Concept Note

Program Title: Scaling up regional action to reduce deforestation and increase resilience to climate change under the framework of the Leticia Pact for the Amazon (Bolivia, Brazil, Colombia, Ecuador and Peru)

Country(ies): Bolivia, Brazil, Colombia, Ecuador, Peru

National Designated Authorities (NDA):
- Ministry of Development Planning of the Plurinational State of Bolivia
- Ministry of Environment of Brazil
- National Planning Department of Colombia
- Ministry of Environment and Water of Ecuador
- Ministry of Economy and Finance of Peru

Accredited Entity (AE): Conservation International - CI

Date of first submission/version number: [2020-10-16] [V.1]

Date of current submission/version number: [2020-12-21] [V.2]
List of Abbreviations and Acronyms

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ABT</td>
<td>Authority for Audit and Social Control of Forests and Lands</td>
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<td>ACTO</td>
<td>Amazon Cooperation Treaty Organization</td>
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<td>ASL</td>
<td>Amazon Sustainable Landscapes</td>
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<td>APMT</td>
<td>Plurinational Authority of the Mother Earth</td>
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<td>BE</td>
<td>Blue Energy</td>
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<td>CAR</td>
<td>Corporación Autónoma Regional (Autonomous Regional Corporation)</td>
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<td>CI</td>
<td>Conservation International</td>
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<tr>
<td>FAA</td>
<td>Funded Activity Agreement</td>
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<td>FIAS</td>
<td>Fondo de Inversión Ambiental Sostenible (Sustainable Environmental Investment Fund)</td>
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<tr>
<td>GBF</td>
<td>Green Business Facility</td>
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<td>GCF</td>
<td>Green Climate Fund</td>
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<td>GEF</td>
<td>Global Environment Facility</td>
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<td>GFW</td>
<td>Global Forest Watch</td>
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<td>GHG</td>
<td>Greenhouse gas</td>
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<td>GTTTMIF</td>
<td>Grupo de Trabajo Técnico en Manejo Integral del Fuego (Technical Working Group on Integrated Fire Management)</td>
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<tr>
<td>IDEAM</td>
<td>Instituto de Hidrología, Meteorología y Estudios Ambientales (Institute of Hydrology, Meteorology and Environmental Studies)</td>
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<td>IIRSA</td>
<td>Iniciativa para la Integración de la Infraestructura Regional Suramericana (Initiative for the Integration of the Regional Infrastructure of South America)</td>
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<tr>
<td>IPLC</td>
<td>Indigenous Peoples and Local Communities</td>
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<td>IPP</td>
<td>Indigenous Peoples Plan</td>
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<td>IPPF</td>
<td>Indigenous Peoples Planning Framework</td>
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<tr>
<td>JMA</td>
<td>Joint Mitigation and Adaptation Mechanism for the Sustainable Management of Forests and of Mother Earth</td>
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<td>LP</td>
<td>Leticia Pact for the Amazon</td>
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<td>LPAP</td>
<td>Leticia Pact Action Plan</td>
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<tr>
<td>M&amp;E</td>
<td>Monitoring and Evaluation</td>
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<td>MAAP</td>
<td>Monitoring of the Andean Amazon Project</td>
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<tr>
<td>MINAMBIENTE</td>
<td>Ministerio de Ambiente y Desarrollo Sostenible de Colombia (Ministry of Environment and Sustainable Development of Colombia)</td>
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<tr>
<td>MAE</td>
<td>Ministerio del Ambiente del Ecuador (Ministry of Environment of Ecuador)</td>
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<tr>
<td>MAAE</td>
<td>Ministerio del Ambiente y Agua del Ecuador (Ministry of Environment and Water of Ecuador)</td>
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<tr>
<td>MINAM</td>
<td>Ministerio del Ambiente de Perú (Ministry of Environment of Peru)</td>
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<td>MMAyA</td>
<td>Ministerio de Medio Ambiente y Agua – Bolivia (Ministry of Environment and Water - Bolivia)</td>
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<tr>
<td>NAP</td>
<td>National Adaptation Plan</td>
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<td>NDA</td>
<td>Nationally Designated Authority</td>
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<td>NDC</td>
<td>Nationally Determined Contributions</td>
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<td>NPM</td>
<td>National Program Management Committee</td>
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<td>NRT</td>
<td>Near Real-Time</td>
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<td>ORA</td>
<td>Observatorio Regional de la Amazonía</td>
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<td>PA</td>
<td>Protected Area(s)</td>
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<td>PMU</td>
<td>Program Management Unit</td>
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<tr>
<td>PROFONANPE</td>
<td>Fondo de Promoción de las Áreas Naturales Protegidas del Perú (Fund for the Promotion of Natural Protected Areas of Peru)</td>
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<tr>
<td>PSB</td>
<td>Programa Socio Bosque (Forest Partnership Program)</td>
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<tr>
<td>REDD+</td>
<td>Reducing emissions from deforestation and forest degradation, and fostering conservation, sustainable management of forests, and enhancement of forest carbon stocks</td>
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<td>SATA</td>
<td>Sistema de Alerta Temprana Ambiental (Environmental Early Warning System)</td>
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<td>SC</td>
<td>Steering Committee</td>
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<td>SDG</td>
<td>Sustainable Development Goals</td>
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<td>SERFOR</td>
<td>Servicio Nacional Forestal (National Forest Service)</td>
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<tr>
<td>SERNANP</td>
<td>Servicio Nacional de Áreas Naturales Protegidas por el Estado (National System of Natural Protected Areas)</td>
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</tbody>
</table>
SIMB  Sistema de Información y Monitoreo de Bosques (Forest Information and Monitoring System)
UNDP  United Nations Development Programme
UNFCCC  United Nations Framework Convention on Climate Change
WB  World Bank
WRI  World Resources Institute
**A. Project/Programme Summary (max. 1 page)**

