



Reporting for  
year 2016  
Civil Society Department  
Climate and Forest Grant Scheme

## PROGRESS REPORT (for grant recipients with a current agreement)

### 1. General

- 1.1 **Name of grant recipient:** Earth Innovation Institute  
 1.2 **Norad agreement number:** QZA-0701 QZA-16/0162 -Forests, Farms and Finance Initiative  
 1.3 **Agreement period:** 2016-2020  
 1.4 **Reporting year (year being reported on):** 2016  
 1.5 **Country/countries of implementation and geographic area within the(se) country/countries if relevant:**  
 Brazil (Acre, AC, Mato Grosso, MT, and Lower Amazon, LA, Pará), Colombia, Indonesia (Central Kalimantan and West Papua), and Peru

### 2. Results - Project status

#### Outcome 1: Public and private sector deliver funds for low-emission rural development (LED-R) strategies to local governments, smallholders and communities in Brazil (BR), Indonesia (IN), Peru (PE) and Colombia (CO).

Indicator	Short Description	Baseline	Target Y1	Source <sup>1</sup>
Funding pledged by targeted agricultural companies and businesses (million USD)	<i>Description of pledges</i>	0	0	1, 2
<b>Progress in 2016</b>	No pledges to report. In 2016, we provided guidance for companies to turn pledges into reality through the report on <u>Making Corporate Deforestation Pledges Work</u> (A1-3). Additionally, the consortium (Earth Innovation, EII and Forest Trends, FT) advanced and supported the design of financial mechanisms to support and meet LED-R objectives in target regions, including: a) the Territorial Performance Fund (TP Fund, see 1.1.1); b) green bonds (see 1.1.2); c) IDH de-risking facility (provided advice to the design the facility); d) private funds and private equity funds (eg. supported Kaetê Fund to attract international investments) (A4-5). In Indonesia, INOBU signed an MoU with Unilever on preferential sourcing (A6)			
Funding pledged by targeted donor countries/states (million USD)	<i>Description of pledges</i>	0	0	3

#### <sup>1</sup> Data source:

1. Meeting notes; 2. Design documents; 3. Official government communications; 4. Company and / or California government communications; 5. INPE Prodes, Hansesn et al. 2013 6. Hansel et al 7. Official government docs and reports 8. Reports from donors and/or from civil society 10. field survey documents in reports 11. Other reports 12. Documents with instruments designed 13. Communications 14. Concept Notes 15. EII and CA internal notes and documents 16. Online Platform	17. Meeting notes 18. EII reports 19. Article of Establishment 20. Meeting minutes 21 Other documents 22. Published report/analysis 23. Document or ppt slide deck 24. Workshop minutes establishing regional performance targets. 25. Meeting minutes of TPS governance structures 26. Interviews with key stakeholders and project partners regarding perception of transparency 27. Meeting minutes of TPS dialogues 28. Participant lists of dialogues to track stakeholder representation and participation	29. Documentation of benefit sharing for funds delivered. Documentation of FPIC. 30. Meeting minutes of TPS dialogues to establish reference levels and performance targets 31. Relevant draft regulations and regulations 32. Indigenous People Councils 33. Ministry of Forestry and Environment; Provincial Government of West Papua 34. EII/INOBU Reports 35. powerpoint slide decks 36. Analysis Document 37. Departmental Plans 38. Websites 39. Media coverage 40. Annual reports 41 Company & roundtables docs 42. Meetings and exchange visit minutes
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<b>Progress in 2016</b>	€ 10 million. EII's Executive Director, Daniel Nepstad, continued his participation in the AC's SISA Scientific Committee (SSC), which provided groundwork for REM/KfW program to commit € 10 million to implementation of SISA's State program (A7). In MT, EII and local partners (e.g. IPAM, ICV, Amaggi, Agroicone) contributed to design, launching, and implementation of the <u>PCI Strategy</u> and MT's SISREDD (A8); the PCI and private meetings with REM / KfW Program staff led to commitment of €17 million (announcement made in early 2017) (A9).			
Funding received in target jurisdictions from capped California (CA) companies (million USD)	<i>Description of funding received.</i>	0	0	4
<b>Progress in 2016</b>	No funding to report. CA's gov. officials continue to evaluate implementation of international offset provision of AB32. EII and local partners (e.g. FT, EDF, and TNC) supported this process in 2016 by facilitating meetings between indigenous peoples (IP) leaders and government officials from AC, PE, Ecuador, and Mexico with CA officials, private sector, capped entities (e.g. PG&E and Google) and civil society (see 1.1.7) to demonstrate how jurisdictional REDD is supporting local communities in the tropics and the importance of its inclusion under CA cap and trade. EII hosted Acre Governor & delegation in CA (A32-35), with support from FT, EDF, TNC. Nepstad also published blogs (A10-11) on the topic and participated in meetings/panels to defend jurisdictional REDD offsets (eg., <u>Yale</u> , A12).			
Funding received by target sub-national jurisdictions (million USD)	<i>Description of funding received.</i>	0	0	3
<b>Progress in 2016</b>	No funding to report. However, we supported sub-national jurisdictions with preparedness to attract and receive funds that are likely to be materialized in 2017 and beyond. For example, EII and local partners in AC and MT laid much of the groundwork (see funds pledged by target donor above) to support REM-KfW's decision to continue sponsoring AC's SISA program (pledge of € 10 mi) and the intent to assist the implementation of MT's SISREDD and PCI strategy (pledge of € 17 mi, announced in 2017). Also, after sponsoring the visit of AC's governor to CA (Oct. 2016), EII began to facilitate discussions between AC's gov. and a US private foundation that could invest in AC's low carbon protein industries.			
Deforestation declines in target jurisdictions (% reduction below historical average)	Mato Grosso	63%	65	5
	Acre	70%	70	5
<b>Progress in 2016</b>	Lower Amazon	78%	79	5
Outside of Brazil, we are waiting for release of official deforestation estimates and/or latest analyses of M. Hansen (Univ. Maryland) to provide 2016 estimates.	Central Kalimantan	55%	55	6
	West Papua	47%	47	6
	Colombia	43%	43	6
	Peruvian Amazon	-32%	-31	6
<b>Project-specific Outcome Indicator</b>				
Local governments in target jurisdictions receiving incentives for slowing deforestation (number of municipalities or districts)	Green Counties Program / PA	0		7, 8
<b>Progress in 2016</b>	No municipalities (influenced by the project's interventions) receiving incentives yet. In Brazil, especially, 2016 was a difficult year to foster and implement such programs due to the severe economic and political crisis faced by the country. However, we continued to advance projects that aim to support municipalities engaged in reducing deforestation. For example, EII regional team in MT, with support from IDH and Solidaridad, ran a social- environmental diagnostic of 10 municipalities in Northeastern MT (A13) and selected 3 pilot municipalities where we are finalizing a deeper analysis in 2017 to propose the implementation of the first phase of TP Fund (see 1.1.1). Additionally, we supported the PMS (Sustainable Municipalities Program) in MT, including their proposal to the Amazon Fund (AF) to obtain support for smallholder land regularization in key municipalities (including 2 of the selected pilots identified) (A14). In Indonesia, INOBU won deeper support for on-granting mechanism from national government.			
Small-scale farmers and communities (f&c) supported to improve their production systems through TPS (1000's of f&c receiving support)	0	3		3, 7, 8, 10
<b>Progress in 2016</b>	22,6000 smallholders supported and likely to benefit in BR, and 600 supported in Central Kalimantan (CKal), Indonesia (IN). In the LA, Sapopema submitted a proposal to the Scientific Subcommittee (SCC) of the Amazon for revision of the <i>Seguro Defeso</i> (SD) (A49), which in 2015/2016 was received by 22,600 fishers (Source: MOPEBAM, Movimento dos Pescadores do Baixo Amazonas). The SD is an unemployment benefit for 4 months during the reproductive season of many commercial species when fishing is prohibited. The proposed changes would make receipt of the SD benefit conditional on the fisher's participation in a legally recognized community fishing agreement, evidence that the fisher sells fish and evidence from monitoring of fish catches that the fishing agreement is resulting in progressive improvements in the health of the fishery. In CKal, IN, INOBU is piloting a wall-to-wall sustainable palm oil program in the village of Palangkan Tiga, in Kotawaringin Barat's District. This work is part of the jurisdictional pilot towards RSPO certification, and seeks to certify 600 independent oil palm growers. The program is mapping the smallholders, and is establishing an Internal Control System (ICS) to support the group through the certification. It also provides training on environmental protection (eg. high conservation value areas and high carbon stock areas) (A15) and increasing productivity (eg. better use of fertilizers and other chemicals)			

