Peru's Participation in REDD+: Perceptions of and Impacts on Indigenous Communities

Liliana Lozano Flores

Abstract

In 2008, when international negotiators agreed to create a global program for reducing deforestation (REDD+), many indigenous peoples' groups opposed it because they expected it would lead to further repression, displacement, and violence against them. Ten years have passed and this paper assesses whether these concerns were justified by examining the evolution of the REDD+ process in Peru. In particular, this paper discusses perceptions of REDD+ and the Peru-Norway-Germany agreement (JDI) within an historical analysis of the relationship between the state and indigenous peoples. Peru's commitment to control forest loss is questionable given the increasing rate of deforestation, inconsistencies in the government's forest policies, and weak enforcement of laws meant to constrain commercial pressures on tropical forests and indigenous lands. On the other hand, diverse political pressures led by the indigenous peoples' movements themselves have made some progress on indigenous peoples' rights. The specific REDD+ agreement between Peru, Norway, and Germany has played a key role in shaping new forestry policies and laws, enhancing inter-sectoral coordination, and fostering legitimacy and engagement. This agreement has also affected the land tenure agenda by establishing high standards, setting measurable targets, and leading to better coordination, improved titling procedures, greater local capacities, and more funding for titling and land-use planning processes. The paper finds that, so far, the implementation of the REDD+ national program in Peru has failed to slow the pace of deforestation or improve the well-being of indigenous communities, but it has helped to promote indigenous rights.

Keywords: REDD+, Peru, deforestation, climate change, economic development, indigenous peoples, human rights, public policy, political economy

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Contents

Preface

By William Savedoff

This study was commissioned as part of a project to assess the effects of implementing REDD+ programs on indigenous peoples who live in or near tropical forests. This study complements broader reviews of the global evidence and case studies in other countries to see whether concerns that REDD+ programs would harm indigenous peoples have indeed materialized.

In this case study of Peru, Liliana Lozano assesses the impact of REDD+ initiatives with regard to the rights and well-being of indigenous peoples and the loss of their forests. She documents the contradictions of a government that represses indigenous peoples even as it opens channels of dialogue; that exploits forests while trying to protect them.

In this context, it isn't surprising that Peru's active participation in negotiating international REDD+ agreements has had mixed results. With support (and pressure) from international programs, Peru has enacted new forest laws and strategies that aim to halt deforestation, even though deforestation has continued to increase. And while indigenous groups still face pressures on their lands and rights from the expansion of small-scale agriculture, mining, and corruption, national forest protection strategies are not in themselves a significant threat. Rather the primary result of international forest agreements appears to have been a new political resource for use by organized indigenous groups to claim their rights, including proposing alternative visions of forest protection, in direct negotiation and with some participation in national policy debates.

1. Introduction

Since 2008, Peru has made significant international commitments to protect its tropical forest. Yet, its economic model continues to rely on economic sectors like agriculture, mining, and energy and infrastructure, which are key drivers of deforestation. Furthermore, the country's forestry policies still encourage maximizing the extraction of economic value. Despite the country's attempts to protect its forest and comply with international agreements, Peru's inconsistent forest policy and management strategies raise doubts over its political will and ability to reduce the pace of forest loss.

When the government joined the international forest protection agreements associated with the UN's program for Reducing Emissions from Deforestation and Degradation Plus (REDD+), it also faced criticism and resistance from indigenous groups whose movements have been growing in strength and who perceive REDD+ to be another effort by dominant groups to exploit and repress them. In particular, indigenous groups were concerned about loss of their lands and rights to wily entrepreneurs, restrictions on using their forests, and weakened pressure on rich country governments to curtail carbon emissions.

This paper looks at the history of the Peruvian government's relationship with indigenous peoples and the status of national REDD+ agreements to explore how REDD+ has affected indigenous peoples. It finds that the main impact of REDD+ agreements at the national level has been to create a political resource for indigenous peoples who have exploited it to draw attention to their struggle for rights on land tenure, livelihoods and participation. During this same period, however, deforestation has continued apace due to the contradictions between national REDD+ strategies embodied in national law on the one side, and commercial pressures combined with weak government implementation and enforcement on the other. Furthermore, REDD+ investments have mostly financed preparation activities rather than implementation activities. Nevertheless, since 2015 the Peru-Norway-Germany agreement has made some progress on implementing REDD+ to reach the result-based phase. This agreement has also affected the land tenure agenda by establishing high standards, setting measurable targets, and leading to better coordination, improved titling procedures, greater local capacities, and more funding for titling and land-use planning processes.

2. Method

This research comprises a review of Peru's historical and current socioeconomic and political context, followed by findings from in-depth interviews, and then proceeds with an analysis of REDD+, the Peru-Norway-Germany agreement, government policies and the indigenous peoples' movement. The research has comprehended the following activities: (i) a literature review of Peru's historical, social, and political context in relation to indigenous peoples and the forestry sector, including academic papers on the collective action, indigenous peoples, forest governance, and REDD+; (ii) a review of national planning and policy documents, progress reports, indigenous statements and proposals, United Nations (UN) documents related to REDD+ and the implementation of the Peru-Norway-Germany agreement (JDI) in Peru; (iii) primary data collection through eleven in-depth semi-structured interviews to

five state actors, three indigenous representatives, one multilateral agency, one international NGO and one national NGO, which took place during August and September 2017; and (iv) the coding and analysis of the data.

Through a combination of secondary and primary data collection, this study aims to analyze how the Peru-Norway-Germany agreement (JDI), and the specific projects funded by this agreement have approached indigenous issues in terms of land tenure, land-use change, indigenous empowerment, and local well-being. The research aims to answer the following question: *How has the Peru-Norway-Germany agreement affected/impacted indigenous peoples and Local Communities in terms of land tenure, land-use change, indigenous empowerment, and local well-being?*

3. Context

This section describes the historical context and current situation of Peru, its forests and its indigenous peoples, with special emphasis on those from the lowlands.

3.1. Peru and its Forests

Political History

Peru is divided geographically in three distinct regions: the coastal strip, the Andean highlands and the Amazonian lowlands. For centuries, the Amazonian lowlands have "been remote from the life of the nation as a whole" (Maybury-Lewis, 1999). In fact, the lowlands have captured attention mainly in periods of economic crisis or economic expansion. For instance, after the war of the Pacific (1879-1883) with Chile, which left the country in "turmoil" and "dire financial straits", the government began to grant huge areas of Amazonian land "as concession to private companies" (Maybury-Lewis, 1999).

The twentieth century has been characterized by periods of political rule by the Peruvian oligarchy with episodes of military rule which interrupted the civilian constitutional governments. The first military period (1968-1974) began when President Velasco Alvarado overthrew President Fernando Belaunde Terry, and imposed a nationalist and populist program characterized by such policies as a land reform, nationalization of the fishmeal industry, and nationalization of banks and oil and mining companies. The following decades were a period of instability due to: (i) the growing strength of armed revolutionary movements (the MRTA and Shining Path); (ii) the establishment of the coca trade and its use of the Marginal highway; (iii) the fall of international commodity prices (e.g. copper); and (iv) the natural disaster that impacted the fishmeal industry (Maybury-Lewis, 1999). This situation led to inflation, higher unemployment, lower wages, and decreased production. As a result, growth decelerated in the 1970s and collapsed in the 1980s, leading to a debt crisis and hyperinflation (WorldBank, 2017).

During the last 25 years, which encompasses the periods of Presidents Fujimori, Toledo, Garcia, Humala, Kuczynski and now Vizcarra, Peru's economy stabilized and the armed insurgencies were halted. But Peru has also suffered a crisis of political parties and

institutions. The political parties have lost prestige and have become weak. This situation has favored the dominance of technocrats[1] to guide the direction of the country taking advantage of the favorable international context. However, despite economic and social progress, Peruvians' satisfaction with government performance in terms of leadership, security and social cohesion has steadily decreased as a result of the government's inability "to enforce the law in an efficient and equitable manner, to provide reliable and timely police and justice services to the population, and to combat organized crime" (WorldBank, 2017). For example, the decentralization process that aimed to empower local government institutions has instead led to increasing corruption[2] and disorder at different levels.

Current Economy

Since 2000, Peru's economy has experienced substantial "growth led by factor accumulation," facilitated by two factors: (i) favorable exogenous conditions (commodity price boom), and (ii) macro-structural reforms (macroeconomic institutions and policies, trade liberalization, reforms in infrastructure and public services) (WorldBank, 2017). Macroeconomic conditions have improved on the basis of natural resource extraction, particularly gas, oil and mining, agriculture and timber (WorldBank, 2017). These same economic sectors (agriculture, mining and energy) also represent the major drivers of deforestation (H Che-Piu & Menton, 2013), affecting Peru's forestry sector, which today contributes about 1.1 percent of GDP. The scale and speed of resource extraction have provoked significant social and environmental impacts, for instance, by increasing inequalities and socio-environmental conflicts (Bebbington, 2012). Even though the 2012 Public Consultation Law, created to channel local community concerns about extractive industries, represents a big step towards the protection of indigenous peoples and local community rights, the terms of its operationalization remain unclear (e.g. updating the community directory, setting sector roles and monitoring obligations, funding) (H Che-Piu & Menton, 2013; Sanborn & Ramirez, 2016; WorldBank, 2017).

Currently, Peru's economy is being affected by slower international growth, declining commodity prices, and structural challenges from inequality and low productivity in addition to its domestic political instability due to a crisis in government legitimacy. To address the political crisis and revitalize the economy, President Vizcarra has set three economic priorities—to increase competitiveness, expand infrastructure, and improve public services—and a political priority to continue the decentralization process. In terms of infrastructure, the goal is to improve connectivity across the country through construction of roads and waterways. Some of these projects pass through forested areas.[3] International

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[1] http://elcomercio.pe/movil/opinion/rincon-del-autor/tu-proyecto-se-pudrio-tecnocrata-fernando-vivas-noticia-1964924

[2] In this regard, recently, the US government recognized Peru as one of the top countries in asset laundering in the world. https://redaccion.lamula.pe/2017/03/03/por-que-eeuu-incluyo-al-peru-en-su-lista-negra-de-paises-con-mayor-lavado-de-activos-del-mundo/leslierosas/

[3] The Law 20723, approved on January 22th 2018, declares of national priority and interest the construction of roads in the border zones of the Ucayali region, areas in which nowadays coexist national parks, indigenous reserves that host indigenous people living in voluntary isolation, and indigenous communities.

organizations[4], indigenous groups[5], and the international media[6] have all expressed their concerns over the contradictions in the government's discourse: on one side, making international commitments to protect forest resources and communities; on the other side, setting a national agenda that prioritizes infrastructure and competitiveness to the detriment of forest conservation.

Peru's Forests

Forests cover 57.3 percent of Peruvian territory (73.6 million hectares); most of them are tropical forest (69.3 million hectares) (MINAM, 2015b). The majority of the tropical forest remains under state control and has been allocated under different categories: Production forest for permanent use or future use (41 percent), Protected Forest (18 percent), and Protected areas (24 percent). The remaining 17 percent—approximately 13 million hectares—has been given to indigenous communities under two types of recognition, as communal titling (for agricultural area) or as concessions with use-rights (for forested area). However, indigenous organizations are still seeking full legal recognition for another 20 million hectares that are occupied traditionally and used by indigenous peoples (Espinoza and Feather, 2011). These territories are rich in biodiversity, cultural heritage, natural resources (including gas, oil, mining, and timber) and environmental services.

Peru's annual **deforestation** rate during 2001-2013 was about 113,000 hectares per year (MINAM, 2015b), which was relatively low compared to other South American countries such as Venezuela, Bolivia and Brazil.[7] The overall trend has been increasing with peaks in 2005, 2009, and 2014.[8] Most recently, deforestation affected 177,566 hectares in 2014, 156,505 hectares in 2015,[9] and 164,662 hectares in 2016.[10]

Deforestation is mostly caused by land-use change related to three drivers: (i) agriculture and cattle pasture expansion, (ii) illegal and informal extractive activities such as mining, illicit

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http://busquedas.elperuano.pe/download/url/ley-que-declara-de-prioridad-e-interes-nacional-la-construcc-ley-n-30723-1608601-10

[4] http://www.oas.org/es/cidh/prensa/comunicados/2018/026.asp

[5] http://aidesep.org.pe/pronunciamiento-de-aidesep-sobre-la-ley-no-30723/

[6] https://www.theguardian.com/world/2018/jan/22/peru-passes-law-allowing-roads-through-pristine-amazon-rainforest

[7] https://www.serfor.gob.pe/wp-content/uploads/2016/03/Interpretacion-de-la-dinamica-de-la-deforestacion-en-el-Peru-y-lecciones-aprendidas-para-reducirla-1.pdf. For primary data, see FAO's Global Forest Resources Assessment 2015 (http://www.fao.org/3/a-i4808e.pdf).

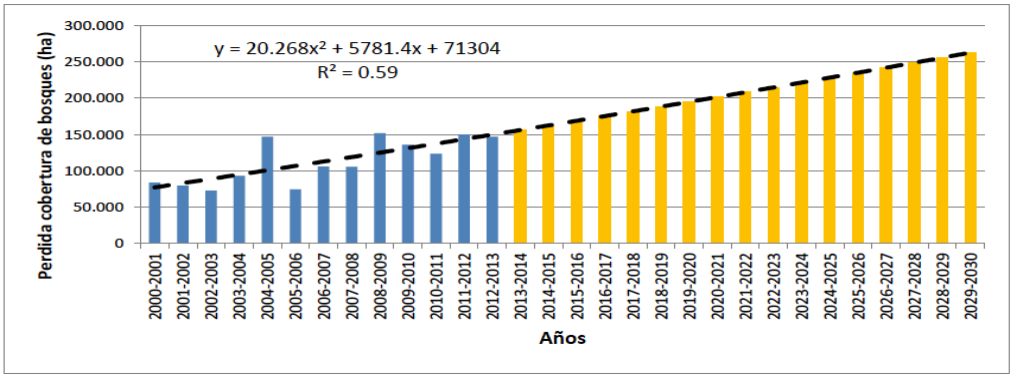
[8] In the case of 2004 and 2009/2010, a reason could be the severe drought that affected the Peruvian Amazonian territory, with most intensity during 2009/2010 (http://horizon.documentation.ird.fr/exl-doc/pleins_textes/divers17-08/010070671.pdf). In the case of the peak of 2004, according to some authors it could also be result of the emerge of new logging concessions that allowed the entrance to forested areas (Oliveira, Paulo; Asner, Gregory; Knapp, David; Almeyda, Angelica; Galvan-Gildermeister, Ricardo; Keene, Sam; Raybin, Rebecca; Smith, 2007).

[9] https://www.serfor.gob.pe/noticias/forestal/la-perdida-de-bosques-humedos-amazonicos-peruanos-en-el-2015-fue-de-156-mil-hectareas

[10] http://www.actualidadambiental.pe/?p=46292

crops such as coca, and timber extraction, and (iii) expansion of infrastructure for communication and extractive industries (MINAM, 2015b). According MINAM, 82 percent of deforestation occurs in areas no larger than 5 hectares due to the expansion of non-industrial agriculture (small agriculture), while 16 percent occurs in areas between 5 and 50 hectares (medium agriculture). Indirect drivers of deforestation are related to colonization (population growth, Andean emigration), economic factors (low profitability of forests relative to other economic activities, poor market access for forestry products and services, increased demand for agricultural commodities), and institutional and political factors. The implementation of large-scale projects in the Amazon—such as roads, dams, oil, and gas—are also key drivers of deforestation especially "in conditions of weak governance" ("en entornos de baja gobernanza") (MINAM, 2015b). In fact, MINAM projects that deforestation will continue to increase (see figure 1).