<table>
<thead>
<tr>
<th></th>
<th>Project</th>
<th>Programme</th>
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<th>Public or private sector</th>
<th></th>
<th>Public sector</th>
<th>Private sector</th>
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<td><strong>A.1. Project or programme</strong></td>
<td>☐ Project</td>
<td>☒ Programme</td>
<td></td>
<td>☒ Public sector</td>
<td>☐ Private sector</td>
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<td><strong>A.2. Public or private sector</strong></td>
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<td><strong>A.3. Is the CN submitted in response to an RFP?</strong></td>
<td>Yes ☐ No ☒</td>
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<td>If yes, specify the RFP:</td>
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<td><strong>A.4. Confidentiality</strong></td>
<td>☐ Confidential</td>
<td>☒ Not confidential</td>
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<td><strong>A.5. Indicate the result areas for the project/programme</strong></td>
<td>Mitigation: Reduced emissions from:</td>
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<td></td>
<td>☐ Energy access and power generation</td>
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<td></td>
<td>☐ Low emission transport</td>
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<td>☐ Buildings, cities and industries and appliances</td>
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<td></td>
<td>☒ Forestry and land use</td>
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<td>Adaptation: Increased resilience of:</td>
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<td>☐ Most vulnerable people and communities</td>
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<td>☐ Health and well-being, and food and water security</td>
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<td>☐ Infrastructure and built environment</td>
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<td>☒ Ecosystem and ecosystem services</td>
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<td><strong>A.6. Estimated mitigation impact (tCO2eq over lifespan)</strong></td>
<td>31.6 million</td>
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<td><strong>A.7. Estimated adaptation impact (number of direct beneficiaries and % of population)</strong></td>
<td>3.8 million (12%)</td>
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<td><strong>A.8. Indicative total project cost (GCF + co-finance)</strong></td>
<td>Amount: USD 133 million *Additional co-finance is expected; the total project size may reach USD 200 million</td>
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<td>☒ Grant</td>
<td>☐ Reimbursable grant</td>
<td>☐ Guarantees</td>
<td>☐ Equity</td>
<td>☐ Subordinated loan</td>
<td>☐ Senior Loan</td>
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<td><strong>A.11. Estimated duration of project/ programme:</strong></td>
<td>a) disbursement period: 6 years</td>
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<td>b) repayment period, if applicable:</td>
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<td><strong>A.12. Estimated project/ Programme lifespan</strong></td>
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<td><strong>A.13. Is funding from the Project Preparation Facility requested?</strong></td>
<td>Yes ☐ No ☒</td>
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<td>Other support received</td>
<td>☒ If so, by who: Private Donor</td>
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<td><strong>A.14. ESS category</strong></td>
<td>☐ A or I-1</td>
<td>☒ B or I-2</td>
<td>☐ C or I-3</td>
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<td><strong>A.15. Is the CN aligned with your accreditation standard?</strong></td>
<td>Yes ☒ No ☐</td>
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<td><strong>A.16. Has the CN been shared with the NDA?</strong></td>
<td>Yes ☒ No ☐</td>
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</tbody>
</table>

