as baseline.	1	1	1	1	1	1														

<p>4.2 Monitoring and evaluation data and lessons learned are transparent, participatory and shared with relevant stakeholders to contribute to coordination, knowledge management and achieving program results</p>	<p>Best practices in priority topics related to financial mechanism for PA and management effectiveness in the Amazon documented transparently and disseminated widely with relevant stakeholders.</p> <p>Target: Annually analyzed best practices and lessons learned are shared and uploaded to program website once /year and widely promoted to relevant partners.</p>	<p>Relevant stakeholders will include members of other child projects in the larger program</p>	<p>Best practices are developed both from the reflection workshop 4.1 and a consultant hired compiled best practices and lessons learned. Those will be uploaded in the dedicated website for the Regional Program.</p>		1	1	1	1	1	1
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ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

Comments received by Council approval	Responses
<p>The United States is supportive of the objectives of the Amazon Sustainable Landscapes Program. This program’s ability to support policy efforts across multiple agencies, organizations and sectors in multiple countries provides a strong basis for integrated management for a range of forest uses. This year has been an especially important year for forests, with several public agreements including the United Nations Forum on Forests Resolution on the International Arrangement on Forests beyond 2015, forest-related outcomes in the 2030 Agenda for Sustainable Development, the World Forestry Congress, and the upcoming climate negotiations. We hope that this program will both mobilize resources and build stronger cooperation to advance these commitments and will thus lead to significant global environmental benefits.</p>	<p style="text-align: center;">USA</p> <p><u>Program response:</u> The support to the Program is much appreciated. The estimated co-financing involves, in part, the mobilization of resources. Component 4 of the PFD will be the basis to build stronger cooperation to advance these commitments. The Coordinating grant under this component will ensure the exchange of knowledge and the development of a platform for issues with regional coordination implications, such as the regional land use planning approach.</p> <p><u>Project response:</u> The child project is aligned with some of the key objectives of the IAF, in particular: Enhancing cooperation, coordination, coherence and synergies on forest-related issues; Fostering international cooperation, public-private partnerships and cross-sectoral cooperation; Enhancing coherence, cooperation and synergies with other forest-related agreements, processes and initiatives. For example, by promoting a territorial approach for PA planning and management and strengthening PA governance structures, GEF funding will help strengthen inter-institutional coordination and cross-sectoral planning and management and foster cooperation and synergies among initiatives that work to promote the conservation and sustainable management of Amazon forests,</p>
<p>As the program is further developed, we look forward to receiving specific details about the proposed activities and methods that will be employed, how</p>	<p><u>Program response:</u> The child projects will be prepared following the operational standards of the implementing agencies which includes standard aspects such as a detailed project</p>