<b>Intermediary Outcome 1.1.i: Regionally-tailored mechanisms to attract climate finance for local governments, smallholders and communities in Brazil, Indonesia, Peru and Colombia are formally endorsed by governments of target jurisdictions</b>				
Regionally tailored mechanisms developed		0	0	1, 2
<b>Progress in 2016</b>	The design of the Territorial Performance Fund was finalized; proposal submitted to BNDES (see 1.1.1).			
<b>Output Level</b>				
<b>Indicators</b>		<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>
<b>Output 1.1.1: TP Fund and monitoring system designed and implemented in Mato Grosso (MT), Acre (AC) and Lower Amazon (LA), Pará (PA) (Brazil) to attract matching and performance-based finance and deliver to smallholders and local governments</b>				
TP Funds designed (# of jurisdictions)		Draft /MT	1	2, 7, 13, 14
<b>Progress in 2016</b>	Target achieved. The TP Fund was designed, and a proposal to pilot the idea in MT was submitted to the Amazon Fund (AF) (A16), with very good receptivity, as the project was considered innovative and highly relevant for addressing the issue of Rural Technical Assistance, which is not well covered by other AF projects. In discussions with AF staff, suggestions were made to re-submit the proposal under EII-Brazil (currently being established) and adjusting the budget to be in accordance to AF rules. Proposal slated for re-submission in May 2017.			
Territorial monitoring platforms launched to support TP Fund (# of jurisdictions)		Beta for BR AM /MT	2	16
<b>Progress in 2016</b>	Target surpassed. As of 11/2016 we included jurisdictions from 5 nations in the platform. EII consolidated multiple features to track progress in slowing and halting illegal deforestation, lowering GHG emissions, increasing agricultural production in BR, PE, CO, IN, and Mexico. The platform, named <u>Produce and Protect platform</u> , was launched at COP23 in Marrakesh in 11/2016 (A17-18), and customized platforms for individual jurisdictions are being developed in 2017.			
<b>Output 1.1.2: Green Forest Bond (GFB) designed and beginning implementation in Brazil</b>				
GFB structure for BR progressed with World Bank (WB)/MIGA and Brazilian public banks		0	0	2
<b>Progress in 2016</b>	FT has worked in collaboration with the WB to analyze the potential of GFB to contribute to NDC goals through the reports: "Support to the Implementation of the Brazilian INDC. Module 1: Brazil's INDC restoration and reforestation target" (2016); and "Using Green Bonds to meet NDC forest investment targets – a glass half full or a glass half empty?" (Draft 2016 – confidential, WB). (A19-20)			
<b>Output 1.1.3: On-granting mechanism designed for delivering climate finance to high-performing Districts in Central Kalimantan and West Papua, Indonesia</b>				
On-granting mechanism design completed and institutional arrangement determined		0	0	2, 7, 13, 14
<b>Progress in 2016</b>	INOBU developed a brief presentation, a fact sheet, as well as a briefing document on the on-granting mechanism (A21-23). INOBU also held meetings with the Min. of Finance and Min. of Agriculture to share the concept of the on-granting. To seek commitment from other stakeholders on the implementation of this mechanism, INOBU leveraged strategic meetings with various ministries and donors. To further develop the structural details and fund management for the on-granting mechanism, additional funding and donor commitment to channel grants through it is needed.			
<b>Output 1.1.4: Analysis and convening in support of the implementation of a package of incentives (e.g. with Colombian FINAGRO program) for low-emission rural development in the Colombian Amazon (relates to Intermediary Outcome 1.1.i)</b>				
Package of Incentives design document completed with participation of Min of Ag.		0	0	2, 17
<b>Progress in 2016</b>	EII is working with FINAGRO on the design of a package of incentives to promote territorial sustainability.			
<b>Output 1.1.5: Business Plan for Low-emission Rural Development for Peruvian Amazon regions to attract private investment</b>				
Peruvian low-emissions rural development document completed			0	2, 7, 8 17, 18
<b>Progress in 2016</b>	No activities developed in 2016, as they were planned for 2017.			
<b>Output 1.1.6: GCF performance system (GCF PS) designed and implemented, attracting finance from new sources (GCF member states &amp; provinces of BR, IN, PE)</b>				
Number of GCF members with jurisdiction-wide performance platforms for monitoring deforestation, sustainable commodities, and GHG emissions reductions reported.		Draft GCF PS	0	16
<b>Progress in 2016</b>	The GCF PS concept was finalized in 2016 (A24). In addition, EII decided to restructure the performance platform strategy to help companies find sustainable jurisdictions and vice versa. Platform formally launched in Indonesia is called SPIKEBUN (Output 2.2.1) and in other regions, "Produceprotect.com" (see 1.1.1). In PE, EII held meetings with the Regional Govs of San Martin (SM) and Ucayali (UC) to present the objectives and approach of tailored monitoring platform to measure performance of the production-protection approach (A25-27) in coordination with another project also funded by NICFI.			
<b>Output 1.1.7: Analysis, exchange visits, and convening to support California government completion and implementation of REDD offset system</b>				
# of meetings and workshops with CA govt		Brazil, Indonesia	0	2
<b>Progress in 2016</b>	EII sponsored two successful visits to support the case of jurisdictional REDD offset acceptance in CA cap-and-trade system. First, with IP leaders and traditional community leaders visit from AC, BR, PE, and Ecuador (A27-31); and later with			

the governor of AC and a delegation of government officials, an IP leader, and private sector representatives (A32-35). During both visits, we convene and facilitated meetings with CA's regulators, civil society (including those opposing REDD) and local indigenous people (eg. Yurok tribe, who is benefiting from CA cap-and-trade). The meeting with IP leaders was relevant to demonstrate to members of civil society and CA regulators that jurisdictional REDD programs can in fact help IP and local communities in the tropics. During AC's governor (Tião Viana) visit, EII facilitated a meeting with CA's governor Jerry Brown. At this opportunity, CA's governor affirmed CA's desire in supporting AC's efforts to reduce GHG emissions.