Figure 1. Deforestation in Peru, historical and projected (hectares)



Source: MINAM, 2015a

Independent analyses of deforestation in the Amazon have highlighted other structural causes related to corruption, the lack of law enforcement in the forestry sector, and weak capacity for Peruvian authorities to control what is happening in the forest (AIDESEP & Forest Peoples Programme, 2014; H Che-Piu & Menton, 2013; Urrunaga, Johnson, Orbegozo, & Mulligan, 2012). For instance, a report on illegal timber trade shows that systematic corruption and illegality are the norm in the forestry sector, and that Peruvian authorities collaborate by illegally approving the sale of wood extracted from areas where harvesting is prohibited (Urrunaga et al., 2012). Other analysis shows that Peruvian authorities also skew the interpretation of the legal definition of forests in order to allow large-scale deforestation for palm oil production (EIA, 2015).

The Legal Framework for Forests

The most important legal instrument linked to international and national commitments to control deforestation is the National Strategy for Forest and Climate Change (ENBCC, in Spanish), which was approved in 2016. The ENBCC, together with the 2011 Forest and Wildlife Law and its four regulations (approved in 2015), represent the legal framework that guides national forest activities.

The geographical scope of the ENBCC encompasses Peru's tropical, Andean and dry forests. The ENBCC expresses Peru's national commitment to forest conservation and sustainable development by 2030 in its general objective:

> Reduce forest loss and degradation, and thereby the greenhouse gas (GHG) emissions of the LULUCF (Land Use, Land-Use Change, and Forestry) sector, and improve the resilience of the forest landscape and human populations dependent on these ecosystems, with special emphasis on indigenous peoples and rural dwellers, in order to reduce their vulnerability to climate change. (MINAM, 2017b)

This objective is aligned with the mitigation and adaptation strategies of Peru's Nationally-Determined Contributions (NDC). For mitigation, Peru's strategy specifically focuses on (i) forest zoning and planning, and allocation of use rights, (ii) sustainable forest management practices to ensure the provision of goods and services, (iii) monitoring and control, and finally (iv) sustainable and smart agriculture, involving a shift to low-carbon agricultural production and environmental protection with appropriate incentives at both the national and regional level.

Within the ENBCC, REDD+ is a key part of mitigation actions through its reduction of deforestation and forest degradation. According to state representatives, REDD+ has put the deforestation problem on the national political agenda and leveraged additional funding for the forestry sector:

> tropical forest deforestation has been in the forestry agenda for many years, without much progress in solving it. However, thanks to REDD+ funding it has been possible to produce information (baseline, assessment), tools (MRV system), adjustments in the normative framework, and empowered institutions in order to tackle deforestation. (Personal communication. August 23, 2017)

The Institutional Framework for Forests

At the national level, the Ministry of Agriculture (MINAGRI) and the National Forestry Service (SERFOR) are the main regulatory institutions. The Environment Ministry (MINAM) has only limited influence due to its technical leadership of the ENBCC, though it must coordinate closely with other public authorities including SERFOR, regional governments, and other stakeholders (MINAM, 2017b).

The general objective of the regulations promulgated by MINAGRI and SERFOR is to increase the **competitiveness of the forestry sector** while ensuring the reduction of deforestation. SERFOR's mandate is:

> to promote the forestry sector and make it more competitive by enacting norms, procedures, plans, strategies and guidelines, taking into consideration Peru's forestry potential, in alignment with the National Policy on Modernization and Public

> Administration and regulating aspects linked to State and civil society institutions.[11] (Forest and Wildlife Law, 2011)

At the subnational level, regional governments are responsible for implementing forest regulations. These subnational authorities are responsible for forest zoning and planning, for forest monitoring and controlling, and for the allocation of land and use-rights. Unfortunately, the transfer of functions (and power) to subnational state actors was not accompanied by a transfer of capable personnel, infrastructure, or even financial resources (Che Piu and Martinez 2011 in Che-Piu & Menton, 2013).

Diverse international agreements have strongly influenced the institutional and legal framework of Peru's forestry sector. For instance, the Peru-US Free Trade Agreement (FTA), signed in 2007, had a specific Annex for strengthening Peruvian forest governance[12] to control illegal logging and wildlife traffic. Among the conditions in that annex was the elaboration of a new law of forest and wildlife. The new law, approved in 2011, followed a participative process stimulated by the pressure of indigenous peoples as result of the *Baguazo* (an indigenous uprising from 2006-2009 discussed below). Therefore, mostly due to international pressure, Peru has an institutional and legal framework to control illegal logging and corruption in its forests (Che-Piu & Menton 2013). Nevertheless, domestic groups who gain from forest exploitation are powerful and well-connected with national and local authorities. Consequently, forest protection laws are rarely enforced, which has contributed to Peru's increasing rates of deforestation.

Political Commitments Related to Forests

Peru has made significant commitments to protect its forests as another way to benefit from its natural resources. (CEPLAN, 2011). As part of its environmental engagement, Peru created the Ministry of Environment in 2008. Since then, it has set ambitious goals for forest conservation:

- In 2009, Peru committed to conserve 54 million hectares by 2020 through (i) the identification and mapping of forestland to be protected, (ii) fostering sustainable production systems and generating alternative incomes sources for local communities, and (iii) strengthening local forest governance capacities among state and community actors.

- In 2010, Peru increased the goal and offered to achieve zero net deforestation in the tropical forest by 2021.

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[11] http://www.actualidadambiental.pe/?p=24539 "dictado de normas, procedimientos, planes, estrategias y lineamientos, tomando en consideración el potencial forestal del Perú, alineándose a la Política Nacional de Modernización de la Gestión Pública y regulando aspectos vinculados a entidades del Estado y la sociedad civil."
[12] https://ustr.gov/sites/default/files/UNITED-STATES-PERU-TRADE-PROMOTION-AGREEMENT-strengthening-forest-sector-governance.pdf

- In 2013, Peru committed to reforest 2 million hectares by 2020.

- In 2015, as part of its nationally determined contributions (NDC) under the UNFCCC, Peru committed to a 31 percent reduction of GHG (greenhouse gas) emissions by 2030. The NDC was set with the assumption that policies would be able to effectively control deforestation.

3.2. Peru's Indigenous Peoples Living in Forests

This section describes the historical, legal and political context of indigenous peoples in Peru, detailing how they have been marginalized while pursuing their rights to recognition, access to land and resources. It also provides a brief introduction to the indigenous movements that have emerged in the Amazon.

Historical, Legal, and Political Context of Indigenous Peoples in Peru

Peru's 1993 Constitution recognizes two types of indigenous community groups: those of the Andes (referred to as *campesino*) and those of the Amazon (referred to as *native*). The difference between the Andean 'campesino' and the Amazonian 'nativo' has been a key element of the State's narrative since the late 1960s (Greene, 2006 in Greene 2007) and each category has its own specific legislation:

(i) The Andean Communities (*Comunidades Campesinas*) are distributed throughout the coast, Andes and lowlands of Peru. The 1921 Leguia Constitution recognized them for the first time. The Law Decree 24656 *Ley General de Comunidades Campesinas*, published in 1987, establishes the management and governance of these communities.

(ii) The Native Communities (*Comunidades Nativas or Comunidades Amazonicas*), also known as the lowland indigenous peoples, are located in the Peruvian tropical forest (*Amazonía Peruana*). They were recognized for the first time by Law Decree 20653, *Ley de Comunidades Nativas y de Promoción Agropecuaria de Regiones de Selva y Ceja de Selva,* published in 1974. Later, this decree was replaced by Law Decree 22165, *Ley de Comunidades Nativas y de Desarrollo Agrario de la Selva y de Ceja de Selva,* enacted in 1978.

Lowland Indigenous Peoples

In the postcolonial imagination, the "lowland tropical forest has always represented something else … vast, empty space of impenetrable forest, inhabited only by the most savage of wild beast and the beastly of wild savages" (Greene, 2007: 462). This characterization of lowland indigenous peoples as savages is one way that they have been marginalized through Peru's history. Even before the Spanish conquest, the relations between Quechua speakers in the Andes and the lowland people had been "characterized by hostility, conquests, rebellion, trade, and vast socio-linguistic transformations" (Greene, 2007:461). The Quechua speakers referred to the lowland people as the "chuncho," "tribal

people living in forested environments" (Greene, 2007). After the Spanish conquest, two forms of inequality coexisted: a hierarchy that placed Spaniards above all indigenous groups, and a second hierarchy that placed the Andean communities, made up of '*indios nobles*' (noble Indians) and '*indios del comun*' (common Indians) above the "masses of other Indians. . . the uncivilized 'savages', the pitiful 'peasants' and the saintless 'serfs'" (Greene, 2007:455-456).

After independence, the central state promoted colonization of the Amazon (Yashar, 2005). Lowland indigenous peoples were seen as obstacles to this colonization and development, or as labor for rubber taping and road construction (Greene, 2007). First, during the late nineteenth and early twentieth century, the Rubber Boom (1890-1920) attracted migrants to the lowlands who made use of indigenous peoples as rubber-tappers (*recolectores de caucho*), threatening their integrity as a group due to the abuses of rubber companies. The decade of 1920s was a "time when the country became deeply aware of the Indian" due to scandals related to the abuses of native people in the Amazon (Maybury-Lewis, 1999). Second, the discovery of petroleum reserves in the lowlands fostered oil exploration during the 1920s and 1930s (Grupo de Trabajo 1995: 34; Dandler et al. 1998: 31– 50 in Yasher, 2005). In the 1930s, there was a conservative backlash, and the conservative oligarchy reemphasized hispanicism (Yashar 2005). During the 1940s, the Amazon experienced rapid population growth compared to the rest of the country due to migration (Yashar, 2005) associated with occupying areas where native communities lived. Third, this colonization process accelerated under President Belaunde (1963-1968), who sought to develop the Amazon through ambitious road-building and colonization projects that negatively affected indigenous peoples.

The 2007 census reported 332,975 inhabitants in the Amazon (an increase of 2.3 percent compared with the 1993 census which identified 239,674 indigenous inhabitants). The census reports that they live in 1,786 lowland indigenous communities located in 11 regions (INEI, 2007). They belong to 60 indigenous groups and represent 17 linguistic families (Espinoza and Feather, 2011). The more representative linguistic groups in terms of population are the *Arawaka* (38.6 percent) and *Jibaro* (24 percent), followed by *Quechua* (10.9 percent) and *Pano* (9.1 percent).

Community Recognition

Peruvian native communities (from the Andes and the Amazon) lacked recognition until the mid-twentieth century. Under Velasco Alvarado, for the first time, a national policy was enacted to protect the cultures and land title of the people of the Amazonian lowland (Maybury-Lewis, 1999). Amazonian indigenous peoples were finally recognized as "native communities" by the Law Decree 20653, *Ley de Comunidades Nativas y de Promoción Agropecuaria de las regiones de Selva y Ceja de Selva,*[13] and later ratified with the Law Decree 22165 in 1978. The latter law provided the native communities with "legal existence and personhood" ("existencia legal y personería juridica") in article 7. It also defined native communities in article 8 as composed of a group of families who are linked by dialect, cultural and social

[13] http://perso.unifr.ch/derechopenal/assets/files/legislacion/l_20150908_04.pdf

identity, and common and permanent tenancy and use of the same land). It represents the smallest of group of communal living, except for indigenous families.

According to Yashar (2005), the 1974 law had significant impact on indigenous peoples. In particular:

- Before 1974, communities occasionally settled down, but it was the 1974 law decree that fostered a process of "nuclearization" of indigenous families to form communities (mostly nearby bilingual schools) and to request for titles for the places they live (Yashar, 2005). It is from then onwards that it has been possible to talk about 'indigenous communities in the amazon'. Through this process, the state "create and institutionalize new ethnic boundaries … imposed the idea of a sedentary community with Western forms of authority and governance" (p. 254). By doing so, the state circumscribed these native communities to specific areas, neglecting the fact that they historically inhabited larger areas than those "recognized and allocated by the state" (Aroca 1989: 120; Grupo de Trabajo 1995: 37–8; Gray 1997: 77–9 in Yashar, 2005)

- It built the contemporary notion of 'native community' as a "regularized construct" (Ballon 1987; Gray 1997: 86; Dandler et al. 1998: 78 in Yashar, 2005). However, the state did not impose the creation of "cooperative federations" As it did in the Andean region.

- A new body of indigenous leaders started to appear in the 1970s as result of different factors including (i) Velasco's reforms that aimed to organize communities following a western approach, (ii) training programs for communal leaders offered by evangelical institutions, and (ii) NGO activities that improved organizational capacity.

The 1979 Constitution regulates indigenous communities by stating that native communities are "autonomous in their organization, communal work, and land use, as well as economically and administratively."[14] So far, the internal governance structure of an indigenous community is composed of: (i) the community assembly, which represents the decision-making body of the community; (ii) the management board, responsible of the administration of the community; (iii) the chief of the community (*jefe o presidente de la comunidad*, in Spanish) who acts as the legal representative designated by the community assembly; and (iv) community-based resource management groups (*grupos de manejo communal*, in Spanish) who are responsible for designing and implementing resource management plans for the community. The number of inhabitants per community as well as the extension of the community varies widely.

[14] "son autónomas en su organización, trabajo comunal y uso de la tierra, así como en lo económico y administrativo"

The 1993 Constitution strengthened community recognition in terms of ethnic identity, and indigenous jurisdiction and customary rights within communal lands (Chuecas, 2009). Later, President Toledo (2001-2006) signed laws recognizing indigenous traditional knowledge and the rights for intercultural bilingual education.[15]

Despite ratifying the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), Peruvian politicians and policies fail to support the notion of equal rights for indigenous peoples embodied in international agreements. For example, in 2009, President Garcia (2006-2011) called indigenous peoples 'second-class citizens'[16], accusing them of being 'the dog in the manger'[17] because they keep Peru from developing its natural resources. Indeed, the relationship between the State and indigenous peoples is characterized by radical shifts in detriment of indigenous people's rights, with Amazonian communities the most vulnerable group given their enduring condition of socio-cultural and economic marginalization, and geographical isolation (Nobre et al., 2016).

The Land Tenure System

Today, the Peruvian Amazon has three categories of indigenous access to land: Native Community, Indigenous Reserves or Territorial Reserves, and Communal Reserves (Espinoza and Feather, 2011).

(i) Native communities are regulated by Law Decree 22165 of 1978. They are autonomous in their administration. Their access to land is given by regional governments (under the modality of titled or use rights). Currently, there is no national cadaster or integrated records of native communities and their status (titled, pending recognition or titling) (Monterroso, Cronkleton, Pinedo, & Larson, 2016). Consequently, diverse non-state institutions have tried to provide estimates (IBC, 2012, 2016; Mateo, Sara; Gaviria, Alfredo; Arbaiza, 2014; Monterroso et al., 2016). From 2012 to 2016, the number of titled native communities has risen from 1,270 till 1,360. (See Annex 01 for detailed information on indigenous communities).