Comments received by Council approval	Responses
<p>the recommendations from the GEF IEO Protected Areas Thematic Evaluation will be incorporated into the project, and how previous lessons learned will be incorporated into the child projects.</p>	<p>description and a results framework. The team will explain how the recommendations from the GEF IEO Protected Areas Thematic Evaluation will be incorporated into the project. The final design of the program and its projects will include a review of lessons learned from other projects previously implemented in the Amazon region. It is important to note that the strategies identified in the proposals by the participating countries rely on vast bodies of experience and literature available in each country on what has worked in the past, including GEF investments, and is indeed based on accepted good practice in each country although this is not explicitly defined in the PFD.</p> <p>Project response: Appendix 13 of the ProDoc details specific lessons learned from GEF IEO “Impact Evaluation of GEF Support to Protected Areas and Protected Area Systems”, conclusions from a review of experience in German development cooperation on enhancing financial sustainability of biodiversity conservation, and other lessons on Financial Planning for National Systems of Protected Areas. Appendix 10 shows how the child project builds on previous GEF investments in Peru. Appendix 14 details lessons from other PFP initiatives that informed project design. Appendix 22 presents a summary of key lessons learned from GEF- and USAID-funded projects mainly focused on protected area management, indigenous peoples, and environmental sustainability, which informed project preparation regarding institutional arrangements.</p>
<p>Some of the statements about coping with and/or reducing project risks are very general and do not appear to address the very real dangers facing local peoples trying to secure a living from use of land and other natural resources. We recommend that, prior to implementation of this programmatic approach, the agencies and participating countries better define the process for creating viable and inclusive multi-stakeholder groups at national and local jurisdictions, with specific attention to traditionally marginalized groups, including indigenous peoples.</p>	<p>Program response: A more detailed risk analysis, including further assessment of proposed risks, will be incorporated in the full project documents for each child project. However, there is progress in this area. For example, the on-going Heart of the Amazon GEF project is supporting the implementation of the agreements achieved with indigenous peoples in the park’s area of influence, and as a result of the process of the park expansion that took place during 2013. These agreements follow the approach and requirements of the national legislation related to indigenous people in Colombia and are aligned with international best practices related to the preservation of indigenous people rights and lands. As part of the design of the child projects each GEF agency will ensure that public participation standards of GEF and the GEF agencies are adhered to which naturally includes mechanisms to liaise with indigenous people and traditionally marginalized groups.</p> <p>Project response: Pilots under Component 2 will develop new site-based revenue-generating mechanisms and help improve existing ones (such as tourism and sustainable natural resource management) so that they can develop their full financial potential and in turn provide a higher level of benefits to local communities. By providing technical assistance to help local stakeholders improve their resource management practices and business capacities, the project will help reduce or avoid negative impacts due to unsustainable activities. It is also expected to improve PA governance through strengthening of NPA management committees (component 3).</p>
<p>To maximize the impact of donor investments, it will be critical to make sure that the GEF funds are not paying up-front for the same emission reduction</p>	<p>Program response: The Steering Committee to be supported by the coordinating grant under Component 4 of the PFD will agree on the creation of an advisory panel, including</p>

Comments received by Council approval	Responses
<p>activities that will be included as a part of pay-for-performance activities financed through the Forest Carbon Partnership Facility (FCPF) and Initiative for Sustainable Forest Landscapes (ISFL). To avoid this problem, we encourage the GEF agencies to coordinate during program design and to have a very clear understanding for what the program funds are being used for in relation to ongoing investments in the Amazon region.</p>	<p>donors, to ensure the donors coordination/harmonization. The ISFL is only active in Colombia and the target is the Orinoquia and not the Amazon ecoregion. The Program will take the necessary steps to coordinate with the FCPF team and eliminate any potential of paying twice for the same activities in the target area and reporting twice on the emission reduction gains.</p>
JAPAN	
<p>JICA (Japan International Cooperation Agency) will launch the technical cooperation for REDD+ in Amazon in 2016. In this project, JICA plans to upgrade early warning system for deforestation by using satellite images of JAXA's ALOS2, and give training of Remote Sensing. In this GEF project, Geographic Information System (GIS) will plan to use, but the specifications for the system are not clear enough. In order to achieve consistency between two systems, close coordination with JICA is highly recommended. Each project has some training course for capacity development, in order to create synergy between projects, close coordination for training courses with JICA is highly recommended.</p>	<p><u>Program response:</u>The team agrees that at this stage the specifications for the GIS system to be used are general. The team will ensure the consistency. In particular, the coordinating grant included as one of the child projects of the program will ensure this type of articulation among countries. The team would appreciate if JICA could provide the national focal point in the countries which are part of this REDD+ technical cooperation in order to ensure proper coordination and inform the countries involved. This Coordinating grant will set up through the Steering Committee a series of virtual and in person meetings with the main child project executors and with other key stakeholders to exchange knowledge and develop a platform for on-going coordination. This will be incorporated in the design of the full proposal of the coordinating grant.</p>
CANADA	
<p>Canada generally concurs with the STAP guidance related to this proposal. The program appears to be a worthwhile endeavor and the background rationale for the work is well described. As the program develops, Canada would look to ensure some of its concerns and those raised by STAP are addressed. In particular, we echo the STAP's observation that for a program of this size the technical quality of the Project Framework Document is quite light and should focus less on intentions and more on what is proven/theorized to work.</p>	<p><u>Program response:</u> We are prepared to incorporate these and STAP comments in the full design of the individual national child projects and the coordinating child projects. We appreciate the comments. The PFD emphasizes the overall strategic thrust of the program with the child project concepts providing significant additional details. This is the first time that three PFD countries will be using significant portions of their STAR allocation to invest in the Amazon and reduce deforestation as well as preserve biodiversity. In addition, they are proposing a mechanism to coordinate their investments to have major impacts in the individual projects but also at the regional level. The preparation phase will focus on coordinating with additional relevant partners, without putting any heavy burdens on the agility in the delivery of this program which is driven by the three countries. The WB as the lead agency will facilitate the coordination. All these criteria are embedded in the PFD and will be unpacked during the final design of the regional program and its projects. In addition, there are several studies such "Estudio: Integrando costos económicos en la identificación de áreas prioritarias para la conservación en la amazonia occidental" by USAID that will be used to develop the full proposals for each child project.</p> <p><u>Project response:</u> The child project builds on lessons learned from previous GEF and non-GEF interventions in Peru and the Amazon (e.g. Brazil's ARPA), and is well researched/referenced. See Appendices 9, 12, 13 and 18 in the ProDoc.</p>