### Outcome 2.1: State-wide LED-R strategies designed and implemented in MT, AC, and PA, BR

#### 2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)

##### Status of Implementation uses Scale from Standard Reporting indicators

Progress Name and Type of policy/measure	Location and Policy Level	Baseline	Target Y1	Source <sup>1</sup>	Impact on Gender; Transparency; Sust; livelihoods; Red. Deforestation
Amazon Fund, Forest Code, Public Credit Programs (ABC & Pronaf) and state-level REDD+-related policies (AC SISA, MT REDD, PA Green Counties Program) integrated within state low-emission development strategy	MT	3	4	7, 8	Impacts on all the elements above
	LA, PA	0	1	7, 8	Id
	AC	4	4	7, 8	Id
<b>Progress in 2016</b>	<p>In MT, the implementation target (4) was achieved. In 2016, the <u>PCI plan</u> began to be implemented with direct support from EII, IPAM and local partners (A36-A42). In addition, EII and IPAM are supporting SEMA to implement its REDD+ System (SISREDD) (A43-A45) and PMS (Sustainable Municipality Program) by providing advice on how to integrate it with the PCI plan, design its sub-programs, and developing a preliminary proposal of a protocol to consult MT's IP (A46). In PA, the implementation target was surpassed (2). The Program <u>Pará Sustentável</u> was being considered and was launched in 2017. EII &amp; Sapopema will work with this program in 2017/18 to support the state to develop its LED strategy. In AC, the implementation target was 4, and EII continued to provide support to the implementation of the SISA program.</p>				
<b>Intermediary Outcome 2.1.i: Existing state-level policies in MT, AC and LA, PA, respectively, are aligned with one another and with national government policies and laws (e.g., National REDD Strategy)</b>					
Key State level policies aligned with national policies	MT	0	0	7, 8	Id
	LA, PA	0	0	7, 8	Id
	AC	0	0	7, 8	Id
<b>Progress in 2016</b>	<p>No target to report. As Brazil finalizes its national REDD regime, EII &amp; IPAM supported the participation of state representatives in this process (A47-48). A National Climate Change Forum (FBMC) was established, followed by the creation of technical committees to address key issues to ensure alignment with the Brazilian NDC (EII is part of 5 committees (Forests, Biodiversity, and Agriculture; Cities and Residues, Financing, Long-term vision, and Science and Technology). The progress at both the state and federal levels signals a strong interest in aligning policies and strategies.</p>				
<b>Intermediary Outcome 2.1.ii: Strategy documents finalized for each target jurisdiction with endorsement of key sectors (e.g. governments, private sector, NGOs) in MT, AC, and LA, Pará</b>					
Integrated landholder incentives created	MT	0	0	7, 8	Id
	LA, PA	0	0	7, 8	Id
	AC	0	0	7, 8	Id
<b>Progress in 2016</b>	<p>Assuming that incentives must be based on performance, EII invested a large portion of 2016 in multi-sector engagement and obtaining commitment towards performance goals in AC and MT. We fostered dialogues with the productive sector to map their demands and structure financial mechanisms that can help them to achieve performance goals. In the LA, the proposal to redesign the SD benefit (see Outcome 1, smallholders supported) could create a regional incentive-for-performance regime among LA fisher communities (A49).</p>				
<b>Intermediary Outcome 2.1.iii: Multi-sector dialogues are launched and multi-sector governance structures are developed in support to public policy alignment in MT, AC, and PA</b>					
Multi-stakeholder governance established	MT	0	X	19, 20, 21	Gender; Transparency; Sust. livelihoods
	LA, PA	0	0	Id	Id
	AC	0	0	Id	Id
<b>Progress in 2016</b>	<p>The gov. of MT created the PCI plan Executive Committee (CEEPCI, A50), of which EII and IPAM have been members from the outset. In 2016, EII and IPAM supported the institutionalization of the PCI. The PCI has three axes (Production, Protection and Conservation), each coordinated by a state branch. Despite its support to all three axes, EII has specially supported the "P" component, working together with the gov. to improve the representativeness of the private sector,</p>				

	resulting in adhesion of several entities representing the sectors of soy, livestock, forestry, fish farming, poultry, swine, cotton. EII fostered the international dissemination of the PCI strategy (including 1 official and 1 side event during COP 22, A51-52). In AC, we held successful meetings with the private sector and the sustainable development council to discuss the implementation of a TPS-Acre platform to monitor the territorial performance in the state (A53). In the LA, through the multi-sector planning process initiated in late 2016, Sapopema is developing a multi-stakeholder governance structure to design and oversee a LED plan for the region (A54-56).			
<b>Output Level</b>				
	<b>Indicators</b>	<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>
<b>Output 2.1.1: Multi-sector dialogues supported for defining state-wide goals and strategies in each target state, compatible with national REDD</b>				
	# of states with published <b>proposals for reconciling</b> state-level reference levels (RELS) and natl. RELS	0	1	7, 16
<b>Progress in 2016</b>	Target achieved. In AC, the SSC revised AC's REL (Leal, Nepstad, Amaral (A57), to be compatible with the National FREL. In MT, we are supporting the state through the State Climate Change Forum, explaining AC's process, the needs to integrate subnational and national RELS and pathways to get there.			
	Territorial multi-stakeholder governance structures supported (# of jurisdictions)	0	1	7, 19, 20
<b>Progress in 2016</b>	Target achieved. In MT, EII supported 3 multi-stakeholder structures in 2016. First, the PCI multi-stakeholder governance structure under the CEEPCI, which represents 141 municipalities and 3 biomes; (EII is a member and supported the engagement of private sector under axe P, A50). Second, the State Climate Change Forum – FMMC (EII has supported the implementation of SISREDD, A43-46). Third, the Sustainable Municipalities Program (PMS), which includes ~ 40 municipalities (EII is supporting their efforts to attract funds to support the program and integrate with PCI and SISREDD, A14).			
<b>Output 2.1.2: Analysis indicates minimum-cost pathway to full compliance with Forest Code</b>				
	Analysis document for each target jurisdiction	Stickler et. al 2013	0	22
<b>Progress in 2016</b>	We are updating our estimates of 2015 using official CAR data. Results anticipated for 2017			
<b>Output 2.1.3: Analysis indicates ways of aligning state strategies with national REDD regime, credit programs (e.g. ABC, PRONAF)</b>				
	Analysis document or powerpoint deck	0	0	23
<b>Progress in 2016</b>	Target achieved. We produced 1 analysis of the proposed Brazilian ENREDD and the Decree that established the CONAREDD (A58-59). The analysis made specific recommendations on areas requiring further attention, areas of convergence, and needs for integrating subnational strategies (eg. AC and MT) and the proposed ENREDD. This was used to support MT's implementation of its SISREDD.			
<b>Output 2.1.4: Technical support system for smallholders and communities designed and ready for implementation through the TP Fund</b>				
	Published analysis of technical support and rural extension needs and options for addressing needs	0	1	22
<b>Progress in 2016</b>	Target partially achieved (draft analysis not published). In MT, IPAM completed 1 draft report/portfolio with best options for sustainable production systems for Querência's smallholders (A105). The document is under revision and will be published in 2017. IPAM also began to research innovative ATER models to discuss the best options to implement sustainable agricultural practices to smallholders in MT. In the LA, Sapopema facilitated the creation of a working group with key gov., industry and fisherman representation to assess the needs for rural extension, to be completed in 2017.			
<b>NICFI Standard Indicators</b>		<b>Your organization or partner(s)' contribution, see footnote<sup>2</sup></b>		

<sup>2</sup> EII and partners' contributions to safeguards:

- 2.2.1: Create alignment and integration of national and jurisdictional reference levels (RLs) through bottom-up regional performance targets and RLs that are informed by external rules and market forces (CGF, NYDF, RBD)
- 2.2.2: Multi-stakeholder TPS governance structures builds broad support for effective governance policy that supports implementation of national policies. Monitoring platforms promote transparency of policy implementation at regional scales.
- 2.2.3: Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning (including implementation of FLIC) and value their contribution to forest protection through benefit sharing mechanisms
- 2.2.4: Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning and design of benefit sharing frameworks for TPS incentive systems, and supports implementation of FPIC.
- 2.2.5: Multi-sector dialogues builds broader support for existing or expanded networks of protected areas and indigenous territories.
- 2.2.6: TPS process builds political, business, and social case for low-deforestation & emissions rural development and improves enabling conditions for policy implementation, lowering risk reversals through flagging political or corporate will be reduced
- 2.2.7: Establishment of performance targets related to production at the scale of an entire jurisdiction through TPS lowers risk of leakage.