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1 Concept notes (or sections of) not marked as confidential may be published in accordance with the Information Disclosure Policy (Decision B.12/35) and the Review of the Initial Proposal Approval Process (Decision B.17/18).

2 As percentage of total population of 31.8 million in Amazon biome in participating countries, based on data from https://www.worldpop.org/.

3 See here for access to project preparation support request template and guidelines

4 Refer to the Fund’s environmental and social safeguards (Decision B.07/02)

5 CN has been prepared in close collaboration with Ministries of Environment (Ministry of Environment and Water of the Plurinational State of Bolivia, Ministry of Environment of Brazil, Ministry of Environment of Colombia, Ministry of Environment and Water of Ecuador, Ministry of Environment of Peru). Concept Note will be shared, and subsequent proposal development will be coordinated with, NDAs where these are distinct from Ministries of Environment (Ministry of Development Planning of the Plurinational State of Bolivia, National Planning Department of Colombia, and Ministry of Economy and Finance of Peru).
A.17. AMA signed (if submitted by AE)

Yes ☒ No ☐
If no, specify the status of AMA negotiations and expected date of signing:

A.18. Is the CN included in the Entity Work Programme?

Yes ☒ No ☐

A.19. Project/Programme rationale, objectives and approach of programme/project (max 100 words)

The destruction of the forests of the Amazon basin imperils global climate stability and the climate-resilience of vulnerable indigenous and local communities. The proposed Program will accelerate the regional shift to a sustainable, low-emissions, climate-resilient development paradigm. Greater regional collaboration and the replication of effective strategies for mitigation and adaptation from key geographies will mobilize increased private-sector investment, facilitate scaling up of innovation and create efficiencies by leveraging technical resources, data, and best practices across countries. The program, working within the framework of the groundbreaking Leticia Pact for the Amazon, will support Bolivia, Brazil, Colombia, Ecuador and Peru to improve management of at least 35M ha of forest, reduce emissions by approximately 31.6 MtCO2eq and increase the resilience of 3.8 million rural and urban inhabitants of target landscapes and support diversified, climate-resilient livelihood options of at least 320,000 vulnerable people.

B. Project/Programme Information (max. 8 pages)

B.1. Context and baseline (max. 2 pages)

Climate Change and the Amazon

The intense fire season of 2019 in the Amazon drew worldwide concern, and the undeniable urgency to address the devastation resulted in the region’s 7 countries coming together in September of that year to sign the Leticia Pact for the Amazon (LP), strengthening cooperation to protect the Amazon. The LP signals recognition that regional collaboration is essential to effectively respond to the scale of the challenges faced, above and beyond what countries can achieve individually. By leveraging and linking countries’ combined expertise, technical capacities, and political will, the LP signalled an important surge of the nations’ aspiration to work together and shift the trajectory of the Amazon from destruction to protection. As a new ‘burning season’ is underway in 2020, predictions are for another record year of fires (Batista 2020; BBC 2020) with deforestation pressures compounded by the COVID pandemic, which is undermining enforcement and intensifying economic pressure at all levels to exploit the region’s resources.