Comments received by Council approval	Responses
<p>Component 1: The discussion on the criteria for identifying priorities for PA investments and the process by which these high priority areas would be identified should be enhanced. For example, the aim may be to identify areas where high biodiversity overlaps with ecosystem services of particular interest (e.g., global climate regulation) or where ecosystem service bundles are evident. Mapping ecosystem services, including participatory mapping, could be useful. It would be assumed that corridors for the flow of species, biophysical processes and functions would be identified as a high priority, but this is not discussed, except in relation to component 2.</p>	<p>Project response: Appendix 15 explains the selection process resulting in six shortlisted sites which will be eligible to receive GEF funding during project implementation. All the sites contain biodiversity features of global significance (including international designations, KBA species, etc.)</p>
<p>Component 2: This component notes that it will promote access to land use planning and innovative financing mechanisms. It should be made clear whether this project will enable a comprehensive regional land use planning approach to help structure and manage land use in the region. If a payment for ecosystem services scheme is to be implemented, a mechanism for the measurement and monitoring of this scheme must be created. In addition, the discussion on enforcement roles and responsibilities is brief and should be further elaborated.</p>	<p>Program response: The Coordinating grant will ensure the exchange of knowledge and the development of a platform for issues with regional coordination implications, such as the regional land use planning approach. In terms of financing mechanisms, the projects under the program will include a results framework in order to allow the measurement and monitoring towards specific targets. Enforcement roles will be discussed with more detail during the preparation of the program.</p> <p>Project response: Under component 2 of the child project, GEF resources will provide technical and financial assistance to explore, analyze and select a short-list of potential income-generating mechanisms at a national and site level. The project will support the development of <i>in-depth feasibility studies</i> on potential returns of this short list and will provide guidelines and make recommendations on possible adjustments to the regulatory framework and policies to ensure that NPAs have clear access to funds raised through these mechanisms. These assessments will result in identification of those mechanisms that prove to be viable from an economic, political, environmental and social perspective</p>
<p>Component 3: We are supportive of the consensus-based, collaborative approach to identifying appropriate policies and regulations. While this may mean that little detail can be provided in the Project Framework Document, this component is still vague and further elaboration should be provided on how this approach would take form. STAP's suggestion with respect to reviewing what has/has not worked well in past projects and the application of lessons learned in this context would be particularly useful under this component.</p>	<p>Program response: The final design of the program and its projects will include a review of lessons learned from other project previously implemented in the Amazon region. It is important to note that the strategies identified in the proposals by the participating countries rely on vast bodies of experience and literature available in each country on what has worked in the past, including GEF investments, and is indeed based on accepted good practice in each country although this is not explicitly defined in the PFD. The final design of the program and its projects will include the results frameworks with outcome indicators, including detailed baselines and targets for each indicator.</p>
<p>The project offers fairly detailed targets, for protected area expansion and GHG emissions, for example, but there is little information provided on how those targets were developed or how they will be reached. We request that more information be provided on target setting, as well as the measurement against those targets.</p>	<p>Project response: The child project aims to consolidate a standard level of management across all NPAs in the Peruvian Amazon. The targets were set based on a thorough analysis of baseline situation for the different benchmarks that define each level of management, an assessment of needs and costs. Appendix 9 details the cost planning process, assessment of financial gap and preliminary donor target.</p>
<p>GERMANY</p>	