(ii) Indigenous reserves or territorial reserves are areas allocated for indigenous people living in voluntary isolation. They are regulated by Law Decree 28736 of 2006. These areas are under the responsibility and control of the Vice Ministry of Culture.

(iii) Communal reserves constitute an innovative indigenous-state co-management model for a protected area that aims to benefit local communities while achieving conservation outcomes. The communal reserves are regulated by Law Decree 26834

[15] For instance, law decree 27811 (approved in 2002) aimed to protect indigenous traditional knowledge, while law decree 27818 (approved in 2002) recognized the establishment of a program of intercultural bilingual education. The Instituto Nacional de Desarrollo de Pueblo Andinos, Amazónicos y Afroperuano (INDEPA) was also formed during this period but failed to integrate the different local communities and indigenous groups.
[16] https://www.youtube.com/watch?v=nQzFEJ14L7M
[17] The article was published in an editorial of a relevant Peruvian newspaper, El Comercio. http://www.justiciaviva.org.pe/userfiles/26539211-Alan-Garcia-Perez-y-el-perro-del-hortelano.pdf

of 1997. They are co-governed by state representatives, the National Protected Area System (SERNANP), and by the indigenous representative, the Executor of the Contract Administrator (ECA—Ejecutor del Contrato de Administracion, in Spanish). Currently, there are 10 communal reserves[18] three created since 2008.

Peru may have the 'most precarious recognition and application of indigenous rights, after the Guyanas and Suriname' (Instituto Socioambiental and Forest Trends, 2010). In terms of communal land tenure to native communities (the first category previously mentioned), this assertion seems true. Peruvian legislation has progressively shifted to give the central state control over the forested lands. The state has become the sole right-holder to all forested areas including those located within territories claimed by indigenous peoples. In particular, two critical aspects of communal titling have been weakened over time. These are:

- *Shift in the conditions of communal titling.* The Law Decree 20653 of 1974 aimed to guarantee the territorial integrity of indigenous lands by stating that "communal lands are inalienable, cannot be seized, and cannot be proscribed.[19] However, this guarantee was eroded by the 1979 Constitution by adding that lands "can be expropriated due to public interests." The guarantee was further eroded by the 1993 Constitution which took away the inalienability and unseizability of indigenous lands (Chuecas, 2009) (Instituto Socioambiental and Forest Trends, 2010; Espinoza and Feather, 2011).

- *Limitations on use rights to ancestral lands.* Since 1978, Law Decree 22175 has limited communal land rights by superimposing a condition that communal territory which is classified as forested land (*tierras con aptitud forestall,*[20] in Spanish) cannot be titled to indigenous peoples; they can only be allocated 'use rights' ('cesión de uso' (Chuecas, 2009)). In some cases, 100 percent of the ancestral lands claimed by indigenous peoples overlap with areas classified as forested land; implying that they can only get 'use rights' to these lands and not 'communal title' as is possible for lands classified as agricultural.

Monterroso et al. (2016) have identified three transition periods in the history of land tenure in Peru during a period of 50 years from 1960-2016. The first period (1960-1980) was characterized by the development of policies for recognition and land allocation to both private and communal actors. The second period (1980-2009) prioritized the designation, allocation, and formalization of individual property rights so as to expand agricultural development and investment in the lowlands. During this period, communal land tenure was 'stalled and halted' due to a greater investment in large extractive industries (including

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[18] Reserva Comunal (RC) Yanesha created in 28 April 1988, RC El Sira created in 23 June 2001, RC Amarakaeri created in 9 May 2002, RC Machiguenga and RC Ashaninka created in 14 January 2003, RC Purús created in 20 November 2004, RC Tuntanain created in 10 August 2007, RC Chayu Nain created in 9 December 2009, RC Airo Pai and RC Huimeki created in 26 October 2012

[19] "tierras comunales eran inalienables, inembargables e imprescriptibles"

[20] "Tierras con aptitud forestal" o "Clasificacion de tierras por su capacidad de uso mayor forestal (CT-CUM)"

mining, oil) and infrastructure (Little, 2014). The third period (2009–2016) is characterized by a renewed interest in communal land titling that has been result of several factors. First, indigenous peoples have organized to bring communal titling to the national political agenda and to actively participate in the climate change debate. Indigenous resistance re-started with the *Baguazo* and has continued during the REDD+ readiness phase (2009-2017), taking different forms that combined a mix of strategies including non-cooperation, protests, persuasion, dialogue and negotiation, and coordination (see below). Second, land tenure is being given higher priority within the forestry sector "as part of the discussion and negotiation of climate change goals" (Monterroso et al., 2016), which has translated into national commitments to reduce greenhouse gas (GHG) emissions. Half of Peru's greenhouse gas emissions (48 percent) are caused by the land use and land-use change sector (LULUCF). Since deforestation mostly occurs in the areas without land allocation (MINAM, 2015b), the topic of titling has become relevant in the climate agenda. Furthermore, the major mitigation action on LULUCF sector requires addressing enabling conditions such as ensuring *land titling*, allocation of rights, law enforcement, and forest control and supervision (MINAM, 2015a). Hence, to reach national climate commitments, Peru has to solve the tenure agenda. Third, interest in communal land titling has also been driven by Peru's recent years of state-led multiculturalism that started with President Toledo in 2000 (Yashar, 2005) which is, itself, part of a wider Latin America trend of multicultural reforms within a multi-level dynamic (Aguilar-Støen, 2017).

Since 2009, several projects have incorporated land titling, led by the central or subnational government, NGO, indigenous groups, and others. State-led projects include: The Rural Land Titling & Registration Project in Peru - Third Phase (PTRT-3),[21] Cuatro Cuencas project in Loreto,[22] Forest Investment Program (FIP-Peru),[23] DEVIDA,[24] and the Joint Declaration of Intent between the Governments of Peru, Norway and Germany. Among non-state-led initiatives are the Dedicated Grant Mechanism for indigenous peoples and local communities (DGM-Saweto Peru),[25] and the Tenure Facility Pilot in Peru.[26] These titling initiatives address diverse challenges related to legislative gaps, availability of information and funding, coordination and political will (Monterroso et al., 2016):

(i) Peru lacks a national cadaster with a registry of titled communities and the existing pending demand for recognition of land titles (Monterroso et al., 2016). There are different estimations on tenure demand done by different institutions. For instance, a consultancy prepared for World Bank on 2014 (based on data collected during 2013-2014) (Mateo, Sara; Gaviria, Alfredo; Arbaiza, 2014) estimated a total of 294 indigenous communities awaiting communal recognition, and 616 indigenous communizes awaiting communal titling.

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[21] http://www.iadb.org/en/projects/project-description-title,1303.html?id=pe%2Dl1026

[22] https://mef.gob.pe/en/por-instrumento/decreto-supremo/13231-ds002-1999ef/file

[23] https://www.climateinvestmentfunds.org/sites/default/files/meeting-documents/fip_sc.11_4_peru_ip_.pdf

[24] http://www.devida.gob.pe/titulacion-para-la-inclusion-social/

[25] http://mdesawetoperu.org/la-empresa.php

[26] http://rightsandresources.org/wp-content/uploads/2017/09/Tenure-Facility-Peru-Factsheet.pdf

(ii) The overlapping of rights and obligations in areas that are claimed as communal lands. Communal lands may overlap with individually owned properties, Permanent Productive Forests (BPP in Spanish), forest concessions, or economic operations in forests (including forestry, mining, energy, water, etc.).

(iii) In Peru, allocation of communal land titling depends on the classification of the soil as forested land, rather than on indigenous ancestral territorial demand, in compliance with ILO169.

(iv) Land titling processes remain incomplete until they are registered with the National Public Registry Office (SUNARP). Yet, some 90 percent of titled communities have been unable to register their titles in SUNARP due to (a) the lack of geo-referenced registration data that specifies the community location, and/or (b) overlapping or conflicts over boundaries (Monterroso et al., 2016).

(v) Finally, Peru's national and regional authorities lack the political will to reassign territories to indigenous groups with ancestral claims when it requires withdrawing rights of use that were given to other actors. Public authorities use many narratives to avoid such reassignments of rights by claiming, for example, *"indigenous peoples never live in those claim areas" (speech of the regional government)* or *"indigenous peoples are drivers of deforestation" (speech of the National Forestry Service).* (Personal communication. September 4, 2017)

Resource Management

The 1993 Constitution, Article 66, states that natural resources including forests are "Patrimonio de la Nación" (Gobierno del Peru, 1993). This implies that the control over the access to and use of forest resources (both products and services) remains with the central or sub-national government. The State can concede use rights to private actors through "forest concessions" for different purposes: timber and non-timber production, conservation, reforestation, ecotourism, and wildlife management. Native communities only possess use rights over fishing and agricultural resources; while forest rights are given in two forms: subsistence and commercial use. In order to use the forest commercially, native communities must follow forest-logging regulations that require the elaboration and approval of forest management plans.

Indigenous Peoples' Movements in the Amazon

Indigenous peoples in Peru's lowlands mobilized and organized in the last third of the twentieth century, largely separate from other groups representing the Andean and coastal communities. The Amazon has been a 'regional enclave' that facilitated the emergence of indigenous organization (Yashar, 2005:250). Local organizations initially gathered in defense of their land and territories, as well as the rights to bicultural education and health (Dandler et al. 1998: 13 in Yashar, 2005). According to Yashar, three elements explain the emergence of these local/regional organizations in the Amazon: (i) The sense of community autonomy ("understood as territory, identity, language, sovereignty, culture, and self- governance") that

has been always present among lowland indigenous peoples and has been constantly challenged by state reforms when threatening indigenous lands; (ii) the church and NGOs who created networks that subsequently provided the infrastructure and capacity for organizing; and (iii) the fact that Peru's internal civil war (with the emergence of Movimiento Revolucionario Tupac Amaru—MRTA—and Shining Path) was less prevalent in many parts of the Amazon than in the Andes. These remote and scattered local/regional organizations joined into larger inter-ethnic organizations and eventually cofounded the Coordinadora de Comunidades Nativas de la Selva in 1979. The following year, the organization was renamed AIDESEP, the Inter-ethnic Association for the Development of the Peruvian Amazon (Asociación Interétnica de Desarrollo de la Selva Peruana, in Spanish) (Yashar, 2005).

AIDESEP claims to represent indigenous peoples of the lowland (Maybury-Lewis, 1999; Yashar, 2005), 'in defense of their cultures as well as their lands .. and against the developmentalism that has traditionally dominated Peruvian policy for lowlands' (Maybury-Lewis, 1999). AIDESEP's power and success have fluctuated due to internal conflicts that ended up in a division of the federations that were part of AIDESEP and resulted in the founding of a new national indigenous organization, CONAP, the Confederation of Amazonian Nationalities of Peru (Confederación de Nacionalidades Amazónica del Perú, in Spanish) (Yashar, 2005). Almost all lowland indigenous communities are members of one of these two federations: AIDESEP has 1,350 communities, 75 local federations and nine regional organizations, while CONAP has 30 local federations in five regions. Both national organizations share the same purpose: to promote and defend indigenous rights of lowland peoples.

Both organizations and their local federations have actively participated in the REDD+ and climate change discussions. However, AIDESEP and its federations are more prominent than CONAP in the REDD+ discussions. AIDESEP has brought proposals and challenged the REDD+ narrative. In terms of participation and policy dialogue, state actors call upon both organizations when dealing with issues related to lowland peoples. In this debate, indigenous peoples are often "re-inscripted as the ecological noble savage, ready to assist international environmentalists in the effort to 'save the rainforest'." (Greene, 2006, Conklin and Graham, 1995 in Greene 2007).

Since its conformation, the indigenous movement has constantly struggled for their rights. One of the latest relevant indigenous uprisings that shifted/captured political attention towards indigenous issues took place in 2009 during President Garcia's term in office (2006-2011), and it is called the *Baguazo*. From 2006 to 2009, two legislative decrees (1090 and 1064) affecting indigenous land rights were approved, without consultations with local communities. This situation provoked the reaction of thousands of indigenous people in the Bagua region (northern of Peru) who demand the revocation of the decrees, and that resulted in 33 dead and 200 injured (Rénique 2009 in Monterroso et al., 2017). This situation generated a political crisis and some weeks later, the government revoked the decrees. The *Baguazo* affected the national approach to the indigenous agenda, shifting towards an open dialogue for coordination and negotiation. By way of illustration, the government fostered the creation of the *National Coordination Group for the Development of the Amazonian Peoples* to discuss how to address indigenous demands across sectors. Later, in 2011, followed by a

consultation process, the government put into place two reforms: (i) the Law of Prior Consultation of Indigenous or Original Peoples (Decree No. 29785), which provided the general framework for recognizing indigenous peoples' rights to free prior and informed consent, and the (ii) the new Forests and Wildlife Law No. 29763 (Monterroso et al., 2016).

4. Climate Debates

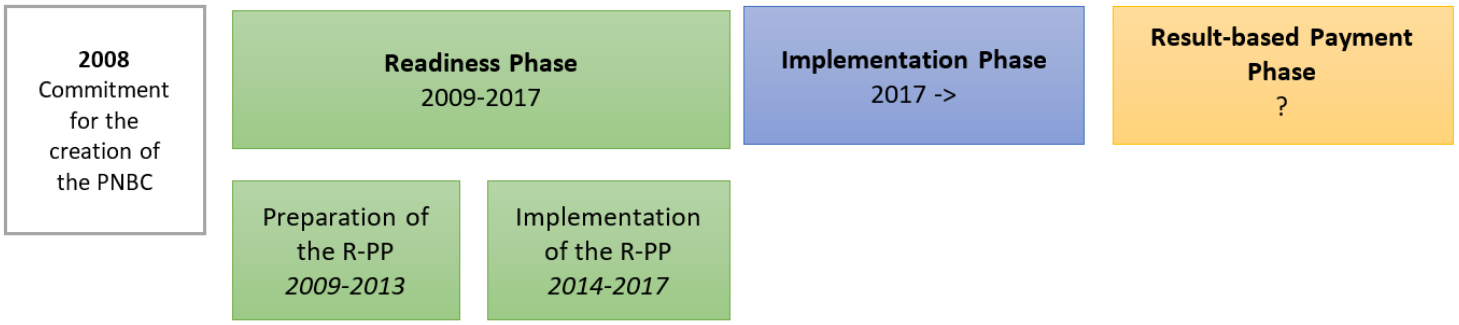
This section outlines the context of the climate debate in Peru. The first part provides information regarding REDD+ in Peru and the Peru-Norway-Germany agreement. The second part describes how the Amazonian indigenous peoples have reacted along the REDD+ debate. Finally, the last part aims to describe the perceptions, concerns and hopes around REDD+ and Peru-Norway-Germany agreement among the interviewees.