Safeguard category		Country case/process	Source <sup>4</sup>
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NY Declaration on Forests (NYDF), Rio Branco Declaration (RBD), TPS processes (TPS Ps)	25
<b>Progress in 2016</b>	In MT and AC, 3FI partners, together with local actors, supported gov. to design and implement local strategies in accordance with nat. and international conventions and agreements. See examples under outputs 2.1.3 and 2.1.1.		
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps	26, 27
<b>Progress in 2016</b>	Our project is mainly focused in supporting subnational governments. The TPS approach fostered by the project in the target regions are based on transparent, multi-stakeholder governance structures and monitoring platforms (see more on outcome 2.1.iii and outputs 1.1.6 and 2.1.1).		
2.2.3. Respect the knowledge and rights of IPs and local communities		REDD+ SES, RBD, TPS Ps	7, 28, 29
<b>Progress in 2016</b>	In 2016, we disseminated the experience of IPs and local communities in AC, as well as the policies supporting these peoples in the short-film " <u>Voices of Acre</u> ", developed by EII, with support from FT and local partners (A60). In MT, EII provided preliminary recommendations to gov. officials implementing the SISREDD on how to effectively engage IP in its design and implementation (A46). In the LA, Sapopema led a partnership including Forum of Varzea PAEs, municipal fisher unions and regional fisherman unions that represent traditional várzea fisherman communities to reverse trends in national policies that are marginalizing small scale and traditional fishers in favor of aquaculture development (A54-56).		
2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities		REDD+ SES, RBD, TPS Ps	27, 28, 29
<b>Progress in 2016</b>	At the national level, EII and the GCF organized a workshop hosted by the Gov. of AC with participation of 5 BR states, FUNAI and MMA to discuss IP participation in their REDD+/LED-R regional plans (A61). In MT, we supported IP engagement in the SISREDD by developing a draft IP consulting protocol with funding from another grant (A46) to support the creation of an IP sub-program as part of MT's SISREDD. In AC, we sponsored IP leaders' participation in CA Cap and Trade Program dialog on climate change and tropical forest (A28-31), and a discussion with CA Yurok IP (see 1.1.7). In the LA, Sapopema's team has worked closely with traditional floodplain communities along several lines of action, including formal recognition of community rights to their territories and resources through Agro-extractive Settlement and the reinstatement of co-management policies that recognize formal community rights to manage local fisheries and other floodplain resources.		
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps	27
<b>Progress in 2016</b>	In MT, EII, IPAM and local partners supported the implementation of the PCI and the SISREDD, both of which include targets for forest protection and deforestation reduction, as well as forest restoration and reforestation (A36 and A8). EII and FT worked developing financial mechanisms to support implementation of the Forest Code (See outputs. 1.1.1, 1.1.3). In the LA, Sapopema and partners worked to lay the foundation for more effective conservation of floodplain and upland forests, as collaborating researchers produced a manuscript demonstrating a close relationship between the productivity of floodplain fisheries and the extent of forest cover surrounding floodplain lakes. The results of the study fed into the fish-based low emission protein production strategy (FBLEPPS) that EII and Sapopema are developing to reduce smallholder investment in small scale ranching by shifting to aquaculture production and sustainable management of local fisheries. Sapopema is also working with local communities to protect turtle nesting beaches and conserve local turtle populations (A56).		
2.2.6. Actions to address the risks of reversals		TPS Ps	7, 27
<b>Progress in 2016</b>	In BR, the political turmoil provided opportunities for powerful sectors such as the rural lobby and mining interests to reduce the size of reserves and obtain access to mineral resources and halt demarcation of IP lands. In MT and AC, we supported the creation of incentives for performance to ensure sustainability overtime (1.1.1, 3.1.1). In the LA, Sapopema worked to halt and reverse trends related to the abandonment of co-management policies and more generally of small scale fisheries in favor of aquaculture development.		
2.2.7. Actions to reduce the displacement of emissions		TPS Ps	30
<b>Progress in 2016</b>	The project's core strategy emphasizes greater food/fuel/feed production on existing cleared lands, a shift to food that is less dependent on deforestation (fish vs. beef, for example) and complementary measures to prevent forest loss. When production is rising, the risk of deforestation leakage declines. We also fostered inter-jurisdictional partnerships. In 2016 EII supported the visit of 11 civil servants from Regional Governments in PE to exchange experiences with AC (A62&85). In the LA, EII and Sapopema are developing a FBLEPPS to shift investment from beef to fish (aquaculture and managed fisheries) to reduce demand for beef and pressure on floodplain and upland forests.		

## Outcome 2.2: Integrated province-wide LED-R strategies are designed and implemented in Central Kalimantan (CKal) and West Papua (WP), IN

### 2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)

Status of Implementation uses Scale from Standard Reporting indicators						
Progress Name and Type of policy/measure		Location and Policy Level	Baseline	Target Y1	Source <sup>1</sup>	Impact on Gender; Transparency; Sustainable livelihoods; Red. Deforestation
National policies on REDD, customary land acknowledgment and agriculture master plan are aligned/harmonized at the provincial and district level to achieve LED-R		Subnational (lessons learned can be used to advocate for changes at the national level)	3	3	7, 8	Gender; Transparency; Sustainable livelihoods; Red. Def.
<b>Progress in 2016</b>	INOBU established a Working Group (WG) on jurisdictional certification to begin implementing a plan for reducing deforestation in the agricultural sector, which will be a significant step in the direction of LED-R. The WG includes Seruyan District WG, Kotawaringin Barat District, KBD WG, Gunung Mas District, GMD WG, and <u>CKal WG</u> (A63-A67). The issues addressed by the Working Group in 2016 included: (a) monitoring the implementation of "The Information and Performance Monitoring System for Sustainable Plantations", SIPKEBUN and monitoring the mapping process to assist smallholders to feel empowered and attain legal cultivation and land titling status.					
Relevant policies proposed and /or enacted recognizing customary land rights		Ckal and WP	1	2	31, 32	Id.
<b>Progress in 2016</b>	Target partially achieved (only one policy was proposed). INOBU proposed a Special Local Regulation (RAN-PERDASUS) on IP land rights in WP (A68-69). A draft of this regulation is being discussed and waiting approval by WP's House of Representatives. INOBU planned to do a land tenure analysis in 2 districts in Central Kalimantan, but it realized the costs were above its budget. Thus, INOBU/EII are currently looking for additional funding in collaboration with other partners.					
<b>Hectares of land</b> (std. reporting indicator 2.3.a) to which IPs and forest dependent communities gain rights over and have access						
Country and Location	Name of indigenous groups/ forest dependent community	Type of rights and access to land	Baseline	Hectares gained (Y) Target	Source <sup>1</sup>	Gender
Indonesia, (CKal)	Primarily Dayak and independent smallholders	Mapping of indigenous community lands as the first step to relinquish the lands from the state forest area. The maps will be submitted to initiate the process of formal removal of indigenous lands from state forests	0	0	32	Given the collective nature of Dayak customary tenure, women will likely gain informal access to land (rather than individual titles) when territories are formally recognized by the state. The case may be different for smallholders. Methods for evaluating women's access to land will be defined in first year of project.
<b>Progress in 2016</b>	In 2016 INOBU completed the mapping of: 2,002 (IP farmers), 4,407 (Smallholder farmers), 3,062 (IP land plots), and 6,297 (smallholder land plots) in CKal. Also, regarding the methods for evaluating women's access to land, INOBU reports that this work cannot be covered under their existing budget, but they are seeking to combine the land-tenure analysis (see relevant policies above, which they are seeking additional funds to cover) with this analysis.					
Indonesia, (WP)	Diversity of ethnicities	Formal removal of community territory from state forest areas controlled by the Ministry of Forestry	0	0	33	
<b>Intermediary Outcome 2.2.i: In CKal and WP, provincial REDD programs aligned with provincial LED-R strategies and Natl. policies</b>						
Provincial REDD programs aligned with relevant national policies			Location	Baseline	Target for 2016	Source <sup>1</sup>
			Ckal	0	0	7, 8
			WP	0	0	7, 8
<b>Progress in 2016</b>	No target to report. INOBU is working with Min. of Ag., CKal gov., and district gov. of Seruyan, KBD, and GMD to encourage the development of monitoring systems and reduction of deforestation rates in CKal. The collaboration has been formalized into an MOU signed in 2016 (A70).					
<b>Output Level</b>				<b>Frequency of Reporting: Annual</b>		