Comments received by Council approval	Responses
<p><u>Regarding the baseline:</u> There are many programmes and activities implemented already in the region, and it is not clear how incremental/additional reasoning will be achieved and measured.</p> <ul style="list-style-type: none"> Germany requests including all ongoing programs aiming at biodiversity conservation, reducing deforestation and enhancing sustainable land use and related to the same sectors and geographies (e. g. ProAmbiente, Peru) as well as already committed finance (e.g. restoration loan Germany-Brazil). Germany also suggests describing specific activities and expected impacts in relation to already running programmes implemented and/or financed by governments and public and private donors The proposal would also benefit from including lessons learned through existing regional initiatives in addressing the “pan-amazonian” drivers of biodiversity loss and from including a critical analysis of the actual market situation of environmental-friendly production in the Amazon region as well as a cost-benefit analysis of related value chains. 	<p><u>Program response:</u> During the next stages of preparation, the baselines will be updated to include the suggested ongoing projects, detailing specific activities for coordination/integration with other initiatives in the same geographies. Also in the final design of the program and within each child project (full proposals), mechanisms to ensure a continuous coordination with other ongoing projects will be proposed. For example, in the case of Peru’s UNDP child project, coordination and exchange of experiences will be sought with the 13.7 million Euros from BMZ ProAmbiente Project that is working on forestry issues. The same will be done for the Brazil restoration loan from Germany.</p> <p>The lessons learned and cost benefit analysis are important elements for project preparation. During the design of each of the child projects, an analysis of the current national programs financed by donors or by the Government will be done to determine the linkages with this Amazon Program.</p> <p>The coordinating grant will also assess the relevance of the research agenda of programs such as CIFOR, ICRAF, CIAT and others to the Amazon program and determine which exchange of lessons beyond the child projects will be promoted.</p>
<p><u>Regarding the Alternative Scenario:</u> The program approach is based on the development of four individual national projects, which lack, although united under the umbrella of the "Amazon region", a clearly laid out regional approach. They are basically a sum of national initiatives, whose objectives and expected results do not show the regional thread and therefore the expected impacts to be achieved in the Amazon biome.</p> <p>The regional approach does not take into account activities such as the political and technical dialogue undertaken by ACTO as a regional relevant stakeholder in the Amazon region. It is mentioned that “taking action on regional issues can no longer be postponed, as the Amazon region is increasingly accessible and gaining importance in the development agenda” (pg 17). The prior ignores that notably BMZ financed the Amazon Regional Program (PRA) that supports ACTO for more than eight years. The process of regional cooperation has been approached with specific priorities through the Strategic Agenda for Amazon Cooperation of ACTO, containing actions at regional level to support national initiatives. A clear example is the ACTO thematic agenda in forest and the regional project “Monitoring of deforestation, Forest Use and Changes in Land Use in the Pan Amazon Forest”, started in 2011 by the Permanent Secretariat of ACTO.</p> <ul style="list-style-type: none"> The program should take into account the institutional structures as well as related ongoing regional activities. 	<p><u>Program response:</u> This program is primarily based on the urgent need to support the exchange of technical and practical knowledge and experiences among practitioners under the national child projects in the three countries in order to accelerate positive changes in the types of interventions that can make a difference in the Amazon basin deforestation and biodiversity conservation. The implicit strategy in the PFD is a bottom up approach that starts with the national initiatives and links them with programmatic learning that will build a harmonized and common vision for the Amazon basin that is also reflected in the ACTO. The three countries involved on this initiative, Brazil, Colombia and Peru are active participants and supporters of ACTO and the Country Teams and IA’s Team will seek to engage with ACTO for preparation of the Program’s overall coordination and the country specific interventions. The ultimate goal of this program is to be agile and effective to deliver quick products driven by the demands and needs of the three participating countries under the program. Where convergences are found between this program and ACTO and other regional initiatives such as the Monitoring of Deforestation mentioned by the reviewer, specific links will be identified and supported during preparation.</p>
<p><u>Regarding the program framework:</u> General terms and complex concepts are</p>	<p><u>Program response:</u> Component 1. There are several studies such “Estudio: Integrand</p>