4.1. REDD+ in Peru

In 2008, Peru's recently created Ministry of Environment showed its engagement with forest conservation by publicly committing to create the National Program for Forest Conservation (PNCB, in Spanish). Since then, Peru has become an active member of the REDD+ community (De Jong, Will; Del Castillo, 2014) and has joined diverse REDD+ initiatives: Forest Carbon Partnership Facility (FCPF) in 2009, the Forestry Investment Program (FIP) of the Climate Investment Fund (CIF) in 2010, the UN REDD+ Program and the REDD+ Partnership UN-REDD+ program in 2011. Recently, it has also received grants from UNDP (2 projects), UNEP (1 project) and FAO (1 project) (MINAM, 2017b). Besides engaging the diverse REDD+ multilateral initiatives, Peru has also signed bilateral agreements with the governments of Norway, Germany, and Japan, among others. As a result, there have been substantial financial flows to support the implementation of REDD+ in Peru. During 2001-2014, the total climate funding for the forestry sector was US$ 500 million (Wolosin, Breitfeller, & Schaap, 2016). By 2016, this amount had increased by another US$ 110 million for a cumulative total of US$ 610 million (Che-Piu, Huamaní, Valle-riestra, & Koc, 2016). A list of the main REDD+ projects and activities funded by international cooperation is shown in Annex 2.

In terms of the three-phase international REDD+ process (see figure 2), Peru is still in the readiness phase, though it is moving towards the implementation phase. The readiness phase involves changes in policies, incentives and institutional procedures and capacities to reduce emissions, the most prominent of which are: (a) the design of the REDD+ preparation package (R-PP) (2009-2013) that was approved in 2014, and (b) the implementation of the R-PP (2014-2017). Mostly due to pressure from non-state actors and international agencies, Peru also conducted a participatory process that involved many actors, including MINAM, Ministry of Agriculture (MINAGRI), Ministry of Economic Affairs (MEF), regional governments, the Vice-Ministry of Intercultural Affairs under the Ministry of Culture (MINCUL), as well as AIDESEP and CONAP as indigenous organizations, NGOS, and others stakeholders (MINAM, 2017b).

Figure 2. Phases in the REDD+ implementation in Peru



Source: Own elaboration

Peru's readiness phase as expressed in the REDD+ preparation package (R-PP) requires progress on normative, institutional and governance in order to control the drivers of deforestation; and at the same time, to progress on defining technical aspects related to the deforestation baseline, monitoring system, and the scheme for the result-based model. A recent evaluation of the progress of the Readiness phase in relation to indicators of the FCPF has revealed that Peru has completed the components related to reference level, REDD+ strategy, and organization and consultation. There is also substantial progress in terms of the monitoring and information system. The report also indicates that the safeguards evaluation will take place during the implementation of the REDD+ strategy (MINAM, 2017b) (see Annex 3 for reported outcomes of this phase). In the implementation phase, Peru will have to put these changes into practice, both at a national and regional level. Though, in theory both phases are consecutive, in practice, they overlap. For instance, in terms of the monitoring and information system, Peru started implementation in 2017 along with the regulatory procedures to control deforestation in two Amazonian regions, San Martin and Ucayali.

Over these almost 10 years of REDD+ in Peru, the approach has shifted from a project scheme to a policy focus, echoing global discussions of REDD+ within the UNFCCC. In 2008, it started with the early implementation of small-scale private REDD+ initiatives that aimed to commercialize carbon credits through market or voluntary schemes. By 2012, Che-Piu and Menton (2013) identified 41 REDD pilot initiatives "all of them prepared or implemented by civil society or private actors." Half of them involved international certification (De Jong, Will; Del Castillo, 2014), meaning that those projects guaranteed compliance with social and environmental criteria. Later, Peru embraced a jurisdictional approach, fostering sub-national engagement with national commitments. Since 2013, the country has emphasized national coordination in REDD+ implementation and has opted to follow a nested and multilevel approach. This implies that national REDD+ actions might be coordinated with regional and local entities, aiming to build REDD+ from the local (jurisdictional initiatives) towards an integrated national system and vice versa (MINAM, 2013).

The Peru-Norway-Germany Agreement on REDD+ (JDI)

Among the numerous REDD+ initiatives (see Annex 2), Peru's agreement with Norway and Germany in 2014, known as the Joint Declaration of Intent (JDI), is one of the most significant at the national policy level. The partnership's main purpose is to reduce GHG emissions from deforestation and forest degradation while also contributing to the sustainable development of Peru's agricultural, forestry, and mining sectors. This will be done in compliance with three principles: (i) contribution to REDD+ outcomes (especially related to the readiness phases and strengthening of forest governance), (ii) outcome-based commitments, and (iii) outcome-based payments.

JDI encompasses three phases: Preparation (Phase I), Transformation (Phase II), and Contributions for verified emission reduction (Phase III). Phases I & II aim (i) to generate the instruments to implement REDD+ (e.g., MRV system) and to run the financial mechanism, and (ii) to improve and implement the public policies to reduce deforestation (e.g., land titling, forest zoning, land-use planning, etc.). Phase III aims to achieve the committed targets as well as to execute the payments based on verified emission reductions (see annex 4 for more details). The JDI agreement has made progress thanks to (i) the current REDD+ related funding sources agreed by the state with bilateral and multilateral cooperation (see annex 2), and (ii) the allocation of Norwegian funding to specific JDI projects/initiatives (see annex 5). Regarding the latter, so far, two projects/initiatives has been approved and disbursed, and a new disbursement is planned in 2018.

Norway's commitment under the JDI is for US$300 million. Of this, US$50 million is for Phase I and II and the remainder will be transferred according to the delivery of emission reductions. Germany's commitment to the agreement will be determined in the future in the light of Peru's progress and verified results. Up to now, Germany has contributed about US$20 million along with other agencies for readiness activities (see annex 2). Additional funding is contingent on progress towards controlling deforestation.

JDI is fully aligned with the National Strategy for Forest and Climate Change (ENBCC for its name in Spanish), and has become a relevant instrument to operationalize Peru's REDD+ strategy. JDI's geographical scope encompasses the whole forested territory including the tropical, Andean and dry forest; however, in alignment with a gradual implementation of the REDD+ mechanism, it has prioritized activities in the most vulnerable areas, which are mainly located in the tropical forest. This includes state, private and community lands. In terms of timing, the JDI Phase I is timed to align with the implementation of the R-PP (2014-2017) and aimed to finish during 2018.

4.2. Amazonian Indigenous Peoples in the REDD+ Debate

The Carbon Cowboys and Threats to Land Use

Since 2008 and the early stages of REDD+ discussions, several elements have created mistrust in the REDD+ mechanism among all actors at different levels, and especially

among indigenous peoples organizations in Peru (Evans, Murphy, & Jong, 2013). These elements include: (i) the appearance of "carbon cowboys" aiming to grab lands, (ii) the possibility that REDD+ could undermine indigenous land use or rights to self-determination, and (iii) the idea that REDD+ will allow rich countries to buy carbon credits and reduce their climate change efforts, without changing the systems of production in their own countries.

The early implementation of small-scale private REDD+ initiatives among the Amazonian indigenous communities, which started in 2008, facilitated the emergence of a new private entrepreneur—the so-called carbon cowboys—seeking to trade and profit in carbon stocks. Similar to timber entrepreneurs in Peru who "have pursued deals with indigenous groups that allowed them to log valuable timber stocks at prices far below market values" (Chirif and Garcia-Hierro, 2007 in De Jong, Will; Del Castillo, 2014), these new carbon cowboys attempted to obtain rights to transact carbon credits (De Jong, Will; Del Castillo, 2014) through contracts that were detrimental to indigenous peoples and local communities. This situation alarmed AIDESEP and COICA, the Pan-Amazonian indigenous organization, regarding the potential risks of REDD+ over indigenous territories. These two organizations expressed their criticism and opposition to REDD+ in the Iquitos Declaration (COICA, 2011a). The main concern was that REDD+ could represent a threat to their territories if these areas were to be granted as forest-carbon concessions (Espinoza and Feather, 2011), which could limit indigenous peoples in the activities they could perform on their own lands.

Amazonian indigenous communities were also concerned that REDD+ would restrict their land-use rights and unfairly benefit rich countries by letting them buy their way out of reducing their own GHG emissions. After initially taking a confrontational approach, AIDESEP eventually chose to participate in national deliberations and ultimately proposed an alternative formulation that addressed indigenous concerns.

Indigenous Proposals

Notwithstanding its critiques to REDD+, AIDESEP participated in the REDD+ discussion. According to Shankland and Hasenclever (2011:85), "indigenous peoples could not afford to exclude its people from … potentially significant source of resources and political leverage and shifted their focus to discussing the conditions that would need to be fulfilled before REDD+ projects could go ahead." Then, although there are still constraints about the mechanism among indigenous groups, there has been a clear shift in the perception of REDD+ along the time. This is probably result of the construction of a "pragmatic[27] relationship" (Aguilar-Støen, 2017) with REDD+. AIDESEP, in particular, has shifted from a position of "no rights, no REDD+" during the early discussions on REDD+

[27] According to Aguilar-Støen (2017), "some indigenous peoples organizations have shown pragmatism, seeing REDD as a means to support the achievement of their more fundamental goals of land titling and autonomy. They have engaged with actors at various scales and form alliances across national borders and at the same time direct their demands to both national governments and international organs such as the UN and the World Bank. … but it has not involved contentious politics … such as with extractive industries"

in 2008, towards a more nuanced strategy that has evolved since 2011.This shift in narrative has come with innovative ideas on how to improve REDD+ implementation in order to comply with social criteria and to fit in the national climate agenda. For instance, AIDESEP has brought new elements to the discussions on climate change so as to make REDD+ as well as other national commitments, such as the National Determined Contributions (NDC), properly fit with indigenous forms of reasoning (AIDESEP, 2016, 2017). By way of illustration, AIDESEP has brought back ideas regarding (i) the importance of communal land tenure to stop deforestation, (ii) the relevance of holistic approaches for REDD+, which is summarized in the "Amazonian Indigenous REDD+"- AIR proposal, (iii) the need for Indigenous Life plans (planes de vida indigena, in Spanish) for communal forest zoning and planning, (iv) the development of a model of indigenous economy that reduce pressure over standing forest, (v) the relevance of community-based monitoring in terms of efficiency and efficacy on forest monitoring, which is expressed in the "Indigenous MRV" proposal, (vi) the key role of indigenous women in adaptation strategies, (vii) the importance of indigenous traditional knowledge to bring solutions for climate mitigation and adaptation, and (viii) the direct allocation of climate funds to indigenous organizations who will become direct executers of the climate actions, and will work under the supervision of an independent administrative agency.

Specifically, the Amazonian Indigenous REDD+ (AIR) represents an innovative approach to REDD+ that has been co-produced since 2009 by the Amazonian indigenous networks and their allies (Hvalkof, 2013). It is the result of the discontent of indigenous peoples and its networks with the market-oriented and carbonized perspective of the REDD+ framing. It draws attention to the multiple functions of forest ecosystem (not only carbon), the non-market based approaches (COICA, 2014a), and the need for specific communal tenure indicators (COICA, 2014b). The AIR strategic framework is founded in three main pillars (Asociacion Interétnica de Desarrollo de la Selva Peruana, 2013; COICA, 2011a, 2011b). The first pillar, the holistic vision of indigenous territories, focuses on the design and implementation of indigenous life plans[28] (concrete actions[29]) to protect indigenous peoples and their lands, in which REDD+ activities will be incorporated as part of the resource management strategy. The second pillar insists on framing international agreements as mutual commitments by all countries (both developed and developing countries) to reduce their own GHG emissions (in their own countries), with the developed countries also making financial contributions to reduce GHG emissions from tropical deforestation, which cannot, however, be used as offsets. Finally, the third pillar draws attention to the political and structural causes that drive deforestation. It does so by calling for the design and implementation of national and regional strategies to reduce and control the pressure on

[28] Indigenous life plans contain the vision of indigenous peoples about their culture and territory.

[29] These actions might take into account the following elements among others: i) the provision of legal security through the recognition, demarcation, and titling of indigenous territories; ii) setting regulatory reforms to offer solutions to the overlapping of rights; iii) enhancing the implementation of 'full life plans' for indigenous communities; and finally, iv) indigenous self-determination.

forests by economic activities that impinge on indigenous territories such as oil exploitation, mining, dams, large infrastructure and agro-business.

Through negotiation and political pressure, AIDESEP has sought to challenge the REDD+ framing from within, achieving significant gains, including: (i) the incorporation of communal land titling activities or the adjustment of the strategy related to land tenure in diverse state-led REDD+ initiatives such as the FIP Peru, the PTRT-3, and the JDI; (ii) the incorporation of some indigenous proposals, such as AIR and Indigenous MRV, into the national REDD+ strategy, that has come with funding allocations for their further development; (iii) temporary suspension of the PTRT-3 communal titling project as a result of AIDESEP's formal complaint at the Independent Complaints Mechanism (ICIM) of the Inter-American Development Bank; and (iv) the tailoring of the Dedicated Grant Mechanism (DGM) to fit indigenous claims in terms of the thematic scope and the use of direct local implementing agencies. With regard to the DGM, AIDESEP and CONAP obtained agreements from the World Bank and the Peruvian government that will allow the DGM Saweto Peru to fund activities related to recognition of indigenous communities and land titling. Furthermore, it was also agreed that the project's local executors would be 18 indigenous organizations, under the supervision of WWF as the national implementing agency and fund administrator.

4.3. REDD+: Shifting Perceptions, Concerns, and Hopes

REDD+ has become a relevant instrument in Peru's forest governance. The way it has been implemented has changed over the years following international agreements but also tailored to local needs. The Peru-Norway-Germany agreement represents a critical element to push the operationalization of REDD+ towards the implementation and result-payment phases. This section analyzes the perceptions on the implementation of REDD+ and the Peru-Norway-Germany agreement, aiming to explore the diverse expectations and concerns regarding the two instruments.

Among all interviewees, the general perception of REDD+ in Peru sees its relevance in terms of providing access to international funding that could support actions to foster forest conservation and control deforestation.

Since 2008, the implementation of REDD+ has evolved in terms of the actors, institutions, and narratives involved. *The number and type of actors* have expanded as part of the multi-sectorial and multi-actor approach. Among state actors, MINAM has led the agenda since the early stages of REDD+, in coordination with the Ministry of Agriculture (MINAGRI), and later, with the National Forestry Service (SERFOR) after its creation. The Vice-Ministry of Intercultural Affairs under the Ministry of Culture (MINCUL) has been incorporated due to its responsibilities for the indigenous agenda and its role in the protection of indigenous reserves, areas where indigenous peoples live in voluntary isolation. The Ministry of Economic Affairs (MEF) has become more involved and has recently (in 2017) assumed the coordination of the Peru-Norway-Germany Agreement (JDI) on behalf of the MINAM.

On the perception of who is involved and what roles they play in the REDD+ agenda, interviewees mostly agreed on the following:

- *Major players* in the REDD+ agenda are the already mentioned ministries (MINAM, MINAGRI, SERFOR, MINCUL, MEF). However, there is still need for the engagement of other relevant state actors such as the Ministry of Transport and Communication (who leads the major infrastructure projects in the amazon), and the regional governments (who are responsible for the local implementation of REDD+ policies). Among the interviewees that represent non-state actors, major players also include indigenous groups, banking sector, NGOs, and the private sector including local farmers. Regarding the latter, on the point of view of some interviewees, little attention has been paid to local producers of oil palm, coffee and cacao, who are indeed relevant in any deforestation-control strategy, and from whom radical shifts in behavior are required.