Indicators		Baseline	Target Y1	Source <sup>1</sup>
<b>Output 2.2.1: Evidence-based value proposition for policy alignment and integration developed for target jurisdictions in IN</b>				
Document describing results of analysis of value proposition for individual Provinces		0	0	34
<b>Progress in 2016</b>	No target to report. INOBU, in collaboration with the Min. of Ag., CKal and 3 districts developed the SIPKEBUN (A70), the first integrated online platform to identify where palm oil is being grown and how farmers are growing it. The system is designed to provide data on all palm oil growers ranging from large commercial plantations to independent smallholders, and is a critical first step towards integration of policy on palm oil under the jurisdictional approach to sustainability of the commodity.			
<b>Output 2.2.2: Proposal for implementation of customary land rights regulation in WP</b>				
Document and/or ppt slide decks summarizing results of analysis of MK35 implementation for each province.		0	1	34
<b>Progress in 2016</b>	Target not achieved. The implementation of MK35 is important but INOBU's recognized that this activity is underfunded and they are seeking additional funds at this time.			
<b>Output 2.2.3: Analysis and convening to incorporate C. Kalimantan Road Map into District Development Plans</b>				
District-level meetings and presentations to discuss inclusion of C Kal Roadmap targets into Development Plans		1	1	17, 35
<b>Progress in 2016</b>	Target surpassed, with 5 meetings. The CKal working group (see outcome 2.2) as well as the meetings held in the 3 pilot districts in CKal discussed the implementation of the CKal roadmaps targets into the district development plans (A63-67).			
<b>Output 2.2.4: Strategy developed and convening to support villages as they adopt LED-R performance targets</b>				
Village-level meetings and presentations to discuss inclusion of C Kal Roadmap targets into Development Plans		0	0	17, 35
<b>Progress in 2016</b>	No target to report. Village level meetings have been conducted in Pangkalan Tiga village, Kotawaringin Barat district, CKal, as the first pilot for village-based palm oil smallholder certification for RSPO and ISPO.			
<b>Output 2.2.5: Proposal for WP Provincial LED-R strategy developed using WP's Special Autonomy Status law</b>				
Documents and powerpoint slide decks providing input to LED-R design for W Papua.		0	0	17, 21,35
<b>Progress in 2016</b>	No target to report. Output planned for 2017.			
<b>NICFI Standard Indicators</b>		<b>Your organization or partner(s)' contribution, see footnote<sup>3</sup></b>		
<b>Safeguard category</b>		<b>Country case/process</b>		<b>Source<sup>1</sup></b>
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NYDF, RBD), TPS Ps		25
<b>Progress in 2016</b>	As GCF's Country Coordinator, INOBU has been working with 7 Indonesian provinces members of the GCF to strengthen this network as a cohesive voice in IN through subnational-national alignment and development of policies at the province level, and it has facilitated multiple meetings throughout 2016 (A71-72).			
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps		26, 27
<b>Progress in 2016</b>	Nothing to report at this time.			
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29
<b>Progress in 2016</b>	INOBU convened a multi-stakeholder meeting to discuss with local actors about local implementation of FPIC in CKal and at the District level, with the participation of RSPO and NGO representatives (A104).			
2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29
<b>Progress in 2016</b>	The Jurisdictional Certification Working Group in Pangkalan Tiga requires local smallholder participation as part of the strategy to ensure participation and acknowledge the rights of local communities			
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps		27
<b>Progress in 2016</b>	INOBU conducted a series of smallholder trainings across a range of topics designed to prepare the farmers for jurisdictional certification, including Integrated Pest Management and HCV training. Farmers in Pangkalan Tiga are adopting environmentally sound ag. practices. INOBU also helped the local farmers' cooperative (KUD) to set up an internal control system (ICS)			
2.2.6. Actions to address the risks of reversals		TPS Ps		7, 27
<b>Progress in 2016</b>	Nothing to report at this time.			
2.2.7. Actions to reduce the displacement of emissions		TPS Ps		30



<b>Progress in 2016</b>	To address this risk, INOBU and EII work at the national, province, and district levels through jurisdictional-wide interventions across entire regions.					
<b>Outcome 2.3: REDD+ related initiatives implemented in Colombia (CO) as part of integrated LED-R strategy through linkages with national zero-deforestation sectoral programs and Departmental Development Plans</b>						
<b>2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)</b>						
<b>Status of Implementation uses Scale from Standard Reporting indicators.</b>						
<b>Progress Name and Type of policy/measure</b>		<b>Location and Policy Level</b>	<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>	<b>Impact on Gender; Transparency; Sust. livelihoods; Red. Deforestation</b>
National and local instruments (e.g. Amazon Vision 2020 Program, agricultural credit programs and public-private partnerships) are linked to support low-emission rural development in the Amazon		Colombia, National	3	3	7, 21, 22	Gender; Transparency; Sust. livelihoods; Red. Def.
<b>Progress in 2016</b>	No target to report. EII worked on the design of a package of incentives and mechanisms to promote territorial sustainability. Thus, EII supported FINAGRO to establish a national Roundtable (RT) on financial mechanisms for sustainability, which is operating since September 2016 (A73). The RT's objective is to design and support the implementation of financial incentives to promote sustainable production in support to low-carbon development (LCD) and zero deforestation (ZD) national goals and programs. The first pilot of this roundtable is the Amazon Vision Program, which builds on the existing proposals of incentive developed by EII and FT the work developed in 2014.					
<b>2.3.i: Existing instruments related to low-emission rural development and deforestation reduction are aligned with one another in target jurisdiction(s)</b>						
<b>Progress in 2016</b>	EII is working on the design of a package of incentives to promote territorial sustainability, and support private sector, IPs and gov. commitments to reduce deforestation and promote sustainability (A74).					
Policies affecting deforestation aligned in one target jurisdiction		Departmental	0	0	7, 21, 22	Id
<b>Progress in 2016</b>	EII supported the Amazon Indigenous People Organization in the design of a strategy to promote jurisdictional platforms targeted to identify and consolidate local initiatives and develop policy proposals to promote low-carbon development policies and actions at jurisdictional level and upscale at national level.					
<b>Output Level</b>						
<b>Indicators</b>				<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>
<b>Output 2.3.1: Evidence-based value proposition for policy alignment and integration of existing policies to promote LED-R in CO</b>						
Document describing results of analysis of value proposition targeted to relevant government sectors (peace process, agriculture sector) or jurisdictions.				0	0	36
<b>Progress in 2016</b>	Target surpassed, 2 propositions developed. EII developed 3 policy papers proposing packages of incentives for jurisdictional sustainability and mechanisms to support IP's conservation efforts and other proposals to support LCD agendas at different levels. First, report on elements for a sustainable production agenda in Colombia (A75). Second, "Instruments for sustainable rural development in Colombia" highlighted key elements needed to promote sustainable productions at the nat. level (A76). Third, to analyze opportunities for Green Growth (GG) at the local level, describing the legislation guiding environmental management at the territorial level and identifying key actions that could be implemented by departments and municipalities to promote GG strategies (A77). And Fourth, to analyze a proposal of portfolio of incentives needed to support conservation efforts in indigenous lands (A78)					
<b>Output 2.3.2: National/jurisdictional agendas (at least one jurisdiction) for sustainable agriculture aligned to national INDCs and existing LED-R and sustainable development policies</b>						
# of jurisdictions committed to implement sustainability agendas				0	2	7, 13
# of sectors committed to the implementation of sustainability agendas				0	8	7, 13
<b>Progress in 2016</b>	Target surpassed, 2 jurisdictions, and 8 sectors committed. With support from EII, The Dept. of Caquetá (CQ) became a member of the GCF and an IP roundtable in Guainía was created. EII also supported 8 ag. sector organizations (Fedegan, Federacion de Cafeteros, Fedepalma, Fedearroz, Asocolflores, Sociedad de Agricultores de Colombia, Fedecacao, Augura) to establish the Sustainable Territories Roundtable (STR). The STR aims to: a) advance transformational processes to improve ag. production systems in areas where more than 1 organization is present; b) to increase their impact on env. sustainability; c) generate benefits to local producers; and d) engage relevant stakeholders to participate in discussions around shared development/performance goals at the jurisdictional level (A79).					
<b>Output 2.3.3: Proposals of jurisdictional programs for Departments to adopt targets for reducing deforestation</b>						
Proposals of Instruments and mechanisms to support jurisdictions to red. Def. (# of Departments)				0	0	14, 37

<b>Progress in 2016</b>	EII began to work with FINAGRO in the design of a financial incentive to reduce deforestation in CQ.		
<b>NICFI Standard Indicators</b>		<b>Your organization or partner(s)' contribution, see footnote<sup>3</sup></b>	
<b>Safeguard category</b>		<b>Country case/process</b>	<b>Source<sup>1</sup></b>
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NYDF, RBD), TPS Ps	25
<b>Progress in 2016</b>	Nothing to report at this time.		
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps	26, 27
<b>Progress in 2016</b>	Nothing to report at this time.		
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities		REDD+ SES, RBD, TPS Ps	27, 28, 29
<b>Progress in 2016</b>	EII supported the Amazon IP Organization (OPIAC) to design a strategy to promote jurisd. platforms to identify and consolidate local initiatives and develop policy proposals to promote LCD plans at the subnational and at nat. levels (A80).		
2.2.4. The full and effective participation of relevant stakeholders, in particular IPs and local communities		REDD+ SES, RBD, TPS Ps	27, 28, 29
<b>Progress in 2016</b>	Together with OPIAC, EII supported the analysis of options and alternatives to increase governance and reduce threats on IPs' territories. Also in coordination with OPIAC, EII and FT supported/facilitated launching a multi-stakeholder platform in Guainía (Mesa Vision Guainía) (A81).		
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps	27
<b>Progress in 2016</b>	Nothing to report at this time.		
2.2.6. Actions to address the risks of reversals		TPS Ps	7, 27
<b>Progress in 2016</b>	Nothing to report at this time.		
2.2.7. Actions to reduce the displacement of emissions		TPS Ps	30
<b>Progress in 2016</b>	Nothing to report at this time.		