Comments received by Council approval	Responses
<p>not sufficiently described (e.g. “Integrated management practices” and “innovative mechanisms”)</p> <ul style="list-style-type: none"> • It would be very useful to include case specific cost-benefit and feasibility analysis of implicit business-cases. • Component 1: Include a preliminary analysis of potential new PAs (region, ha) • Component 2: Integrated Landscape Management, “...(v) Enhancement of institutional capacities to monitor deforestation” should specify the interactions with existing activities such as the regional project Monitoring of Deforestation, Forest Use and Changes in Land Use in the Pan Amazon Forest run by ACTO. The proposal should consider progress already made in this regard. • Component 3: include evidence of political will in the mentioned government sectors (mining, energy, infrastructure, agriculture) to engage in the program • Component 4: Capacity building and regional cooperation. The proposal envisages regional cooperation from the perspective of south – south learning, supporting, among other activities a learning platform in priority thematic areas, preliminary mentioned: monitoring deforestation, climate change, forest management. There is a duplication of efforts in relation to the activities and progress that PRA and ACTO have made in this area. Duplications need to be avoided and potential synergies identified and used. 	<p>costos económicos en la identificación de áreas prioritarias para la conservación en la amazonia occidental” by USAID that will be used to develop the full proposals for each child project.</p> <p>Component 2. Indeed, the proposal to increase monitoring capacities will take into account progress made by ACTO, however there is a need to broaden its scope. ACTO focuses mainly on deforestation maps and does not take into account key monitoring aspects such as early warning signals and changes in soil and land degradation. The Amazon program will contribute with information including technical and methodological support that ACTO could incorporate and scale up.</p> <p>Component 3: Political will is important, but this program will focus on providing hard core data and evidence of the positive change in the rate of deforestation from new types of interventions, incentives and other mechanisms. These will then influence the political decision making process to scale up the successful interventions.</p> <p>Component 4. We agree with the comment and the design of the full proposal for each child project and in particular, regional coordination and south-south technical exchanges will ensure synergies with on-going initiatives under PRA and ACTO. It is important to note that the S-S exchanges in the Program will focus on facilitating knowledge transfer on the particular intervention models within each child project.</p> <p>Project response: For the purpose of this child project, innovative mechanisms are defined as those that have not yet been implemented in NPAs in Peru.</p>
<p><u>Regarding innovation, sustainability, and potential scaling up</u></p> <ul style="list-style-type: none"> • The proposed program defines its regional character mostly in terms of territorial coverage (83% of the biome), however it does not consider the established institutions and the amazon governance by ignoring the existence and role of the unique Governmental Regional Organization that recognizes the transboundary nature of the Amazon. The regional institutional sustainability is therefore not considered in this proposal. • Regionally, ACTO is the intergovernmental forum for cooperation in the Amazon. This mandate emanated from the eight Member Countries of the Organization. ACTO and its ongoing regional projects should be considered in the proposal to promote the scaling up of the program. • 	<p><u>Program response:</u> We agree that the program should work closely with regional institutions and activities that are currently on going to facilitate sustainability and during the design phase these opportunities will be more fully elaborated and exploited as appropriate for each country and intervention strategy. For example, REDPARQUES through the support of the German cooperation and WWF is conducting a study on: Protected Areas, Natural Solutions to Climate change. The results of this study will be used in the design of the elements of child projects dealing protected areas. Overall, interventions that will be developed under the child projects will seek opportunities for contributing to sustainability of project outcomes and scaling up through regional institutions; however, the Program is not designed to sustain regional institutions, per se.</p>
<p><u>Regarding socio-economic aspects:</u></p> <ul style="list-style-type: none"> • Predominantly weak organizational capacity of rural population and the informality of forest-based value chains should be taken into 	<p><u>Program response:</u> These are excellent suggestions that will be used during preparation.</p> <p>There are currently strong regulations in at least one of the participating countries (Brazil)</p>