The Amazon is critical for stabilizing global climate. The Amazon basin contains the world’s largest tropical rainforest by far, covering over 6M km² and accounting for more than 40% of the world’s total rainforest. Brazil is home to approximately 60% of the Amazon rainforest, while Bolivia, Brazil, Colombia, Ecuador and Peru together contain approximately 29%. The Amazon rainforest contains stocks of 72,752 MtC (Walker et al. 2020), which if released would dramatically increase greenhouse gas concentrations in the atmosphere and intensify climate change. Forest destruction resulted in a net release of 1,290 MtC (~4,727 MtCO2e) from the Amazon between 2003 and 2016 (Walker et al. 2020).

The fires that draw worldwide attention are both a cause and a symptom of a broader, chronic crisis of forest degradation and deforestation in the Amazon. In the last 50 years, human activities have caused the loss of 17% of the Amazon rainforest. In 2018, researchers estimated a threshold for a critical tipping point: if more than 20-25% of the Amazon’s original forest cover is lost, the current dense forest could be permanently transformed into a savannah and rapidly accelerate climate catastrophe worldwide (Lovejoy and Nobre 2018). If this threshold is reached, the Amazon will become a major and irreversible source of emissions, releasing ~ 17Gt of CO2eq, equivalent to the emissions of 3.6 billion cars over the next 20 years.

Deforestation, Emissions and Mitigation Potential

Across Bolivia, Brazil, Colombia, Ecuador and Peru, the Amazon region comprises the majority of forests, with deforestation accounting for a significant share of national greenhouse gas (GHG) emissions prioritized in Nationally Determined Contributions (NDCs). The Amazon accounts for the majority of each country’s emissions from deforestation (Table 1).
All participating countries face continuing and growing pressures on their forests and associated emissions, despite ambitious efforts to curb deforestation. Conversion for cattle and pastureland drives the majority of deforestation, with smallholder production, perennial crops, and agro-industrial commodities accounting for significant areas of forest loss in different localities. Deforestation and degradation in the Amazon are driven by a complex range of agents, drivers and causes, with significant similarities between Bolivia, Brazil, Colombia, Ecuador and Peru. Land-use decisions leading to deforestation are made in response to local needs for income, limited governance capacity, complex global and national market dynamics and supply chains, illegal economies, insecure land tenure, speculative land markets, and catalyzing factors like investments in roads, mining, and energy development. Additional information on recent deforestation trends and drivers is included in Annex 1.

Vulnerability and Adaptation

Not only does Amazon deforestation result in emissions which accelerate climate change, global climate change also makes the forests and inhabitants of the region more vulnerable.

Temperatures have increased 0.6°-0.7°C across the entire Amazon in the past 40 years (Marengo et al. 2018). In the Amazon regions of Colombia, Ecuador and Peru adjacent to the Andes, models project increased temperature, increased precipitation in the headwaters, decreased rainfall in the lowlands, and increased precipitation variability. Projections for the western Amazon indicate an average temperature increase of 2.5°C (RCP4.5) - 4.0°C (RCP8.5) by 2070. Projections for changes in precipitation for the western Amazon have large variability – with a majority of models indicating a modest increase in region-wide precipitation. However, some models project a significant decline in precipitation. The models that show large projected declines in precipitation also show the greatest degree in warming – indicating the possibility of a hot-dry trajectory for the region.

Consistent with these results, government projections for the upper headwaters of the Putumayo basin in Colombia indicate that precipitation will increase 20% by 2040, while downstream in the Amazonas department, precipitation may decline by up to 40% in the area near Leticia (IDEAM et al. 2017). Throughout the southern Amazon of Colombia (Putumayo and Amazonas) IDEAM (2017) also projects temperatures to increase by more than 2.2°C. Loss of rainforest also has impacts on local precipitation due to changes in evapotranspiration, a compounding impact that exists but is not well modelled. Supplementary information is provided in Annex 2.