<b>Outcome 2.4: Integrated LED-R strategy implemented in the Peruvian Amazon (PE Am)</b>						
<b>2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)</b>						
<b>Status of Implementation uses Scale from Standard Reporting indicators</b>						
<b>Progress Name and Type of policy/measure</b>	<b>Location and Policy Level</b>	<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>	<b>Impact on Gender; Transparency; Sust. livelihoods; Red. Deforestation</b>	
Regional Amazon LED-R strategy connects national REDD and agricultural finance to support zero-net deforestation	Peru, national and subnational	2	3	7, 8, 13	Gender; Transparency; Sustainable livelihoods; Red. Def.	
<b>Progress in 2016</b>	The implementation target was achieved (3), with the approval of the National Strategy on Forests and Climate Change (ENBCC) in 2016 (A82&87). EII, FT and local partner MDA strengthened the ENBCC's <i>production-protection</i> pact through direct support to MINAM and promotion of a workshop to present this approach (A83). Once the Strategy was approved, EII conducted an analysis in San Martín (SM) and Ucayali (UC) of the regional public instruments and their alignment with the ENBCC (A84). The design of the regional LED-R plans for 2017 will be developed using this analysis as a reference.					
<b>Intermediary Outcome 2.4.i: PE Am. LED-R strategy designed in alignment with the National Strategy for Forests and Climate</b>						
PE. Am. LED-R strategy designed	Peru, subnational	0	0	7, 8, 13	Id	
<b>Progress in 2016</b>	Nothing to report at this time, activities planned for 2017.					
<b>Output Level</b>			<b>Frequency of Reporting: Annual</b>			
<b>Indicators</b>				<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>
<b>Output 2.4.1: Evidence-based value proposition for policy alignment (including regional-national alignment) and integration is developed for target jurisdictions in Peru</b>						
Report summarizing results of analysis and convening to assess costs and benefits of 2 or 3 low-emission development options for the Peruvian Amazon region				0	0	8, 11, 18, 35
<b>Progress in 2016</b>	Activity planned for 2017. In 2016, EII organized a study tour for the Reg. Govs of UC and Madre de Dios (MD) to AC, BR, for them to learn about some successful experiences to reduce deforestation and promote LED-R (A62&85). This activity has helped the reg. gov. to identify their own proposals to reduce deforestation and promote rural development in their					

	jurisdictions. EII also provided technical assistance to Peruvian GCF members in the formulation of the Guadalajara Declaration, GD (A86) proposing specific targets to the RBD for the PE Am., as well as actions to achieve the targets.			
<b>Output 2.4.2: Proposal to include targets for reducing deforestation to Peruvian Regional Governments is developed</b>				
# of Number of regional government for which proposals are completed		0	0	8, 18, 35
<b>Progress in 2016</b>	Activity planned for 2017. In 2016, EII conducted an analysis of alignment between the ENBCC and regional development plans developed by UC and SM, which is being observed by the analysis under development in 2017.			
<b>Output 2.4.3: Proposals for Regional Strategies for Forest and Climate to support the implementation of the National Strategy for Forest and Climate (ENBCC) and to allow the compliance of the signers of the Under2MoU and the RBD</b>				
# of regional government for which reports (proposals) are completed		0	0	8, 18, 35
<b>Progress in 2016</b>	Activity planned for 2017. In 2016, EII sponsored the participation of the reg. governor of SM to the COP22 in Marrakesh and the dissemination of SM's regional "brand" associated with low deforestation in two side events (A51-52&86).			
<b>NICFI Standard Indicators</b>		<b>Your organization or partner(s)' contribution, see footnote<sup>3</sup></b>		
<b>Safeguard category</b>		<b>Country case/process</b>	<b>Source<sup>1</sup></b>	
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NYDF, RBD), TPS Ps	25	
<b>Progress in 2016</b>	The report described under outcome 2.4 (Regional LED-R strategies) analyzes the articulation of the regional plans with the international agreements and the national instruments in Peru on REDD+.			
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps	26, 27	
<b>Progress in 2016</b>	Our project is mainly focused in supporting subnational governments. The TPS approach fostered by the project in the target regions are based on transparent, multi-stakeholder governance structures and monitoring platforms. EII, with additional support from a project in partnership with MDA, FT and WWF-PE, is finalizing a preliminary online monitoring platform to measure performance on deforestation and other indicators in SM and UC in alignment with the ENBCC (A25-27).			
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities		REDD+ SES, RBD, TPS Ps	27, 28, 29	
<b>Progress in 2016</b>	EII and FT sponsored the participation of IP leaders from PE in discussions with the CA gov. officials, who are considering the acceptance of jurisdictional REDD+ offsets, and the general public, so they (IP) could share their views in CA (A27-31).			
2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities		REDD+ SES, RBD, TPS Ps	27, 28, 29	
<b>Progress in 2016</b>	Nothing to report at this time.			
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps	27	
<b>Progress in 2016</b>	Our forest conservation efforts were manifested mainly through the development of the TPS platform tailored to the production-protection project (PPP). For more details see 2.2.2.			
2.2.6. Actions to address the risks of reversals		TPS Ps	7, 27	
<b>Progress in 2016</b>	Nothing to report at this time. In 2017, EII, FT and local partners plan to work with multiple stakeholders in PE to unlock/design performance based incentives that can be sustained across political cycles to avoid reversal.			
2.2.7. Actions to reduce the displacement of emissions		TPS Ps	30	
<b>Progress in 2016</b>	To avoid leakage, EII and partners are working in Peru at the national and regional levels through jurisdictional-wide interventions to advance holistic LED-R strategies across different sectors.			

<b>Outcome 3.1: Supply chain actors including the Norwegian soy-dependent industries and Chinese government (palm oil, soy, beef) preferentially source agricultural commodities from high-performing states and provinces.</b>				
<b>Indicator</b>		<b>Baseline</b>	<b>Target Y1</b>	<b>Data Source<sup>1</sup></b>
# of private-public partnerships created to support jurisdictional sourcing (std. reporting indicator 2.3.1)		1	0	38, 39, 40
<b>Progress in 2016</b>	1 public private partnership to report. In 2016, Unilever, the province of CKal, KBD, and INOBU entered into a MOU to support sustainable palm oil production, including preferential sourcing from Unilever (A6). Also, EII and Solidaridad China have been working to foster partnerships between China and CA, China and MT, and MT and European buyers of Soy. EII helped draft an MoU of collaboration between China Soybean Industry Association (CSIA), Abiove/Aprosoja (A89, confidential) and later facilitated a meeting between CSIA, Aprosoja, Amaggi, and Hopefull Group in Oslo to discuss the steps to implement preferential jurisdictional sourcing. EII is also worked directly with Amaggi and Denofa (main supplier of soy, and main soy crushing plant in Norway) to include specific data in the PPP to support jurisdictional sourcing from Denofa.			
# of govs (natl, state) committed to sourcing soy, beef and/or palm oil from sustainable jurisdictions		0	0	3