- *The different actors play specific roles in the REDD+ making.* For instance, the lead authorities are the national institutions that provide guidance on REDD+ implementation such as MINAM, SERFOR, MINAGRI; the executing entities are the subnational implementing agencies such as the regional governments; and the "forest users"[30] are indigenous groups, private landowners, and others whose roles are seen to be complementary to the state. Regarding the role of indigenous peoples, interviewees offered different perspectives, seeing them as playing "complementary roles" to the extent they help to better understand the forest; "forest users", "beneficiaries", "change agents" due to their activism, and "dueños del bosque" linked to the idea of being "forest guardians".

In terms of *institutional arrangements*, most of the interviewees perceived positive changes regarding: (i) the regulatory framework for land titling and community recognition, as well as deforestation control; (ii) the development of new mechanisms for deforestation monitoring and control (e.g. MRV system); (iii) the development of new coordination platforms among state actors (e.g. inter-sectoral coordination), among the civil society organizations including indigenous peoples (e.g. REDD+ roundtables and indigenous roundtables established at national and subnational level), and between state and non-state actors (e.g. the SERFOR steering committee); (iv) the development of a monitoring framework for tracking public policy related to deforestation loss – such as the World Bank's Policy based-loans; and (v) a shift in the REDD+ leadership within MINAM[31].

[30] "usuarios de bosques"

[31] Since 2017, the REDD+ agenda is being led by a functional direction of MINAM, the Directorate of Climate Change and Desertification (DCCD). Before, the PNCB, a specific program of the MINAM, acted as focal point of REDD+ debate.

In terms of *narratives*, as mentioned before, the narrative expressed by indigenous peoples has changed over time, moving from a disapproving discourse towards a favorable position toward REDD+ under certain conditions, as expressed in the AIR.

Initial narrative (2008-2010):	Further narrative (2011 onwards): (Lozano, 2015)	Current narrative (2015 onwards)
- REDD+ is a threat to our territories - 'no REDD+', - 'No rights, no REDD+	- 'We don't want the conventional REDD+, we want our own vision on REDD+, the Amazon Indigenous REDD+ (AIR)' (public speech, October 2014) - AIR shares the common goal of reducing emissions (same as REDD+) but considers indigenous holistic vision. (personal communication, December 10, 2014)	- AIR, Indigenous MRV as a contribution to NDC (public speech in UNFCCC COP23, November 06, 2017) - Los pueblos indigenas somos una cultura viva; no somos historia" (personal communication, November 06, 2017)

Interviews expressed different perspectives in terms of hopes and expectations. Among indigenous groups, the major expectation is that REDD+ should promptly start activities on the ground, for instance, with land titling. For them, it is also highly relevant that regional governments stop the process of allocating land titles and use-rights to private actors until all communal titling is completed:[32]

> "We want immediate concrete actions in the forest because, in the end, these are the actions that will reduce deforestation and degradation."
>
> "Resources must be designated for land titling to avoid invasion by migrants. The process of concessions must be halted until after communal land titling is complete."

[32] "Nosotros queremos ya que se den acciones concretos pero en el bosque, porque al final son esas acciones las que van a disminuir la deforestación y degradación." (Personal communication. September 4th, 2017)
"Que se designen recursos para titular para evitar ser invadidos por migrantes. Que paralicen el proceso de concesiones hasta despues de la titulacion communal (Personal communication. August 17th, 2017)
"Que se paralice la cession de posesion a gente de fuera por parte de la mafia del GORE" (Personal communication. August 10th, 2017).

> "Conceding land ownership to people from outside by the regional governments' mafia has to stop."

Specifically, among state actors, REDD+ is seen as a national public policy to reduce deforestation and to comply with international commitments. In this context, their expectations are mostly related to the institutionalization of the tool as public policy and the development of the "rules of game" to effectively reduce deforestation.

Non-state and non-indigenous actors tend to frame their expectations in terms of the efficacy of the REDD+ instrument to reduce deforestation, to benefit indigenous peoples (as a source of income), and to explore its potential for co-benefits.

With regard to concerns over REDD+, all the interviewees agreed on the following issues in order of priority:

1. REDD+ is disorganized; it has no clear direction; and there is still confusion over the concept regarding how it will work and how benefits will be distributed.

2. Participation of the regional governments could be very active, in terms of their roles, but could be problematic due to their lack of capacity and bad practices (related to corruption).

3. Empowerment of indigenous peoples is still too limited. Even though indigenous organizations are actively participating at national and subnational levels, indigenous communities still remain isolated from the process.

4. Different actors have diverse and mixed expectations, with high expectations from indigenous groups.

5. Lack of or little involvement by those responsible for driving much of the deforestation e.g. palm oil, cacao, and coffee producers. As expressed by one interviewee, "they're the ones who are expected to make significant change in order to avoid deforestation" (*"son de ellos de quienes se espera un mayor cambio para evitar la deforestacion" personal communication, August 10th, 2017).*

Safeguards

During the REDD+ readiness phase, Peru has followed a *common framework approach*, which has taken into account the diverse safeguards standards from many funding sources including: the Cancun safeguards standards, World Bank □ s and IADB □ s Common Approach, the National System for Environmental Impact Evaluation (NSEIA), the Methodological Framework for the Carbon Fund of the Forest Carbon Partnership Facility (FCPF) and the Law and Convention No. 169 of the International Labour Organization (MINAM, 2017b). This experience is being helpful when building the national Safeguards Information System (SIS) as required by the United Nations Framework Convention on Climate Change Climate (UNFCCC).

Subnational efforts have tried to identify key elements for the Peruvian SIS. For instance, during 2013-2015, the regional government of San Martin worked on a proposal for the implementation of REDD+ safeguards in the region.[33] The regional government of Madre de Dios did the same and shared its proposals with MINAM. Indigenous peoples also developed recommendations for a safeguard system (COICA, 2014b) that included: incorporating indicators related to communal land titling (number of titled communities); community-based holistic management initiatives (number of Amazon Indigenous REDD+ initiatives that are under implementation); and community-based monitoring systems (number, level of capacity, operational costs), among others.

Despite these contributions and the experience of implementing multi-lateral REDD+ funding, there is still no integrated draft for Peru's REDD+ safeguard system. However, Peru has a detailed roadmap for developing the SIS in four steps: interpretation and conceptualization of safeguards; design and implementation of the SIS; participation and capacity building; and finally, communication and sharing information with the UNFCCC. A preliminary draft of the SIS is expected to be ready during 2018.

To what extent have safeguards or similar mechanisms played a role to take actions on the indigenous agenda? Most of the interviewees agreed that safeguards or similar mechanisms have indeed put pressure on state actors in two respects. First, it has required them to incorporate and engage indigenous peoples in the REDD+ debate by fostering their participation in diverse platforms and capacity building sessions. Second, it has led them to incorporate indigenous positions in national documents that govern the forestry agenda:[34]

> "Yes. It has led them to convene (the indigenous peoples), to bring them to the negotiating table and to assure their participation."
>
> "Yes, it has influenced the implementation of REDD+ because they must comply with the Cancun safeguards and the other protocols of the World Bank, IDB, and reconcile … helping to identify the problems and to seek measures for mitigation or impacts."

JDI: Perceptions, Concerns, Hopes, Motivations

There is a general feeling among all interviewees that the JDI is moving REDD+ to the subnational and local level where it is expected that locals will be benefit under better and more effective governance and might be compensated for their efforts in forest

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[33] https://www.conservation.org/global/peru/publicaciones/Documents/Libro_memoria_Salvaguardas_final.pdf

[34] "Si. Ha hecho que los convoquen (a los pueblos indigenas), que los pongan en las mesas de discussion, que asegure su participación" (Personal communication, August 18, 2017)
"Si ha influenciado… la implementacion de REDD+ debe cumplir con las salvaguardas de Cancun y demas protocolos del BM, BID, y conciliar … ayuda a identificar la problemática y ver medidas de mitigación o de afectación" (Personal communication, August 23, 2017)

conservation. As expressed by an interviewee, *"the arrival of JDI has brought the opportunity to make REDD+ visible/real"* (personal communication. August 10, 2017). Prior to JDI, skepticism to REDD+ was more widespread, especially regarding how and when REDD+ payments would be operationalized.

Notwithstanding, there are some differences depending on the actor and the topic. For instance, interviewees that represent state institutions perceive the **JDI process** as very demanding in terms of coordination and communication among sectors and diverse actors, including indigenous groups and civil society (time-consuming). By contrast, non-state interviewees favored the participatory process in terms of transparency and building a strategy that reflects diverse interests. Another important different is related to the **JDI's role**. Interviewees from state institutions see JDI as a concrete application of the REDD+ mechanism *("aplicacion del enfoque REDD+" personal communication. September 4th 2017),* which puts the "deforestation issue in the political agenda" and helps to "run REDD+", by creating a "causal model" that might "operate at regional level" *(personal communication. August 18th and September 8th 2017)*. This implies a state engagement towards the compliance of the JDI's ambitious goals (e.g. by making all efforts and teams available). Among interviewees that represent indigenous groups, JDI represents a state commitment on communal land tenure. For that reason, JDI is perceived as an opportunity to expand and accelerate the indigenous agenda on land titling and community management. Specifically, regarding the JDI goal on communal titling, both the state and indigenous peoples seem to agree that the titling goal of 5 million of hectares is too ambitious, given the time and allocated budget, but also due to other operational constraints including: (i) the lack of a proper estimate of communal demand[35], (ii) the real timing, bottlenecks, and legislative gaps in the land tenure process, and (iii) the particular complexities of each case relating to the overlapping of rights and local conflicts that must be solved prior to start a titling process. Both sets of actors also agree that JDI has made an effort to make the necessary normative changes for accelerating and expanding the communal land titling (see more below).

Others also perceive that JDI has been crucial in the forestry sector due to the funding it has brought to take action at different levels, independent of REDD+ goals. As expressed by one interviewee, "JDI has been helping to make sector reforms that are necessary independent of REDD+" *("JDI viene apoyando a hacer las reformas en el sector que son necesarias independientemente de REDD+" Personal communication, August 10th, 2017).*

Respondents discussed their views on **JDI's general impact** in terms of funding, coordination among actors and levels, and capacity building at the local level:

- JDI has brought resources to *implement the institutional agendas of state actors* at national and regional levels, which have not been fully implemented due to budget

[35] As mentioned before, there is no clear number on the territorial demand. Some organizations have made estimations on the territorial demand based on data collected from different sources including indigenous organizations and regional governments. Since 2016, the Ministry of Agriculture started to coordinate with the diverse titling projects and subnational governments so as to have an update list of indigenous claims.

constraints. For instance, in the case of the MINAM-PNCB, JDI has added funding to complete the four elements of REDD+ (see annex 3). The National Forestry Authority (SERFOR) has contributed with funding for implementing the forestry zoning and planning in two regions, which has allowed the reallocation of SERFOR budget to other non-Amazonian regions. JDI has helped the Ministry of Agriculture to standardize procedures for land titling and communal recognition, as well as to strength capacities in the regions. In the case of the Vice ministry of Culture, JDI has added funding to improve the protection of indigenous reserves, where indigenous peoples live in voluntary isolation. Finally, regional governments have benefited from the JDI's contribution to progress on decentralization of the agroforestry sector (e.g., on land titling) by creating local capacities in regions (e.g., training personnel, providing equipment), by funding operational costs for communal land titling, by fostering institutional dialogue among sectors and actors to solve tenure conflicts and bottlenecks, and by adjusting the normative framework to accelerate and simplify communal land tiling (see more below).

- *JDI has facilitated a state-led organization of different actors, increasing inter-sectoral and multi-stakeholder coordination.* Some interviewees said that JDI helps "to seat different actors together to solve," "to seat everyone at the table," creating space for dialogue and consensus.

- *JDI is creating capacities at local level* among public officials, consultants, Civil Society Organizations, and indigenous communities on the topics of climate change, REDD+, land tenure and community recognition.

Interviewees have very different hopes and expectations for JDI. The expectations of state actors are related to the contributions JDI can make to their institutional goals under the operational and administrative procedures provide by the state. Assuming a direct relationship between policy outputs and deforestation outcomes, these state actors expect JDI will help reach Peru's National Determined Contributions on climate change by reducing and controlling deforestation. This group expects that JDI (i) will develop clear measurable objectives and indicators to monitor emissions reduction, (ii) will provide additional funding to other Amazonian regions, and (iii) will include activities to ensure the protection[36] of fragile area such as indigenous reserves. These actors also expect that result-based payments will follow the CAP[37] approach in alignment with Peru's budgetary system.

Among indigenous groups, expectations are related to progress and resolution of the land tenure communal agenda, which might include funding to resolve conflicts due to overlapping rights. They expect this to be done before regional governments resume allocating land-rights and use-rights to private actors.

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[36] Protection implies several tasks: infrastructure (post control), equipment, personnel and operational costs for the maintenance and monitoring activities, police enforcement, etc…

[37] CAP: Convenios de Apoyo presupuestario

> "It's the regional government, while we're jointly promoting the issue of clarifying legal (status) and physical (boundaries), on the other hand, on May 25, the general forestry department launched an offer for concessions and above the failed procedures of the Ucayali region, and when we cross the information with the communities who have already requested clarification of their areas, we find they overlapping, for 35 native communities, these concessions launched by the regional government are overlapping, and that a conflict."[38]

Among other non-state actors, JDI might create local incentives among local landholders such as cacao, coffee, and oil palm producers to shift their systems of production so as to stop expanding deforestation. This might also include making the necessary normative changes to regulate land-use change at small scale.

> "What we need to do is see how to give incentive to these coffee producers and these cacao producers so that they'll change how they make decisions."[39]

All the interviewees agree on a set of concerns. First, they think JDI has become a slow process that shows little progress on controlling deforestation on the ground, since working on enabling conditions is taking too much time while distracting attention from what is happing on the forest. Second, to meet JDI goals requires too much effort. There is a risk of not achieving the goal of 5 million hectares of communal titling due to the lack of clarity of indigenous territorial demands and existing local conflicts, in addition to the risk of not achieving deforestation control. Third, JDI has created high expectations which have been disappointed because of limited commitment to take action as a result of lack of transparency and corruption. Fourth, some actors could have the feeling of being excluded, e.g. private banking, small landholders.

Among state actors, there are also specific concerns in terms of (i) inter-sectoral coordination so as to have one single institutional position for their external communications, and (ii) multi-stakeholder coordination, which is perceived as time consuming and too participative.

In terms of national cooperation, the main concern is related to JDI's local interventions that could be seen as isolated initiatives. Another concern arises over the general assumption about there being a direct relationship between JDI policy outputs (such as normative changes) and deforestation outcomes.