These impacts are particularly important for rural and nature-dependent populations of the Amazon, especially smallholder farmers, indigenous peoples, and local communities (see Table 2). This Program is targeting several places in the Amazon region with a high percentage of nature-dependent people, i.e. those who rely on nature to satisfy their basic human needs, such as water, energy, shelter, and income. In the sub-national regions covered by the Program in Peru around 50% of the people are nature-dependent, in Ecuador 40%, and in Colombia and Bolivia 20% (CI, 2020 under review).
Changes in climatic conditions will affect these rural, nature-dependent populations, especially indigenous peoples, through *inter alia*, 1) Changes in growing conditions of crops and productivity of wild-harvested resources; 2) Increased risk of flooding 3) Increased risk of fire; 4) Changes in ecosystem distribution, composition and ecosystem services.

*Changes in growing conditions of crops and productivity of wild-harvested resources*: Indigenous communities, comprising over 550,00 people in Program focal areas⁹, are especially vulnerable to the types of climate change impacts projected for the Amazon because their traditional agricultural systems and livelihoods - based on wild forest and aquatic resources that were developed over generations, are finely attuned to ecological and biophysical conditions that are now in flux (Kronik and Verner 2010).

More than 1,246,000 rural inhabitants in Program focal areas¹¹ are dependent on agriculture and vulnerable to disruptions in production, food security and incomes due to climate change. Climate change affects agricultural production and food security through changes in seasonality, precipitation, temperatures, CO₂ concentrations, extreme events, and changes in the distribution and composition of weeds, pests and disease (Mbou et al. 2019; Thornton and Cramer 2012). In Peru, more than 30% of the coffee growing areas in the northern Amazon may cease to be suitable for coffee production in 2030 and 45-85% of farmers will need to adopt adaptation measures, including securing alternative sources of income (Robiglio et al. 2017). Cocoa is seen as a promising crop, both for its income generating potential and as a tree crop that can help stabilize the deforestation frontier, but it is also very vulnerable to changing climate conditions, with large areas of the Amazon in all five countries becoming less suitable for cocoa under projected climate change scenarios.

*Increased risk of flooding*: Increased rainfall in the Andean highlands and montane regions are likely to augment flood risk in the lowlands, leading to loss of life, property, and agricultural production. Wet season flood pulses are likely to become more severe in the upper Amazon due to climate change, with 7.5% (RCP 4.5) - 12% (RCP 8.5) increases for 100 y return floods (Zulkafli et al. 2016). Peru’s national adaptation plan identifies Program areas in the lower Amazon landscape as Very High Risk for flooding under RCP 8.5 for 2030 and 2050 (Ministerio del Ambiente de Perú, in preparation).

*Increased risk of fire*: Forest fires lead not only to an increase in emissions of biomass carbon, but also to losses of property, life and human health, with smoke and air pollution affecting millions of both rural and distant urban populations (IEPS et al 2020). In the Amazon, people use fire as a tool for forest conversion and agricultural management. Indigenous peoples of the Amazon also use fire for cultural rituals and hunting. These routine fire practices only receive global attention during severe fire seasons, which are usually linked to drought. Fires, fuelled by hotter and drier than normal conditions, burn out of control causing significant damage to the ecosystem, to infrastructure, human health, and economies. Over past the 20 years, more severe, and more frequent droughts linked to climate change have been observed (Garcia, Libonati, and Nunes 2018; Panisset et al. 2018). The overall drying trend in the Amazon is a result of a positive feedback between climate change, fires, and deforestation (Nepstad, 2008). Deforestation and forest degradation create drying conditions along the forest edge, making these areas more susceptible to burning. Selective logging and tree mortality from intense drought years opens the canopy, which increase understory temperatures and increase fire susceptibility. The feedback loop continues when fires further degrade humid forests by thinning trees and clearing the understory which enables drier conditions making the forest more susceptible to droughts, repeated fires, and access for illegal clearing.