Comments received by Council approval	Responses
<p>consideration as factors to be addressed in order to enhance the dissemination of new land use models.</p> <ul style="list-style-type: none"> In the analysis of socio-economic benefits, direct short-term benefits should be included in order to stimulate adherence to proposed innovations. 	<p>incentivizing sustainable land use by private landowners (Forest Code and CAR regulation). The Programs aims at supporting implementation of such regulations and potential adoption of similar policies in other countries. A more detailed risk analysis, including reassessment of proposed risks, will be incorporated in the final project documents, consistent with GEF agency and GEF standards.</p>
<p><u>Regarding potential risks:</u> The risk that landowners/farmers do not change their land use strategies towards “environment-friendly” land use is underestimated, particularly if immediate economic benefits are uncertain.</p> <ul style="list-style-type: none"> The risk should be reassessed on the base of a cost benefit analysis (from the farmers’ perspective) and related mitigation strategies (e.g. long term rural extension programmes) should be included in the framework. Include risk mitigation measures/safeguards regarding the risk of land registration leading to an increase in land acquisition, speculation and subsequent forest clearing. Add risk mitigation measures to the Columbia Child Project, where they are completely missing. Consider risk of over-subsidization and/or contradicting incentives (e. g. upfront finance vs. performance based) through financing by other international donors or domestic governments, include a permanent coordinating mechanism in order to mitigate this risk. 	<p>Project response: Under Component 3 eligible activities include providing seed funding and technical assistance to support value added production of natural resources and commercial linkages.</p>
<p><u>Regarding coordination with other initiatives:</u> Due to the complexity and scope of the program, coordination is a major challenge. We advise to coordinate the program during the planning and implementation phases with all relevant stakeholders (see also comments above) and donors, including GIZ and KFW sector programs in the region.</p>	<p><u>Program response:</u> We agree with the comments. The Coordinating grant will set up through the Steering Committee a series of virtual and in person meetings with the main child project executors and with other key stakeholders to exchange knowledge and develop a platform for on-going coordination. This will be incorporated in the design of the full proposal of the coordinating grant.</p> <p>Project response: The child project coordinates its interventions with those of GIZ/KFW for financial sustainability of PAs</p>
GEF STAP	
<p>Based on this PIF screening, STAP’s advisory response to the GEF Secretariat and GEF Agency(ies):</p> <p>Minor issues to be considered during project design</p>	<p><u>Program response:</u> We are prepared to incorporate STAP comments (below) in the full design of the individual national child projects and the coordinating child projects. We appreciate the comments.</p>
<p>STAP is reasonably confident that this program can deliver on its expected outcome of "globally significant biodiversity and sustainable land use and restoration of native cover". The Panel notes that the Program expects to build resilience in forested and agro-ecosystems, and urges the proponents to review STAP's recent publications in this domain as part of the Food Security IAP. Concomitantly, this highly ambitious program appears to draw</p>	<p><u>Program response:</u> Thank you for these comments. It is important to note that the strategies identified in the proposals by the participating countries rely on vast bodies of experience and literature available in each country on what has worked in the past, including GEF investments, and is indeed based on accepted good practice in each country although this is not explicitly defined in the PFD. We will review the recent publications mentioned in STAP comments. With the Project Preparation Grant, a comprehensive</p>