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[38] "O sea el gobierno regional, mientras estamos impulsando conjuntamente el tema del saneamiento físico y legal, por otro lado la dirección general forestal ha lanzado el 25 de mayo la oferta de concesiones y encima por procedimientos averiados en la región Ucayali, y cuando nosotros hacemos el cruces con las comunidades que ya se han solicitado hacer el saneamiento sus áreas están superpuestas, son 35 comunidades nativas que están superpuestas con estas concesiones que ha lanzado el gobierno regional, eso es un conflicto." (personal communication, indigenous leader from Ucayali. September 10th 2017)

[39] "lo que tenemos que hacer es ver cómo le damos incentivos a estos productores de café y a estos productores de cacao para que cambien su toma de decisiones" (personal communication. September 10, 2017)

> "But there's no clarity regarding how JDI will 'assure measures for achieving effective reductions.' I don't see a direct relationship between the enabling policies and the outcomes of reduced deforestation. 'Deforestation is avoided as a result of decisions by local actors.' Is [JDI] talking with local actors (with users of the forest), with those who deforest the land?"[40]

Motivations Towards Result-Based Payment (RBP) Mechanisms

The JDI is an example of a "result-based payment" (RBP) mechanism that aims to execute payments against the performance and the delivery of results, policy outputs and deforestation outcomes. Up to now, MINAM has only worked on the design of the financial mechanism for JDI Phase II, which is still under development (MINAM, 2017a). The proposed mechanism for the JDI Phase II plans to administer Phase II JDI funding through the *Mecanismo de Apoyo Presupuestario a Programas Presupuestales,* a tool used by the Peruvian budgetary system to manage public funding and is based on "result-based budgeting" (presupuesto por resultados PxR,[41] in Spanish). By using the PxR tool, the Ministry of Economic Affairs (MEF) will transfer funds to the diverse national and subnational authorities (including MINAM, MINAGRI, SERFOR, and the regional governments) to perform the activities to achieve JDI goals as expressed in the project proposal. Transfers will be based on performance in relation to deliverables under the JDI. In addition to the PxR, another instrument called "presupuesto de ayuda complementaria" will be put into practice to allocate funds to non-state actors (indigenous groups, CSO, academy) to implement supporting activities such as the development of scientific studies, trainings, dissemination events, evaluations, among others.

State actors have two conflicting positions toward the RBP mechanism. On one side, some interviewees argue that JDI Phase III represents an incentive to take action, and by doing so, to improve their performance and become eligible for new and increased funding. Others indicate that it does not represent an incentive; rather, it will only add new financial flows to their institutions (in this case, to MINAGRI, SERFOR, MINAM, Vice Ministry of Culture) that will contribute to reaching their own institutional goals. For example, in the case of MINAGRI, it will contribute to progress on the land tenure agenda (revision of procedures, building capacity at regional levels, allocation of land rights). In the case of SERFOR, it will contribute to progress in the forest zoning and planning in two regions, San Martin and Ucayali.

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[40] Pero no hay claridad como JDI va "asegurar medidas que logren reducciones efectivas". No veo la relación directa entre las políticas habilitantes y outcomes de reducción de deforestación. "deforestación se va a evitar en una toma de decisiones de actores locales". Esta DCI hablando con los actores locales (con los usuarios del bosque), con aquellos que deforestan el bosque? (Personal communication, August 10th, 2017).

[41] The PxP tool aims to improve the quality of the public expend in terms of efficiency, efficacy and transparency. Budged allocation to state institutions is made through "budgetary programs" (programas presupuestales, in Spanish) that might reach the expected outcomes as expressed in the PxP. Up to now, since 2012, almost 70 percent of the public funding is manage until this mechanism.

Among indigenous groups, all interviewees understood the relevance of the RBP mechanism, and agree that JDI Phase III has indeed stimulated indigenous actors in two ways. First, the idea of paying for conservation represents itself an economic incentive because indigenous communities expect to be paid and compensated for their work in conserving the forest. However, most importantly, they see the JDI as creating an opportunity to negotiate and make progress on their political agenda e.g. solving bottlenecks in communal titling and recognition. So far, the financial mechanism for the JDI Phase III (result-based payment) has not been developed, so there is no information on how direct economic incentives to indigenous communities will occur.

5. Indigenous Issues in the Peru-Norway-Germany Agreement

This section outlines how the Peru-Norway-Germany agreement (JDI) has incorporated indigenous claims related to land tenure, well-being, land-use change and participation. After briefly reviewing the elements that have been incorporated in the narrative of the JDI outcomes and approved JDI projects, I will analyze the perceived impacts and challenges when putting JDI narrative into practice. While some elements – land tenure, wellbeing, land-use change – are clearly expressed in JDI outcomes and JDI project activities, the participatory element is not clearly addressed as an outcome or activity, however, it is clearly expressed in the activities to achieve those outcomes. Regarding JDI impacts, interviewees have perceived some progress on the land tenure agenda and indigenous empowerment, while policy and technical tools on land-use change have been reported in Phase I of the JDI report.

The '*General approach and principles' section* of the Letter of Intent of the JDI states the need to fully comply with UNFCCC agreements, including the one related to Cancun safeguards and the Paris agreement, which explicitly requires compliance with indigenous rights. This section of the JDI also calls for a participatory process and specifically mentions the need to consider the indigenous organizations' proposal on REDD+.[42]

At the *outcome level*, the JDI has explicitly placed two outcomes related to the indigenous topics:

a) Land tenure (communal titling)
Phase II - Outcome D: "Increase by at least 5 million hectares the regularization of indigenous lands, specifically native communities (sum of demarcation plus issuing of land right/title)

b) Indigenous well-being (cash-transfer incentive for forest conservation TDC):
Phase II - Outcome E: Include at least 2 million hectares in the payment for conservation

[42] *"Respect the rights and proposals (as REDD Indígena Amazónico) of indigenous, forest dependent and local communities to give or withhold their Free, Prior and Informed Consent (FPIC) to operations on lands to which they hold legal, communal or customary rights, and ensure that those tenure rights are respected."*

performance of indigenous communities (the conditional cash/direct transfer mechanism-TDC to native communities under the Forest Conservation Program)

The project outputs that contribute to these two outcomes are the following:

JDI project	Land tenure	Indigenous well-being
Complementary funding Project: Support the implementation of the Peru-Norway-Germany agreement (JDI support). Implementing Agency: WWF	Output 4.1. Technical assistance to regional governments, indigenous organizations for the recognition, titling and land extension of 35 indigenous communities in Loreto.	None
First disbursement Project: Paving the way for the full implementation of the "transformation" phase of the JDI. Implementing Agency: UNDP	Output 2.1. Land titling of 300,000 ha corresponding to 68 indigenous communities in San Martin and Ucayali.	Output 3.1. Increase the number of communities that participate in the TDC program in five regions: Amazonas, San Martin, Pasco, Madre de Dios, and Ucayali.

Besides these two outcomes, as expressed by interviewees other outcomes will also potentially bring benefits to indigenous peoples to:

a) Land-use change.
Phase I – Outcome A: Implementation of measurement, reporting and verification (MRV) for gross deforestation[43] *(*forest monitoring system*).*

Phase I – Outcome D: Establish the key instruments to implement the new forest law to control land-use change [44]

Phase II – Outcome A. Cease authorizations of conversion of forest lands (under categories of land use – Forests and/or Protective land) to agricultural use [45]. *(*land-use change regulation*)*

[43] This implies: *(i) Publication of gross annual deforestation figures in the Amazon from 2000 to 2013 and the mechanism for annual actualization of data. (ii) Publish a Technical Memorandum describing IPCC compliant methodology of at least Tier 2 levels for key carbon pools for determining gross deforestation and associated emission estimates in the Amazon; (iii) Promote a public technical seminar to share results; and (iv) resent a timeline for implementation of the MRV of gross deforestation.*
[44] This implies: *(i) Regulation for the new requirements and conditions for land-use change in areas classified as agricultural land (capacidad de uso mayor agrícola - mayor land use capacity for agriculture); (ii) Regulation of the assignment of rights of forest land (forest lands zoning and forest rights granting processes) to avoid primary forest conversion; (iii) Definitions of roles in the implementation of the forest law among national sectors (ministries and agencies, and government levels –regional governments).*
[45] This implies: *(i) Review regulations and strengthen institutional capacities and mechanisms for transparency, leading to implementation of appropriate measures to prevent the issuing of authorization for new conversion of permanent forest state into agriculture, and ensure due diligence in the case of legal activities which requires forests cover to be removed; (ii) Demonstrate the capacity to continually monitor the commitment in the Forest Monitoring and MRV System; (iii) Establish a public private coalition with multinational companies committed to ambitious zero deforestation policies.*

Phase II – Outcome C. Reduce by 50 percent the area of remaining undesignated forest covered land (2017), in a manner that avoids the conversion of forest lands to plantations.

b) The development of the safeguards system that aims to do no harm with regard to indigenous peoples.
Phase I – Outcome F: Establish a system to monitor, report on and guarantee REDD+ safeguards

There is no specific outcome related to indigenous empowerment. However, it is expected that during the process of design, implementation and monitoring of JDI outcomes, indigenous participation will be requested and will benefit in terms of building capacities inn diverse areas, including: forest management and monitoring, administration, financial and accounting practices, and other technical matters.

The project outputs that contribute to progress on land-use change and indigenous empowerment are listed below:

JDI project	Land-use change	Empowerment
Complementary funding Project: Support the implementation of the Peru-Norway-Germany agreement (JDI support). Implementing Agency: WWF	Output 3.1. Early warning systems for San Martin and Ucayali have been designed and approved. Output 3.2. Improved knowledge and operational skills on early warning system in San Martin and Ucayali	Output 1.1. Public and private institutions improve the coordination regarding the implementation of the JDI Phase II
First disbursement Project: Paving the way for the full implementation of the "transformation" phase of the JDI. Implementing Agency: UNDP	Output 2.2. Areas lacking of forest zoning have been reduced in San Martin and Ucayali. Output 4.1. The control of land-use change of forested and protected areas has been enhanced	Output 1.1. Development of the implementation plan for JDI Phase II

5.1. Land Tenure

As discussed in section 3.2, communal land titling is a complex process with many obstacles and ambiguities, and therefore, many challenges. Among interviewees, the **major perceived impacts** that the current process of communal titling has brought are related to three elements: coordination; transparency in terms of data and actors' interests; and indigenous groups' expectations.

- It has improved coordination among diverse titling projects, so as to avoid competition among communities to be titled, to promote joint efforts for achieving policy outcomes, and to reduce transaction costs.

- It has provided realistic information and more transparency for indigenous organizations regarding (i) the number of communities that are awaiting recognition and titling; (ii) the diverse interests in the titling processes related to deforestation-related activities after communal titling e.g. by loggers and farmers; and (ii) the complexity of the titling process in relation to administrative and legal procedures.

- Rising expectations among indigenous peoples in terms of the scope of communal titling. These expectations face many challenges as already mentioned, but especially, a regulatory framework that is not aligned with ILO169. For instance, the ILO169 calls for the recognition of communal ancestral lands as claimed by the communities. However, Peruvian law only recognizes the area where indigenous communities reside and, furthermore, only grants use rights to forested areas, not clear title. Yet, indigenous groups expect the full recognition of their ancestral land. Moreover, within the indigenous networks, there are contradictory positions on how to approach the 'need to gain recognition of classified forestlands'. While some insist on recognition of the full territory, others – more political indigenous leaders – are in favor of taking advantage of the current law as "a mechanism to guarantee lands at least until the fundamental problem is resolved." For this latter group, the challenge is how to deal with the expectations of local communities who are expecting full recognition.

Regarding the **perceived impacts of JDI intervention** over the tenure regime since 2015, interviewees notice relevant changes in terms of major state-leadership, improvement of titling procedures, creation of local capacities, and access to funding to operationalize titling and land-use planning processes.

- *Major state-leadership to articulate titling initiatives at local level.* JDI (as a national commitment) is making use of its power to convene different actors (regional governments, ministries, indigenous peoples, private sector, civil society organizations) to coordinate coordinated action ("*acción articulada*") to comply with titling goals of 35 indigenous communities in Loreto and 68 indigenous communities in San Martin and Ucayali.

- *Improvement of titling normative framework*. Shifts in the regulatory framework have led to some simplification, flexibility and standardization of procedures. For instance, in terms of simplification, the JDI project has made it possible to review the procedure for classifying forested land and decentralizing the function to regional governments (RM 194-2017-MINAGRI. RM 355-2015-MINAGRI). Before, this function was centralized in the Ministry of Agriculture under the direction of the Directorate of Agrarian and Environmental Issues in Lima, which was costlier and slower. In terms of standardization, the JDI project has made it possible to standardize the procedures on communal recognition (RM 435-2016-MINAGRI). Previously, communal recognition and titling regulations followed different procedures across regions due to the lack of a single standard procedure. Furthermore, JDI has also

made it possible to foster a regulation on "geo-referencing" of communities that have already received land title.

- *Building local capacities for communal titling*. Regional governments have mostly focused efforts on individual titling. Through JDI, it has been possible to train and allocate resources for communal land titling in three regional governments: Loreto, San Martin and Ucayali.

- *Direct funding to execute the titling and land-use planning processes*. JDI provides operational funds to run communal land titling process in three Amazonian regions, Loreto, San Martin, and Ucayali. JDI will also fund forest land-use planning (ordenamiento forestal) in two regions (San Martin and Ucayali), which covers: zoning, defining units for classifying land, assigning provisional titles and or use rights *(forthcoming JDI-Phase II-Act C)*. Finally, JDI will also provide resources to perform the soil analysis of forested areas in two regions, San Martin and Ucayali *(forthcoming JDI-Phase II-Act C)*.

As mentioned in section 3.2, major challenges in the communal agenda are related to legislative gaps, coordination, availability of data and funding, and the lack of political will. Among the interviewees, the major **perceived challenges on the JDI agenda** related to communal titling also include: (i) regional governments' capacity to comply with the JDI goals in the timeframe, to ensure the compliance of standardized procedures, and to guarantee priority is given to communal titling; and (ii) indigenous communities' expectations on the extension of communal titles to include all ancestral lands. Interviewees also emphasize coordination as a critical aspect in terms of the articulation of inter-sectoral actors and other stakeholders, along with participation and transparency.

5.2. Well-being

Since 2010, Peru has implemented a *conditional cash/direct transfer mechanism* (transferencia directa condicionada, TDC, in Spanish) *to native communities under the Forest Conservation Program* (PNCB). The TDC, similar to the SocioBosque program in Ecuador, provides a conditional cash-transfer to local communities to guarantee forest conservation. The transfer of US$ 3/ha aims to implement forest-based sustainable economic activities, surveillance and forest monitoring, and strengthening of the community governance system. With this, the program expects to generate economic incentives (new or additional incomes based on standing forest) and to build technical capacities among indigenous peoples. Between 2011 and 2015, a total of 5 million euros was allocated through this program, benefiting 75 indigenous communities in the tropical forest, encompassing 723,000 hectares. During that period, the main achievements reported by the PNCB were: (i) the implementation of diversified forest management based on timber and non-timber products, (ii) incorporation of community coffee production into the international market, (iii) strengthening of the added-value chains of cacao and handicrafts, among others (PNCB, 2016). Recently, more than 120

communities[46] from nine regions have been identified in the TDC program. Furthermore, the MEF has allocated additional resources to MINAM to expand the scope of the initiative[47].

The JDI's impact on indigenous wellbeing could be analyzed through two sources. First, JDI's initial disbursement is intended to expand the conditional cash transfer mechanism to other communities. However, it is still in the planning process. Second, JDI is expected to invest in community-based REDD+ projects, however this has not progressed because of the emphasis on addressing enabling conditions. Thus, it is not possible to say JDI has had much impact on indigenous peoples' well-being.