*Changes in ecosystem distribution, composition and ecosystem services*: As the climate changes, species may respond by shifting their geographic range to track their preferred climatic niche, with consequences both for biodiversity conservation and the human populations that depend on wild resources. Species range shifts or changes to overall size of species ranges under changing climate conditions are well documented throughout the region (Freeman et al. 2018). The CI-GEF project Spatial Planning for Area Conservation in Response to Climate Change (SPARC) produced species distribution models for >50,000 species in the Neotropics to understand which areas are most important to conserve all species under scenarios of climate change. The tropical Andes, in the upper part of the Amazon basin, dominate the biodiversity priorities in the face of climate change given the greater number of smaller range species and greater potential for climate refugia that will allow species to persist as climate changes. However, the western Amazon basin also has

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**Table 2: Population vulnerable to climate change in Program focal areas⁹ in Bolivia, Brazil, Colombia, Ecuador and Peru**

<table>
<thead>
<tr>
<th>Country</th>
<th>Total Population</th>
<th>Rural Population</th>
<th>% Indigenous</th>
<th>% Poverty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>206,485</td>
<td>66,082</td>
<td>95%</td>
<td>70%</td>
</tr>
<tr>
<td>Brazil</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
<tr>
<td>Colombia</td>
<td>993,989</td>
<td>375,785</td>
<td>15%</td>
<td>47%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>1,384,674</td>
<td>515,591</td>
<td>8%</td>
<td>73%</td>
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<tr>
<td>Peru</td>
<td>469,526</td>
<td>288,755</td>
<td>21%</td>
<td>52%</td>
</tr>
</tbody>
</table>

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(IEPS et al 2020). In the Amazon, people use fire as a tool for forest conversion and agricultural management. Indigenous peoples of the Amazon also use fire for cultural rituals and hunting. These routine fire practices only receive global attention during severe fire seasons, which are usually linked to drought. Fires, fuelled by hotter and drier than normal conditions, burn out of control causing significant damage to the ecosystem, to infrastructure, human health, and economies. Over past the 20 years, more severe, and more frequent droughts linked to climate change have been observed (Garcia, Libonati, and Nunes 2018; Panisset et al. 2018). The overall drying trend in the Amazon is a result of a positive feedback between climate change, fires, and deforestation (Nepstad, 2008). Deforestation and forest degradation create drying conditions along the forest edge, making these areas more susceptible to burning. Selective logging and tree mortality from intense drought years opens the canopy, which increase understory temperatures and increase fire susceptibility. The feedback loop continues when fires further degrade humid forests by thinning trees and clearing the understory which enables drier conditions making the forest more susceptible to droughts, repeated fires, and access for illegal clearing.

*Changes in ecosystem distribution, composition and ecosystem services*: As the climate changes, species may respond by shifting their geographic range to track their preferred climatic niche, with consequences both for biodiversity conservation and the human populations that depend on wild resources. Species range shifts or changes to overall size of species ranges under changing climate conditions are well documented throughout the region (Freeman et al. 2018). The CI-GEF project Spatial Planning for Area Conservation in Response to Climate Change (SPARC) produced species distribution models for >50,000 species in the Neotropics to understand which areas are most important to conserve all species under scenarios of climate change. The tropical Andes, in the upper part of the Amazon basin, dominate the biodiversity priorities in the face of climate change given the greater number of smaller range species and greater potential for climate refugia that will allow species to persist as climate changes. However, the western Amazon basin also has
many high priority sites – particularly zones that provide connectivity along climatic gradients from the Amazon basin to the Andes. Areas that enhance connectivity of conserved areas in the east-west elevational gradient will be especially important for biodiversity conservation under climate change.

Vulnerability is high and adaptive capacity is low across the Amazon and in Program focal regions, where the majority of people are dependent on rural livelihoods and are living in poverty (see Table 2), and where local governments generally have limited capacity and resources. In Colombia, where the most comprehensive assessment is currently available, Amazonas is considered the third most at-risk department from climate change, and ranks 31st amongst 32 departments in adaptive capacity (Putumayo ranks 7th and 26th respectively (IDEAM et al. 2017)).