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<p>very little on past knowledge and experience, including little explicit evidence from projects that have worked or failed in this area, or lessons from the GEF portfolio in the same and other regions. Given so many past investments in this area, it is surprising that this document provides little evidence of this or proof of concept for proposed activities.</p>	<p>analysis of the past knowledge and experiences will be presented as part of the intervention strategy.</p> <p>Project response The child project draws on lessons learned from other GEF and non-GEF interventions in Peru and elsewhere. A summary of those lessons learned can be found in Appendices 9, 12, 13 and 18 in the ProDoc.</p>
<p>Threats to biodiversity and integrated landscape management (i.e. agricultural expansion, roads, energy infrastructure, mining oil and game, illegal timber trade) are described well but generally, without quantified data, in most cases, which is surely available. Barriers to more effective approaches are also well discussed, such as open access to land (weak individual/group tenure), absence of land planning and zoning, environmentally harmful subsidies, lack of farmer incentives for good land use, weak management capacity in conservation and indigenous areas, threats from infrastructure, and limited capacity for monitoring of land use change.</p>	<p>Program response: The PFD synthesizes the most important threats and barriers with more specific data appearing in the draft child concepts. For the full proposal of each child project this information will be provided in full detail as part of the CEO endorsement.</p> <p>Project response: The child project focuses on Amazon NPAs, therefore description of threats in the ProDoc refer to those reported in protected areas.</p>
<p>For a large \$112 million project (in GEF funding) the technical quality of this document is light and it should focus more on what is proven to work, or is theorized to work in the future, than on intentions. The challenge for a reviewer is that, while a PFD is only a concept note and while we might fully anticipate that many of these weaknesses will be corrected in the programme and project preparation phases, the Panel's responsibility is to highlight potential concerns as this will be the last point in time that the Program is subject to external scrutiny or peer review by STAP.</p>	<p>Program response: The PFD emphasizes the overall strategic thrust of the program with the child project concepts providing significant additional details. This is the first time that three PFD countries will be using significant portions of their STAR allocation to invest in the Amazon and reduce deforestation as well as preserve biodiversity. In addition, they are proposing a mechanism to coordinate their investments to have major impacts in the individual projects but also at the regional level. The preparation phase will focus on coordinating with additional relevant partners, without putting any heavy burdens on the agility in the delivery of this program which is driven by the three countries.</p> <p>Agency response: The child project builds on lessons learned from previous GEF and non-GEF interventions in Peru and the Amazon (e.g. Brazil's ARPA), and is well researched/referenced.</p>
<p>The Capacity Building and regional Cooperation Component is welcomed by STAP, but Component 4 is only very weakly developed at present and extremely general. STAP urges that this component include explicit testing of practices employed, action-oriented research, and ongoing peer review of results for feeding lessons back into child projects as the basis for adaptive management/learning. The intention to share lessons with future projects is stated, and STAP welcomes this approach to openly share experience, lessons, and data gathered from this initiative. In addition, STAP also urges that through this component the Program forges explicit links to the GEF's</p>	<p>Program response: The WB as the lead agency will facilitate the coordination. The regional cooperation component will be further developed during project preparation. The Steering Committee will develop a plan for quality assurance and the K& M platform that may include, among others:</p> <p>a) establishment of a technical guidance mechanism and continued dialogue with key stakeholders to enhance Program processes, systems, and criteria for design and implementation; b) Periodic engagement with other stakeholders, including the GEF Secretariat, STAP¹, and project teams to support development of high quality Program activities; c) Organization of targeted workshops and guided trainings at key stages of the</p>