<b>Progress in 2016</b>	No target to report. In 2016, EII focused on achieving consensus around performance, and then defining what would be a sustainable jurisdiction. In China, with leadership of Solidaridad, the next step is to identify the key issues/needs for Chinese buyers and how would this apply to the Brazilian Producers (MT).					
% of imports of soy, beef and palm oil procured in compliance with governmental sustainable sourcing commitments	Soy	0	0	7, 8		
	Palm	0	0	7, 8		
<b>Progress in 2016</b>	No target to report. EII and partners' actions to secure jurisdictional sourcing of ag. commodities were mainly focused in the private sector, once these agreements are consolidated we will seek gov support. At the same time, we work with the govts on activities such as PCI in MT and NDC at the nat,l level in BR. We will seek convergence when both are more advanced.					
# of private sector commitments to source commodities from sustainable jurisdictions (# of businesses)	5	1	41			
<b>Progress in 2016</b>	Target achieved. Unilever committed to preferentially source sustainable palm oil from KBD, (A6). On the other hand, in BR we decided then to invest our efforts in sourcing agreements with producer and buyer associations that represent multiple private actors, such as Aprosoja, Famate, Abiove, FEFAC, and CSIA, where we were able to advance more effectively (eg. through MoU between Aprosoja and CSIA).					
<b>Intermediary Outcome 3.1.i: Draft agreements between supply chain actors (including Norwegian and Chinese soy-dependent industries) designed to support the sourcing of agricultural commodities from high-performing states and provinces</b>						
Draft agreement designed			0	0	7, 41	
<b>Progress in 2016</b>	In 2016, EII helped draft an MoU for collaboration between Aprosoja / Abiove / CSIA (A89) and has worked since then in the evolution of this MoU in close collaboration with Solidaridad China. EII also helped Paulson to draft a sustainable soy pledge to be used by traders, COFCO, among others (A92-93). INOBU gave a presentation at the <u>FONAP meeting in 2016</u> , and worked to advance the jurisdictional sourcing concept to FONAP, major Chinese buyers, as well as the RSPO conference. In addition, we gave the presentation at the Consumer Goods Forum meeting in Jakarta (A90-91&97).					
<b>Status of Implementation uses scale from standard reporting indicator (Standard reporting indicator 3.1.1)</b>						
<b>Type of policy/practice change/transparency measure</b>	<b>Company; Commodity; Location</b>	<b>Baseline</b>	<b>Target Y1</b>	<b>Data Source<sup>1</sup></b>	<b>Stakeholders involved</b>	
<b>Jurisdictional Sourcing Strategies / Policies</b>	Denofa, Grupo Amaggi Unilever, Cargill, etc.; Soy; MT, BR	2	3	41	Private sector, Sub-ntl. Govs, Producers	
	JBS, Mafrig, McDonalds; Beef; MT, BR	1	2	41	Id	
	Wilmar, Sinar Mas, Unilever, Nestle Oil and National Commitments on Sustainable Palm Oil such as FONAP (Germany), MVO (The Netherlands)	2	3	41	Id	
<b>Progress in 2016</b>	Target partially achieved. Unilever has committed to jurisdictional sourcing of palm oil from KBD (A6). However, in general we were not able to advance on commitments from individual companies as anticipated. The problem, as we see it, is that many companies are still very concerned with risk management, and specific pledges related to their own supply chain. Therefore, we decided to re-focus our efforts in larger sourcing agreements with associations (eg. Aprosoja, Abiove, Fefac, CSIA) as described above. In the case of Soy, these institutions represent 100s of companies, which is much more significant than stimulating unilateral declarations of companies. However, because of the size of the volume involved in these negotiations, this process evolves more slowly and requires well planned actions from the 3FI partners (eg. EII and Solidaridad) and others involved.					
<b>Output Level</b>						
<b>Indicator</b>				<b>Baseline</b>	<b>Target Y1</b>	<b>Source<sup>1</sup></b>
<b>Output 3.1.1: Analysis of potential climate change mitigation impacts, cost implications, and procurement options for sourcing, by China, of commodities from sustainable, low-deforestation jurisdictions</b>						
Analyses and meetings summarized in reports describing options for jurisdictional procurement of soy, beef and palm oil by China (1 report per commodity)				0	0	34, 36
<b>Progress in 2016</b>	Planned for 2017, Solidaridad China will be leading this work.					
# Meetings with Chinese gov and corporate rep. to discuss jurisdictional procurement options				0	2	8, 17, 18
<b>Progress in 2016</b>	Target achieved. First 3FI-supported meeting was held in Beijing in 3/2016 (when an MoU was signed between CSIA and Aprosoja/Abiove) (A94-95). A second meeting was held in Oslo in 6/2016 to discuss how to implement a sustainable jurisdictional sourcing in practice (a test shipment – private meeting).					
<b>Output 3.1.2: Support for workshops, road shows, and exchange visits to develop procurement agreements between states that produce soy (MT, PA), beef (MT, PA, AC) and palm oil (CKal) and Chinese government</b>						

<b>Progress in 2016</b>	INOBU, in collaboration with Solidaridad led a Chinese delegation of palm oil buyers, accounting for 80% of China's total palm oil imports, to Indonesia to better understand the efforts being made to achieve sustainable palm oil production. The China delegation included participants from COFCO, Fangshun Group, Julong Group, Sinograin and Wilmar China, as part of the China Sustainable Palm Oil Working Group (POWG) that was launched at the end of 2015. Over 60% of China's total palm oil imports come from Indonesia, and the demand is expected to increase in the coming years.			
<b>Output 3.1.3: Support for meetings between CA and Chinese governments to discuss possible incl. of sust. sourcing in China-CA MOU</b>				
	Number of exchange visits & meetings between leading oilseed processing provinces & national government stakeholders and target producer jurisdictions	0	2	8,18, 39, 42
<b>Progress in 2016</b>	Target achieved. The first visit was organized by Solidaridad in April of 2016 (with support from another grant in partnership with TNC and Paulson Institute) in Beijing, at this opportunity an MoU was signed between Aprosoja/Abiove and CSIA (see 3.1.i) The second visit was from the Chinese delegation, organized by Solidaridad and INOBU to Indonesia to better understand the efforts being made to achieve sustainable palm oil production (see 3.1.2) (A90).			
<b>Output 3.1.4: Jurisdictional Sustainability Working Group and Forests, Farms and Finance Initiative (3FI) develop and disseminate unifying definitions, concepts, and best practices</b>				
	Published report summarizing findings of JWG and 3FI consultations and discussion	0	1	22
<b>Progress in 2016</b>	Target partially achieved (report done, but not published in 2016). The 3FI consortium held a very successful workshop in Oslo, with the participation of over 46 institutions to discuss Jurisdictional Sustainability in the Tropics (A96-99). We then finalized the draft of the Jurisdictional primer, which was published early in 2017 in 5 languages (A100).			
<b>Output 3.1.5: Annual jurisdictional sustainability guidebook published and disseminated</b>				
<b>Progress in 2016</b>	The first guidebook was finalized in 2016 and published in 2017. We decided to combine output 3.1.4 and 3.1.5 into one single product/ output. We will follow-up with a request for a revision of the RFT to merge both products.			
<b>Output 3.1.6: Report with case studies on procurement strategies and the costs and benefits of conventional (farm-by-farm) sourcing versus jurisdictional/territorial sourcing published and disseminated</b>				
	Jurisdictional Sourcing Report (one per beef, soy, palm oil)	0	0	22
<b>Progress in 2016</b>	Nothing to report at this time. This activity is planned for 2017 and beyond.			
<b>Output 3.1.7: Options assessment for jurisdictional certification is conducted, published and discussed with Boards of RSPO, RTRS</b>				
	Options Assessment Reports	0	0	
<b>Progress in 2016</b>	RSPO Board has approved the implementation of jurisdictional pilots in 2015. In 2016, INOBU and EII signed an MoU of collaboration with RSPO to advance the jurisdictional approach in CKal and abroad (A101). INOBU was involved in the discussion with the RSPO in developing a scoping analysis for jurisdictional certification model. RSPO presented the results of the analysis during their annual Roundtable meeting in Bangkok, Nov 2016 (A103). Additionally, EII discussed the jurisdictional approach to RTRS Board in 2016, and there was acceptance and interest around the jurisdictional concept; RTRS became interested in developing a jurisdictional pilot to test this concept to be analyzed in 2017 around the Itaipu Binational dam (border between Brazil and Paraguay).			
<b>Output 3.1.8: Analysis and convening in support of jurisdictional certification pilots for RSPO and RTRS in CKal and MT</b>				
	# of meetings involving at least 3 roundtables to discuss jurisdictional certification	0	1	
<b>Progress in 2016</b>	Target achieved. In 2016, we held a very successful meeting with 3FI partners including RSPO, RTRS, Bonsucro, GRSB and GTPS in Oslo to discuss the progress of the jurisdictional pilots on the ground (RSPO and INOBU with CKal pilot), the challenges to implement the jurisdictional approach, incentives, and how the consortium can work better to support jurisdictional pilots under analysis or development by partners. (A102).			