The main *expected* impact is the improvement of economic incomes among indigenous groups while also building capacities in forest management and monitoring as well as in administrative and accounting duties. By doing so, it could also be possible to increase the opportunities for local employment. Land titling might also improve indigenous well-being in at least two ways. From a social perspective, it may bolster indigenous identity by reinforcing the discourse of the "forest guardian." From an economic point of view, land tenure represents the first step for building economic security. Even though tenure security does not allow communities to use their lands as collateral for loans in the Amazon (Cronkleton & Larson, 2015), it does give communities access to other incentive programs such as cash-transfer programs and consequently to generate local economic activities through carbon sequestration, pollution reduction and sustainable use of resources (Ding et al., 2015).

The main challenge perceived by interviews is the difficulty of building an indigenous-based business model that relies on keeping the forest standing, combining the provision of forest products and ecosystem services, together with the provision of other services/activities directly managed by indigenous groups. One example that meets all these criteria is when duties related to forest monitoring executed by indigenous members are socially and financially recognized.

5.3. Empowerment

Interviewees were polarized in their perception of the JDI's impact on indigenous empowerment. Some reported that JDI has called for indigenous participation since REDD+ started and improved participation and representation, even when they expressed concerns over the participation process itself. On the other hand, some interviewees perceived no major changes on indigenous empowerment. They argue that indigenous networks had already gained visibility and improved capacities during the REDD+ readiness phase. To this group, JDI has simply applied standard procedures in terms of requesting

[46] http://www.bosques.gob.pe/notasdeprensa/programa-bosques-y-comunidades-nativas-identifican-areas-de-bosques-comunales-para-su-conservacion

[47] As expressed by the Minister of Environment of Peru during COP23 (public speech. November 12th, 2017)

indigenous participation in any forest-related initiative linked to REDD+ ("JDI is following the trend", "it's not adding anything").

Those who saw positive changes, noted the **participation of indigenous peoples at national and subnational state-led platforms** for sharing information and coordination. For instance, in terms of coordination platforms, AIDESEP and CONAP are members of the JDI coordination committee. Furthermore, in compliance with the new Forest Law, both organizations are also member of the SERFOR's steering committee. At the subnational level, in San Martin, CODEPISAM (AIDESEP's local federation) has become a member of the technical working group on forest zoning. This was achieved thanks to the leadership of the JDI team that pressured the local government to comply with the mandate under the new forestry law.

> "Before (the regional government) didn't attend to us, but when we sat with JDI, they certainly did."[48]

On participation for sharing information and feedback, some interviewees expressed concerns over how these processes have been executed. Even though JDI principles specifically mention "full and effective participation in REDD+ planning and implementation," there is a perception that non-state actors' participation is limited depending on the topic.

An example of good participation is demonstrated by drafting of the "JDI Phase II implementation plan" (*Propuesta de Plan de Implementación de la Fase II de la Declaración Conjunta de Intención entre Perú, Noruega y Alemania*, in Spanish), which started in 2016. It has followed an open participatory process including inter-sectoral actors, regional governments, indigenous groups, private sector and CSOs. This process included: 3 Multi-sectorial meetings in Lima, 9 workshops with regional governments, 3 national meetings with indigenous peoples, and 2 meetings with private sector and civil society organizations. Moreover, the 2017 draft version of the JDI Phase II implementation plan had been revised during one national workshop, and 3 regional workshops that included participation by all actors (i.e., national and regional state actors, indigenous groups, private sector and other civil society organizations). The new draft containing the inputs received during the consultation process was put out for consultation by MINAM through the JDI webpage between October 11-25, 2017[49], and a new version is expected during 2018[50]. Another example involves coordination between the regional governments and indigenous

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[48] "Antes, (el gobierno regional) no nos consideraba, pero cuando estamos sentados con JDI, si nos consideran" (personal communication, indigenous leader, August 2017).

[49] This draft version has already received comments from diverse actors including the Norwegian government. For more detailed information on the Government of Norway's comments, see http://www.bosques.gob.pe/archivo/comments_milestones_indicators.pdf. For further information on other comments, see http://www.bosques.gob.pe/archivo/MATRIZ_DE_RESPUESTAS.pdf.

[50] The elaboration of the new version of the plan will address the inputs and feedback received from the different sectors and actors through MINAM's online platform, the three public technical roundtables, and inter-sectorial meetings.

organizations for the selection of communities for titling. Finally, there has been a participatory process for the design of the safeguards roadmap.

By contrast, the design of more "technical" instruments such as the MRV system (MMCB-Modulo de Monitoreo de la Cobertura de Bosques), and the JDI financial mechanism have been restricted to fewer actors and did not include indigenous groups. In the case of the MMCB, a roadmap has been developed *a posteriori* in order to incorporate the AIDESEP's Indigenous MRV proposal into this monitoring system[51]. Furthermore, the selection of the communities that will benefit from the cash-transfer program (TDC, in Spanish) has been exclusively decided by the MINAM-PNCB, without coordination with indigenous organizations.

Despite the sense of an open process of consultation that aims to build legitimacy for REDD+ development, indigenous leaders still feel that their demands are not being incorporated. For example, in October 2017[52] and more recently in March 2018,[53] AIDESEP expressed discomfort with the latest version of the JDI implementation plan that was posted for feedback. The general impression from AIDESEP is that the proposed implementation plan does not capture indigenous concerns and proposals. For instance, it does not contemplate how the Amazonian Indigenous REDD+ proposal (AIR) will be the incorporated into the JDI or how the experience of the Dedicated Grant Mechanism DGM-Saweto Peru project could provide guidance on how to involve indigenous peoples in the local implementation of REDD+. AIDESEP also expressed its concerns on three issues: (i) the state's interest to progress quickly on forest zoning and use-rights allocation, even before solving the communal land claims; (ii) the lack of a sound analysis of the impacts of State infrastructure projects in the Amazon on JDI outcomes; (iii) the absence of a clear strategy for monitoring JDI investment so as to ensure resource allocation to initiatives that prioritize forest preservation.

Still, many interviewees saw positive impact in that there has been **better representation of indigenous leaders** and significant coordination among indigenous networks.

> "Indigenous leaders have learned the technical language … they are the ones who speak, rather than their technical team" (*Personal communication, August 23, 2017*)

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[51] http://www.bosques.gob.pe/archivo/dci/Fase1_Entregable_A_1_MRV_Indigena.pdf

[52] On October 25, 2017, AIDESEP submitted through the JDI webpage an official document that contained its contributions and comments to the latest version of the JDI implementation plan. AIDESEP also posted a press release on its website: with http://www.aidesep.org.pe/plan-de-implementacion-de-la-fase-ii-de-la-dci-y-el-reporte-de-cumplimiento-de-avances-de-la-dci-al-2017/

[53] On March 17, 2018, AIDESEP released a statement explaining the reasons of its discontents with the current version of the JDI implementation plan. This statement reinforces AIDESEP's concerns expressed in the open consultation during 2017. http://www.aidesep.org.pe/carta-abierta-sobre-el-diseno-del-plan-para-la-fase-ii-del-dci-declaracion-conjunta-de-intenciones-para-reducir-la-deforestacion-entre-noruega-alemania-y-peru/

> "Major and improved communication between indigenous networks and its local representatives, that allow them to come with prompt and fresh news regarding the problems in the field" (*Personal communication, August 18, 2017*)

Finally, interviewees described positive changes due to the **incorporation of indigenous claims into national and subnational planning**. When asked about whether indigenous proposals are being incorporated in the JDI, most of the interviewees answered affirmatively. However, among non-state actors, there is a perception that state actors are strongly resisting the incorporation of indigenous claims. On the other side, state actors see an urgent need to better understand indigenous proposals in conceptual terms as well as in the way they might be operationalized. For example:

- *Amazon Indigenous REDD+* (AIR) has been incorporated in the National Strategy of Forest and Climate Change (ENBCC). However, there is still a need to know how to incorporate it in the national and subnational REDD+ scheme. (AIDESEP, 2016b)

- *Land tenure demand* is part of the JDI agenda (outcome D – Phase II). However, some of the interviewees (among indigenous and other non-state actor) expressed the view that changes in land tenure regulation (aiming only to simplify and standardize the tenure procedure) are not significant relative to indigenous peoples' expectations. This is the case, for example, with the debate over receiving communal title to ancestral lands instead of just use rights.

- A *road map to incorporate the indigenous MRV proposal* (based in community-based monitoring) into the MMCB has been drafted, which is called "the indigenous perspective on MRV." This will include the current system of "veedurias forestales." However, it is still being developed and no one knows what it will look like.

> "Today our program of community-based monitoring is on the JDI agenda."[54]

Interviewees have perceived significant improvements in indigenous empowerment at the community level as well as at the organizational level (indigenous networks). At the community level, JDI activities related to land tenure and economic development will indeed provide security that will empower the community. At the organization level, indigenous networks have increased legitimacy both with external actors and among its constituency. At the external front, AIDESEP and CONAP have become members of diverse governance platforms related to REDD+. At the internal front, communities have increased their trust and support to their leaders and indigenous organizations.

Interviewees do see continuing challenges related to (i) guaranteeing full and effective participation and transparency, (ii) managing indigenous expectations, (iii) balancing the

[54] "Hoy nuestro programa de Veedurias forestales (community-based monitoring system) esta en la agenda del JDI" (Personal communication, indigenous leader, August 10, 2017)

power dynamic within the indigenous networks, and (iv) reaching the local communities with concrete initiatives that aims to enforce their rights.

5.4. Land-Use Change

Indigenous peoples depend on the forest and so whether or not REDD+ succeeds at preserving the forests is important to their wellbeing. Yet deforestation has continued at a significant rate. To the extent that JDI has been beneficial to indigenous peoples, it is primarily in terms of setting up monitoring systems and building a policy framework to address the main drivers of deforestation. A MINAM analysis of land-use and land-cover change (LULCC) in the tropical forest during 2001-2013 shows that 82 percent of deforestation occur in areas of less than five hectares due to expansion of non-industrial agriculture, while 16 percent occurs in areas between 5-50 hectares as results of coffee and cacao production, palm oil cultivation and the emerge of medium-scale cattle ranching activities[55] (MINAM, 2015b).

During the JDI Phase I, two outputs directly addressed issues related to land-use change: implementing an MRV system and implementing the new forest law to control land-use change. According to the Phase I JDI report, significant progress has been made on both of these. The Decreto Legislativo N° 1220 (of 2015) created the *Módulo de Monitoreo de la Cobertura de Bosques (MMCB)* as part of the Sistema Nacional de Información Forestal y de Fauna Silvestre (SNIFFS) and under the direction of MINAM, MINAGRI and SERFOR, to produce information and monitor on: deforestation, early warning system, degradation, land-use change, and reference levels. Some of this information will be shared and updated through GEOBOSQUES (http://geobosques.minam.gob.pe/geobosque/view/index.php), a platform to monitor changes in forest cover. On the implementation of the new Forest Law, diverse regulations and decrees has been developed to control land-use change including explicit conditions for land-cover change and for forest zoning and planning.

Additionally, projects directly funded with JDI grants have focused on implementing these instruments along with other actions. Current and expected changes, some of which have been co-funded with other REDD+ projects, include:

- New equipment and training to improve the capacity for monitoring deforestation and land-use change in San Martin and Ucayali. (*) (project executed by WWF)

- Data generation on deforestation and land-use change in San Martin and Ucayali. (*) (project executed by WWF)

[55] The land use change has been concentrated in four regions: San Martin due to coffee and cacao production, Loreto, Ucayali due to palm oil cultivation, and Huanuco due to cacao and coffee production and the emerge of medium-scale cattle ranching activities

- *(forthcoming)* Better regulations and procedures to control land-use change. (project executed by UNDP)

- *(forthcoming)* Forest zoning in San Martin and Ucayali. (project executed by UNDP)

- Communal titling and strengthening the protection of territorial reserves for indigenous peoples living in voluntary isolation to prevent the entry of outsiders and further deforestation in those areas. (project executed by WWF and UNDP)

(*) co-funded with other projects

Moreover, JDI activities related to land titling and the cash transfer mechanism might help control land-use change within the community area, since both activities will promote economic activities that reduce the pressure on standing forests.

In terms of perceived **challenges**, interviewees agreed on the following (from the most to the least important):

- Deforestation within indigenous lands after the titling process could still be triggered by internal and/or external interests. The challenge will be to ensure that indigenous peoples do not have perverse incentives to facilitate deforestation whether at the behest of illegal loggers who may bribe indigenous peoples to allow them in, or by internal actors such as community members who are attracted to economic activities that require land-use change. Some interviewees argued that the titling goal is not enough and that the livelihood component is even more important to guarantee that indigenous communities will manage their titled lands to comply with conservation while promoting development outcomes.

- Regional governments need greater capacity and to operate with transparency in compliance with JDI goals and accountability.

- The capacity to monitor forests in a context of multiple information systems is still problematic. For example, the Vice Ministry of Culture has a system to monitor indigenous reserves, SERFOR uses the *Sistema Nacional de Control y Vigilancia Forestal y de Fauna Silvestre* (SNCFFS), MINAM and SERFOR have recently developed the Modulo de Monitoreo de la Cobertura de Bosques (MMCB), and indigenous groups have developed their own system of "Forest Inspection" ("veedurias forestales") in some areas.

6. Final Conclusions

The implementation of REDD+ in Peru has been characterized as slow and strongly focused on the national scale; this situation has discouraged actors at all levels, especially those at the local level who want to see visible signs of action and improvements in livelihoods that have not materialized. REDD+ has taken a long time in readiness implementation (2009-2017) focused on regulatory and institutional aspects, as

well as the technical procedures related to deforestation measurement and monitoring. While aiming to build a strong basis for implementation, this long preparatory process has eroded hopes regarding what to expect from REDD+, especially in terms of when and how REDD+ will be operationalized at local level.

REDD+ has improved Peruvian forest governance in terms of the policy framework, institutions, and coordination platforms, without yet addressing the actors who are primarily responsible for deforestation. REDD+ has brought significant policy outputs in terms of the regulatory framework (e.g. the four regulations of the new Forest Law, specific legal decrees for titling and land-use change), the development of new mechanisms for forest monitoring, and the creation of inter-sectoral and multi-stakeholder platforms for coordination. However, as expressed by interviewees, these platforms have not yet fully engaged relevant actors that are driving deforestation such as palm oil, papaya, cacao and coffee producers.

Up to now, REDD+ investments have not slowed forest loss; indeed, the government's inconsistencies in the policy and management strategies across sectors and scales raise doubts about Peru's political will to take effective action to control forest loss. While investment in REDD+ has progressively increased, forest loss did not fall. Indeed, since 2001, forest loss has increased significantly. This is the result of numerous factors, including limited allocation of funding to REDD+ preparation activities and that implementation phase activities only started recently (in 2017). However, so far, REDD+ investments have not directly tackled the main drivers of deforestation that are related to agricultural expansion, illegal logging, corruption and lack of law enforcement. Furthermore, the contradictions in the institutional and legal frameworks in terms of priorities, goals and approaches both at national and regional levels (e.g. government's priorities to run infrastructure projects in the amazon, weak local enforcement) also contradict forest conservation goals. This situation raises doubts over Peru's political will and ability to put into practice serious or effective plans for reducing emissions from deforestation and degradation.