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<p>emerging approach in KM as well as other related initiatives particularly the Integrated Approach Pilot under development focused on commodity agriculture and deforestation.</p>	<p>Program to support learning by project stakeholders; d) Peer reviews of high level Program documents and relevant reports, including annual reports and other documents, will enhance quality of Program products and outputs</p> <p>Agency response: Component 4 and Section 2.10 (Knowledge management) build on recommendations from the STAP report: Knowledge Management in the GEF: STAP Interim Report. GEF/STAP/C.48/Inf.03/Rev.01 May 22, 2015.</p>
<p>The assessment of risks are not well developed in the view of STAP, particularly where the complexity of the program "makes the overall risk substantial" by the PFD's own admission. Key risks such as protected area financing, the devolution of rights to communities, the relative viability of forest-based land uses, the capacity to implement regulations are ignored or addressed superficially. Of particular note is that there is little specific analysis of socio-economic issues such as the impact of parks, land rights, regulatory restrictions, etc. on society, especially local people and groups which may be marginalized. For example, in Colombia (and other areas) particular attention needs to be focused on recognizing rights of indigenous peoples who are inside large protected areas, e.g. Chiribiquete. Risks related to future potential agricultural expansion and infrastructure development in the Amazon (as outlined in the PFD) cannot be understated. As currently being explored in the Commodities IAP, the pressure for increasing expansion of the oil palm estate is significant. Massive expansion in oil palm commodity production in the Amazon, of course, would be a biodiversity and hydrological disaster as well as a CO2 emissions source of considerable consequence. Future growth in commodities production, such as oil palm and cacao, should be restricted to already cleared land (and some of that land should also be reforested). Discussion on growth in energy infrastructure should also include the issue of transmission lines. Innovative alternatives to cleared rights of way should be explored. Expansion of the railway network in the region in the past, for example in Carajas, represented a direct contributor to extensive deforestation in the region, as well as the illegal trade in timber.</p>	<p>Program response: A more detailed risk analysis, including further assessment of proposed risks, will be incorporated in the full project documents for each child project. There are no indigenous people territories inside the Chiribiquete National Park. The Heart of the Amazon GEF project is supporting the implementation of the agreements achieved with indigenous peoples in the park's area of influence, and as a result of the process of the park expansion that took place during 2013. These agreements follow the approach and requirements of the national legislation related to indigenous people in Colombia and are aligned with international best practices related to the preservation of indigenous people rights and lands.</p> <p>Agency response: The child project presents a detailed risk analysis matrix (including political, financial, environmental, and socioeconomic risks) and presents the corresponding mitigation measures.</p> <p>Given increasing pressures in the Peruvian Amazon, due to accelerated development in the country which has translated into unprecedented new communications infrastructure, the project strategy includes a landscape approach. Activities include articulation of NPA management with regional and cross-sectoral planning in order to influence threats that may originate in the buffer zones and the region of influence of the NPAs, and to enable the development of cost reduction strategies to help achieve the financial sustainability and long-term effectiveness of these areas and the PA system.</p>
<p>Perhaps the weakest area of the PFD is discussion of the theory of change, which is only discussed in general terms. The PFD would be much stronger if it clearly stated a proposed theory of change, based on lessons from past experience, that could be explicitly tested during implementation of the program, thus providing validated evidence to justify this and future interventions. A possible example would be: landholders (including parks) and communities are deterministic of land use outcomes. The purpose of the</p>	<p>Program response: The PFD presents a theory of change of the program and within each child project that will be more fully developed with the necessary support of the project preparation grants. We welcome STAP participation in this exercise.</p> <p>Agency response:</p> <p>The project strategies stem from a thorough analysis and conceptual model. The ProDoc</p>

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<p>program is to "get incentives for maintaining or rehabilitating biodiversity right" at landholder community level by (1) strengthening land rights (2) strengthening knowledge and capacity to make good decisions (3) incorporating the costs and benefits of biodiversity impacts into land use through zoning, incentives and by addressing perverse subsidies (4) addressing macro-drivers like roads and (5) monitoring and evaluating (researching?) if this hypothesis is correct. STAP welcomes the opportunity to work with the proponents in the development of central theory of change proposed for this initiative.</p>	<p>presents results chains for each component, showing how the strategies will work and get to the end results.</p>

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS¹⁴

A. Provide detailed funding amount of the PPG activities financing status in the table below:

PPG Grant Approved at PIF:			
<i>Project Preparation Activities Implemented</i>	<i>GETF/LDCF/SCCF/CBIT Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Project development salaries	52,500	44,813	
Project development consultants	15,000	26,500	
Translations	5,000		5,000
Safeguards consultants	41,050	28,036	
Workshops	22,000	25,717	
Field visits	25,000	26,413	
Other direct costs	22,936	27,006	
Total	183,486	178,485	

¹⁴ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue to undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities. Agencies should also report closing of PPG to Trustee in its Quarterly Report.