## 2.2 Efficiency (how efficiently project resources have been turned into Outputs):

The Outcomes and Outputs presented in the 3FI strategy are very ambitious for the budget, and are only feasible through an extreme level of efficiency in which we are always seeking to seize opportunities for strategic interventions, to collaborate with other meetings/processes, and to keep project partners aligned. When opportunities open up and demand a deeper level of support than we are able to provide with existing resources, we seek additional resources. This general strategy is working well, except for frequent delays in capturing necessary additional funding when major new opportunities appear. For some concrete examples of how we have effectively turned resources into outputs, see A106.

## 2.3 Choose one or more representative example(s) of results at outcome level. Please describe the chain of events leading to the result in line with Norad's template for results examples (annex 1). If it is too early to describe outcomes, please explain the reasons for this.

This project seeks to achieve large-scale systemic changes that cannot happen within one year, but instead are the results of multiple years of continued work and dedication. For example, it took at least 3 years of work from 3FI and

local partners, as well as a strong political leader (Gov. Pedro Taques) to get to MT's PCI Strategy launched in Dec. 2015. Now, we are working to support the implementation of this plan, which we anticipate to be under full implementation by the end of 2019. On the other hand, some processes have moved faster than anticipated. For example, in 2016 we moved closer to a major sustainable soy sourcing agreement between China and Mato Grosso with a possible link to the EU (FEFAC) – Brazil agreement. These two markets represent 74% of global trade in soy, and could usher in a jurisdictional sourcing at scale. EII became involved in this process by invitation of Brazilian soy producers and processors, with whom we have built trustful relations over the years, as we seek to attract incentives to support them to achieve sustainability at scale, while Solidaridad China became involved from the China side, due to their close relations with Chinese soy processors and buyers. Both EII and Solidaridad have supported these negotiations by providing technical advice, organizing meetings and field trips to foster negotiations. We prefer to provide full chain of events when this or another success story comes to full fruition.

#### 2.4 Risks (that have affected the implementation of the project)

**Internal (EII and Consortium):** The project suffered cost overruns due to the low value of the NOK, affecting EII and partners' ability to fully implement the program with adequate resources. The project had a very tight USD budget at the current NOK:USD rate of exchange. *Mitigation:* The project's spending and USD has been monitored on a monthly basis, and the results are incorporated into regular project planning.

**External: Political and economic crisis/instability:** in BR, the changes in the federal government (President's impeachment) was slow and traumatic, leaving the government paralyzed for a long time due to the lack of definitions of who was to be in charge. *Mitigation:* while things were resolved at the national level, we focus our efforts at the state level.

**Lack of financial support to implement LED-R plans:** processes such as MT-PCI strategy, AC-SISA Program, the implementation of *production-protection* pilots in PE, and *Sustainable Territories* in CO, all require large sums of funding that are beyond the capacity of our project. *Mitigation:* we continue to analyze and support multiple financial mechanisms to attract funds to support these process (see Outcome 1).

**Climate factor:** extreme drought events happened in 2016 (in AC, MT), caused uncontrolled fires, burning of agricultural areas and forest areas that will contribute to the increase of forest degradation - a possible increase in deforested area (2016 to 2017). In general, farmers use these areas of forest affected by fire to convert to agriculture or pasture. *Mitigation:* we are working in parallel to support fire brigade efforts such as those led by Aliança da Terra.

**Change of personnel:** As govs (eg. Peru and Brazil new Presidents) and companies (eg. CSIA) went through leadership transition, we lost sometimes the contact with the person connected to the project, delaying activities, since we must reintroduce the concepts to the newcomers to understand and become supportive of the project. *Mitigation:* we continue engagement throughout transition to support new personal to become acquainted with our project/activities.

#### 2.5 Deviations: To what extent has the Project been implemented as planned (country, region, thematic area)?

**Please provide an account and assessment of deviations from the latest approved implementation plan and Project Document/Application and describe what has been done to deal with the deviations.<sup>3</sup>**

In BR, political instability at the national level contributed to some delays in the project implementation, and to address this, we increase our efforts in activities at the subnational level. In PE, activity 2.4.2 was delayed due to the delay in the approval of the ENBCC, since this document was necessary to carry out the alignment analysis between national and regional REDD+ policies. In this meanwhile, we advanced our activities planned with the regional govs. In IN, due to budget constrains INOBU was not able to carry one proposal policy for IP land-tenure (Outcome 2.2) and summarize the results of MK35 implementation (Output 2.2.2), but they are actively seeking additional funds to cover these activities.

#### 2.6 Coordination with other relevant actors in the geographic areas targeted by the Project.

The jurisdictional approach assumes collective, multi-sectoral, consensual work, since a single institution is unable to drive a jurisdictional model alone. For example, in MT, the design and now the implementation of the PCI plan required a strong coalition to identify synergies and avoid duplicated efforts, maximizing everyone's participation. EII is keeping permanent coordination with national organizations, national and local governments, NGOs, agriculture sector organizations and other relevant actors involved in the low-carbon development strategies. For example, the Sustainable Territories

<sup>3</sup> If the risk situation has changed, an updated risk management plan for the Project must be submitted by together with the updated implementation plan and budget for the following year (normally 15 January, but please consult your organisation's Agreement with Norad for the exact date).

Roundtable in Colombia (Output 2.3.2) requires the engagement of several organizations. For more concrete examples of collaborations in target regions, please see A107.

### 3. Cross-cutting issues

**Anti-corruption:** The project is contributing to reduced corruption in target regions through innovative mechanisms for participatory governance and transparent monitoring (eg. Output 1.1.1 - 1.1.6) and by supporting nat. and reg. policies that improve environmental governance (Outcome 2). We are seeking to establish transparent, neutral mechanisms for channeling climate finance to actors making verifiable progress towards reducing deforestation, including producers and governments (eg. TP Fund, Output 1.1.1 and Jurisdictional Sourcing agreements, Outcome 3.1).

**Human rights, including the rights of marginalized groups:** Jurisdiction-wide dialogues that facilitate agreements among producers, communities, companies and local governments regarding environmental and social performance indicators encapsulated into our approach in this project. For example, in the LA, Sapopema's is working closely with organizations representing traditional floodplain communities to consolidate their rights to community territories, resources and policies that support their efforts to sustainably manage local fisheries and other resources. This work has also involved participation in and support for broader regional movement of smallholders and traditional people including quilombolas e and IP groups (See A56). EII also sponsored a successful visit of Brazilian local community and IP leaders to support the case of jurisdictional REDD offset acceptance in CA cap-and-trade system (A28-31).

**Women's rights and gender equality:** Social equity, which includes gender equality, is a key component of the sustainable development model promoted by our project. We are promoting gender equality by incentivizing direct participation of women, and inclusion of women's interests and concerns, in territorial planning processes (Output 2.1.1, 2.2.3, 2.2.4). Project implementing partners are being required to track participation of women in multi-stakeholder dialogues (Activity 1.1, 2.1, 2.3, 2.5, 2.7) within jurisdictions (since 2017). Further, we are looking at how the activities to align gov. policies and programs with climate finance (Outcome 2) can support on-going efforts to improve the situation of women in target regions, including agricultural finance programs (e.g. Colombia and Peru) and efforts to secure land tenure (e.g. in Indonesia). Some early reporting from the consortium highlight that in AC, the participation of women has been valued, guaranteeing gender equality in all sectors and levels of society. Thus, meetings with gov sectors generally have equal gender participation, or many times more women. In the LA, PA, women also have important leadership roles in community and regional organizations including municipal Fishers' Unions and rural labor unions (STTR). Sapopema is working directly and indirectly to supports women's participation in the activities being undertaken.

### 4. Financial report

Will be submitted separately, within the next days.

### 5. Results monitoring and evaluations

No results evaluation to report in 2016.

### 6. Date and attestation

I am authorized to enter into legally binding agreements on behalf of the grant recipient, and attest that to the best of my knowledge and belief the information given in this report is correct.

Date:




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Daniel Nepstad  
Executive Director and President of Earth Innovation Institute

### Attachments:

Please see all attachments (111 total) at this link:

<https://www.dropbox.com/sh/u3am08p1daamdfl/AAAMKrbjYUobQe4gWuDmY1MZa?dl=0>.