REDD+ has helped renew interest in communal land titling and empowering indigenous groups who have organized to promote their own rights and their own vision of forest protection. In terms of communal titling, Peru has shown some progress since 2009, through diverse new land titling initiatives. Addressing the communal agenda is not only challenging due to the different expectations for this process by indigenous groups and the state, but also in terms of legislative gaps, coordination, and availability of data and funding, and the lack of political will. The renewed interest in communal land titling has revived discussion of indigenous land and forest resource claims and revitalized the historical debate over indigenous rights in light of new elements (international framework of ILO169, UNDRIP and safeguards compliance; collective action of indigenous groups). REDD+ has also helped empower indigenous peoples by creating opportunities for indigenous participation in formal state-led platforms for coordination (e.g. JDI coordination committee, SERFOR's steering committee) and for decision-making (e.g. FIP steering committee). This has allowed indigenous groups to bring new proposals to insert indigenous rationality into REDD+ policymaking. Even though there is still little clarity on how to

approach each of indigenous proposals, some of them – such as the Amazon Indigenous REDD+ and Indigenous MRV - have already been incorporated into national planning documents and given budget allocations for their further development. However, to put them into practice through the current REDD+ agreements (JDI funding or others) is still a big challenge mainly due to the different perspectives and the dominance of a market rationality perspective that pays little attention to the distribution of power and local agendas.

The Peru-Norway-Germany agreement (JDI) has significantly contributed to improved coordination and solving communal tenure bottlenecks. The JDI is creating pressure to accelerate the REDD+ process towards the implementation and result-based payment phases by enhancing inter-sectoral and multi-stakeholder coordination so as to ensure legitimacy and engagement. In terms of the communal tenure agenda, JDI has succeeded in establishing very high level and measurable outputs and has shown positive impacts on state-led coordination and titling procedures, creating local capacities, and providing funding to operationalize titling and land-use planning processes. However, progress on land titling and community recognition is context-dependent. In the case of Peru, three key factors have been significant: (i) the persistent claims of indigenous peoples that were revitalized with the Baguazo and that have evolved toward the development of alternative proposals to the current REDD+ framing; (ii) leadership, openness of key state actors, and willingness to dialogue due to agreement or as a consequence of pressure and persuasion from external actors; (iii) the climate change agenda that has set conditions on funding that "foster" participatory processes, creating room to incorporate indigenous peoples' issues.

7. Literature

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8. Annexes

Annex 1. Status of communal land titling and pending demand

Source	Titled Communities	Pending claims
IBC, 2012	1270	537 pending titling 126 pending recognition and titling
Mateo, Sara; Gaviria, Alfredo; Arbaiza, 2014	1271	616 pending titling 294 pending recognition and titling
IBC, 2016	1359	608 pending titling 199 pending recognition and titling
Monterroso, Cronkleton, Pinedo, & Larson, 2016	1365	644 pending titling

Annex 2. Main international funding for REDD+ projects and activities executed by the donors or the government of Peru

#	Name	Donor	Amount (US$)	Dates
	Completed Projects			
1	Conservation of community forests - first phase	BMU, GiZ	4,140,000	11/2010-2/2014
2	Forest conservation in indigenous communities	FONDAM	1,068,760	1/2012-5/2013
3	Strengthening of capacities of indigenous peoples for the design and implementation of REDD+	UNDP/UN REDD, Hatoyama	295,150	7/2012-6/2013
4	Promotion of private sector involvement in forest conservation and REDD+	UNEP	370,000	1/2015-6/2016
5	National preparation for the future implementation of REDD+	UNDP/UN REDD	544,050	3/2015-7/2016
6	National Forest Inventory and Sustainable Forest Management of Peru in the face of Climate Change	FAO, FINNIDA	4,550,000	2014-2015
7	Strengthening of technical, scientific, and institutional capacities for REDD+/REDD-MINAM	BETTY MOORE, KFW	9,701,878	1/2011-12/2016
	Sub-total	..	**20,669,838**	
	On-going Projects for REDD+ preparation			
8	Implementation of the R-PP	FCPF	3,800,000	4/2015-3/2017
9	Support for the Joint Declaration of Intent Germany/Norway (by WWF)	NORAD/NICFI	5,696,000	2016-2017
10	Development of capacities for forest conservation and REDD+	JICA	2,120,000	2016-2020
	Sub-total		**11,616,000**	
	On-going Projects related to REDD+			
11	Conservation of community forests - second phase	GiZ, BMU	6,895,026	1/2014-2/2018
12	Mitigation of deforestation in Brazil nut concessions, Madre de Dios/PROFONANPE	GEF	1,561,557	2015-2018
13	Preparation of the ER-PD	FCPF	650,000	2016-2017
14	Sustainable forest development in the Peruvian Amazon/SERFOR	CAF	73,208,000	2016-2021
15	Conservation in Datem, Marañon/PROFONANPE	GCF	6,200,000	2016-2021
16	Implementation for the Joint Declaration of Intent Germany/Norway	NORAD/NICFI	6,156,000	2016-2018
	Sub-total	..	**94,670,583**	
	Projects being designed/planned			
17	Preparation for REDD+	UNREDD	3,800,000	2017-2020
18	NPFCCC in Amazonas, Lambayeque, Loreto, Madre de Dios, Piura, San Martín, Tumbes, and Ucayali	JICA	63,000,000	7/2010-7/2020
19	Productive sustainable landscapes in the Peruvian Amazon	GEF	19,998,150	2017-2023
20	Implementation of the Joint Declaration of Intent Germany/Norway, results-based payments	NORAD/NICFI	250,000,000	2017-2030
21	FIP (Included grant for design for US$ 1.5 million)	CIF, IADB, World Bank	50,000,000	2017-2021
22	Payments for results, Carbon Fund	FCPF	33,000,000	2017-2020
	Sub-total	..	**419,798,150**	
	TOTAL		**546,754,571**	

Source: (MINAM, 2017b)

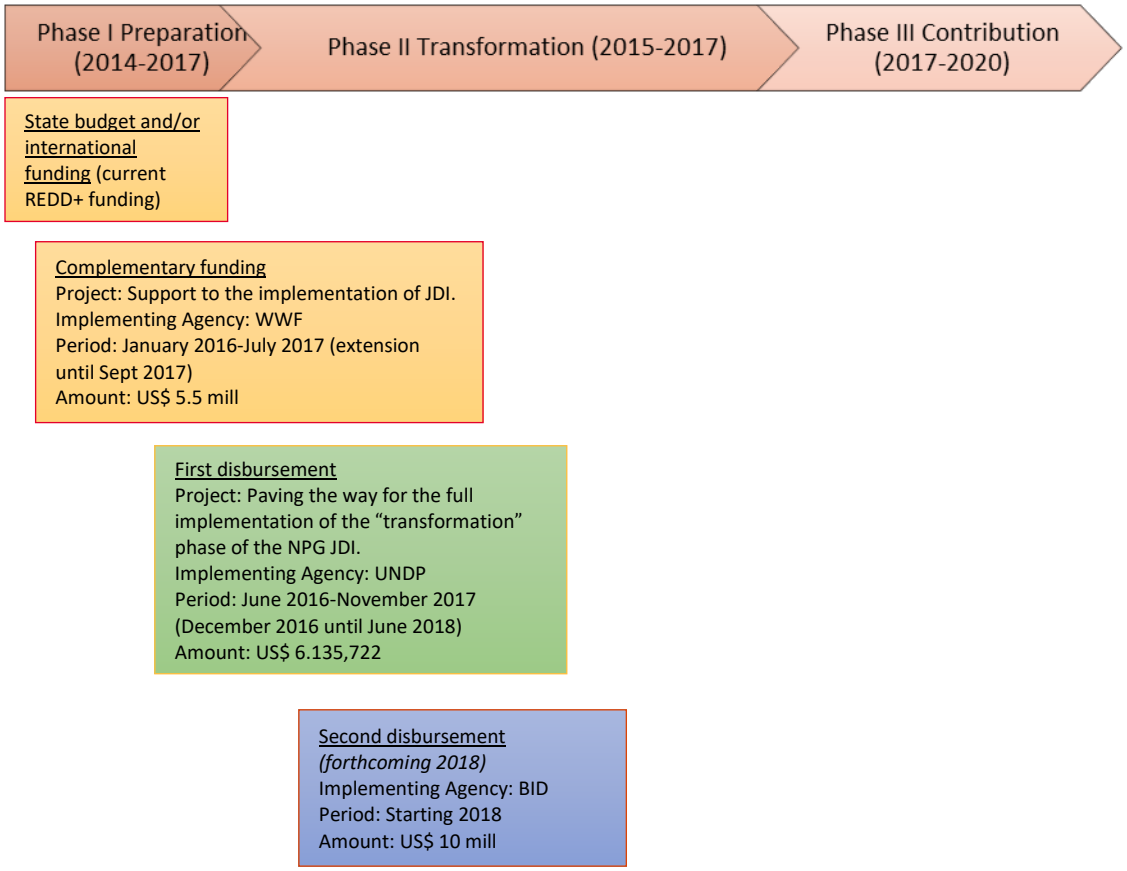
Annex 3. Reported progress in the REDD+ readiness phase

Elements of the REDD+ methodological framework	Progress up to now
1. The REDD+ strategy, which includes strategic options to respond to the main drivers of deforestation and forest degradation	◆ Diseño de la Estrategia Nacional de Conservación de Bosques y Cambio Climático. Aprobado el 21 de julio del 2016. (DS N°007-2016-MINAM) http://www.bosques.gob.pe/archivo/DS-007-2016-MINAM.PDF ◆ Aprobación de ley forestal (ley 29763) y sus reglamentos. https://www.serfor.gob.pe/wp-content/uploads/2016/03/LFFS-Y-SUS-REGLAMENTOS.pdf ◆ Aprobación de la ley sobre mecanismos de retribuciones sobre servicios ecosistémicos (MRSE). (Ley 30215) (DS 009-216-MINAM)
2. The development of the national reference scenario (the national reference level of GHG emissions);	◆ Presentación del Nivel de referencia de emisiones forestales por deforestación en la amazonia peruana, y aprobada por la CMNUCC. 15 de diciembre del 2016. https://redd.unfccc.int/files/2015_submission_frel_peru_es.pdf
3. The development of the National Forest Monitoring System (National Forest Coverage Monitoring)	◆ Creación de la Plataforma GEOBOSQUES (*http://geobosques.minam.gob.pe/geobosque/view/index.php*) que presenta reportes oficiales de la Medición, Reporte y Verificación (MRV) de la deforestación bruta en la amazonia. ◆ Propuesta Técnica y hoja de ruta para formalizar la institucionalidad del módulo de Monitoreo de la Cobertura de bosques. http://www.bosques.gob.pe/archivo/dci/Fase1_Entregable_B_MFP.pdf
4. The development of the Information about Safeguards (Safeguards Information System - SIS).	◆ Propuesta de arreglos Institucionales para el Sistema de Información de Salvaguardas REDD+ (2016) http://www.bosques.gob.pe/archivo/4e90dd_Producto3_ArreglosinstitucionalesparaelSIS_FINAL.pdf ◆ Hoja de ruta para el sistema de información de Salvaguardas (SIS). Abril 2017. http://www.bosques.gob.pe/archivo/dci/Fase1_Entregable_F_Salvaguardas.pdf

Annex 4. JDI committed deliveries per phase

PHASE 1: PREPARATION 2014-2017	Phase 2: Transformation 2015-2017	Phase 3: Contribution 2017-2020
A. Implementation of measurement, reporting and verification (MRV) for gross deforestation (2014). B. Design and implement a Funding Mechanism (2015) C. Political endorsement of a national strategy for reducing deforestation (ENBCC) D. Establish the key instruments to implement the new forest law (2015) E. Define Forest Reference Emission Level/Forest Reference Level (2015) F. Establish a system to monitor, report on and guarantee REDD+ safeguards (2015)	A. Cease authorizations of conversion of forest land (under categories of land use – Forests and/or Protective land) to agricultural use (2015) B. Produce an assessment of the impact of deforestation and forest degradation on Peruvian Amazon, including logging, mining, agriculture and infrastructure (2015). C. Reduce by 50% the area of remaining undesignated forest covered land (2017), in a manner that avoid the conversion of forest lands to plantations: D. Increase by at least 5 million hectares the regularization of indigenous lands, specifically native communities (sum of demarcation plus issuing of land right/title) (2017) E. Include at least 2 million hectares in the payment for conservation performance of indigenous communities (conditional direct transfers under the Forest Conservation Program, and other schemes) – (2016) F. Implementation of the FIP Investment Plan projects according to existing project plans by 2016 at the latest, with a view to accelerate implementation if practicable	1. Peru receives annual contributions for independently and internationally verified national emissions. 2. Reporting on how safeguards are being addressed and respected, consistent with the relevant UNFCCC decisions, will be a prerequisite for payments, as well as adherence to the requisites of the relevant UNFCCC decisions 3. Based on Peru's emission reductions partners channel financial contributions through the agreed financial instrument

Annex 5. Initiatives and disbursements related to the Peru-Norway-Germany agreement



Source: Author's elaboration

- The first initiative represented a 'fast-track funding' or a 'complementary funding' and did not count as part of the US$ 300 million commitment from Norway's. The project of US$ 5.5 million, called "Support to the implementation of the Peru-Norway-Germany agreement", aimed to support the Peruvian government to get ready for the first disbursement of the JDI, and funded activities related to JDI Phase I and II. This was done through the achievement of five outcomes: (1) Government of Peru, civil society and indigenous peoples increase their commitment for the implementation of JDI Phase 2, (2) Agricultural policy and regional development instruments are updated and incorporate the low-carbon agriculture and production / protection approach in two Amazonian regions, San Martin and Ucayali, (3) Deforestation in two regions of the Peruvian Amazon, San Martin and Ucayali, has been monitored, (4) Improved land tenure of indigenous communities, (5) Improve the protection of forests in four Territorial Reserves. It was executed by World Wildlife Fund Peru (WWF Peru) from January 2016 to September 2017.

- The first disbursement of the JDI agreement funds activities of the JDI Phase I and II. The project/initiative of US$ 6.1 million, called "Paving the way for the full

implementation of the transformation phase of the Norway-Peru governments Declaration of Intent" is being executed by UNDP along the period December 2016 until June 2018. Main activities of this project are: (1) the implementation plan of JDI phase II has been developed and agreed, and is currently under execution, (2) Increased forest zoning and planning in two amazon regions, San Martin and Ucayali, (3) increased forest value to make it competitive face to other economic activities that caused deforestation and forest degradation, (4) increased the control of illegal activities that caused deforestation and forest degradation, (5) increased the land areas, production and investments on sustainable, competitive and smart-climate agriculture.

- The second disbursement of the JDI agreement, planned for 2018, will directly fund activities of JDI Phase II (transformational phase) in alignment with the JDI Phase II implementation plan. The project of US$ 10 million will be executed by the Inter-American Development Bank (IDB). The proposed activities to be funded with Norwegian funding are related to: the development of the system for land-use change authorizations (outcome 1), soil information system (outcome 1), forest zoning (outcome 3), creation or re-categorization of protected areas (outcome 3), community titling (outcome 4).