For the development of the full Funding Proposal, detailed assessments will be conducted of climate impacts and vulnerability within the Amazon regions of participating countries, determining expected impacts on key geographies, populations and value chains, differentiating climatic and non-climatic drivers of the baseline situation, to appropriately and efficiently target Program investments.

### National Priorities

Bolivia, Brazil, Colombia, Ecuador and Peru are making major efforts to reduce deforestation and degradation, especially in the Amazon, which has been identified as the priority region for Reducing Emissions from Deforestation and Degradation (REDD+) activities, which are central to countries’ NDCs under the United Nations Framework Convention on Climate Change (UNFCCC), and for Bolivia’s Joint Mitigation and Adaptation Mechanism for the Sustainable Management of Forests and of Mother Earth (JMA). Furthermore, in 2019, Brazil launched the National Plan to Control Illegal Deforestation and Recovery of Native Vegetation 2020-2023 that aims to strengthen existing policies and to create new solutions, based on recognition of the value of forest and the need for robust financial incentives for conservation.

Implementing these plans requires improving capacities for prevention of, and rapid response to, destructive events in order to avoid forest loss, strengthening conservation and management of standing forests, and generating economically viable alternatives that integrate the development and conservation of large-scale forest cover for the long term. At the same time, successful implementation requires adaptation activities and preparation for impacts that will be inevitable, affecting especially the most vulnerable rural populations in the Amazon.

Consistently across all five countries, certain key strategies and common goals are emphasized in national strategies, are highlighted in the LP, and are prioritized by national governments in the initial design process for the Program described in this Concept Note. Annex 1 provides a more detailed summary of these priority areas as incorporated in national climate and forest strategies, policies, and programs.

**The Amazon region as a strategic priority:** Reflecting the importance of the Amazon forest in national deforestation plans and emissions reductions objectives (Table 1), each country has identified the Amazon as a top strategic priority for achieving climate goals, as reflected in their national REDD+ action plans or equivalents to meet their NDCs, and at the level of Bolivia’s national constitution (MINAMBIENTE and IDEAM 2018; Ministerio del Ambiente 2016; Ministerio del Ambiente del Ecuador 2016).

**Improving capacities for forest monitoring linked to effective enforcement:** All national REDD+ strategies or equivalents highlight the importance of generating better information for decision-making and effective control; this has been a key focus of REDD+ readiness efforts, including for results-based payments in Colombia and Ecuador. In all five countries there are significant and successful efforts by universities and civil society organizations that complement government efforts with data generation, technological and methodological innovations, specific geographic approaches, and dissemination.

**Developing economic alternatives for reduced deforestation and low-emissions rural development:** The underlying economic drivers of deforestation have been identified as consistent priorities across countries; without addressing these it will be impossible to change land-use paradigms and resulting emissions. For many farmers, communities, companies and local governments, deforestation for the expansion of agriculture and livestock is seen as the most straightforward (and sometimes only) option for generating economic value and income from the Amazon. All national strategies emphasize the importance of changing this paradigm by strengthening economically viable, alternative activities that contribute to forest conservation through a combination of direct incentive payments, development, promotion of
alternative farming, grazing and forest-management technologies, increased public and private sector investment, and strengthening of sustainable forest-based businesses.

*Enhancing forest and ecosystem restoration:* All five countries have conducted technical evaluations and identified priority areas for restoration and reforestation, targeting areas that have been deforested but where lands have greater aptitude and value for forest cover. Across the region, implementation of restoration plans has consistently fallen short of targets due to limitations in funding, technical and operational capacity, and incentives for landowners.

*Participation of indigenous peoples as key stakeholders:* Indigenous peoples and local communities (IPLCs) are among the most vulnerable to climate change and are also an essential part of the solution to reducing greenhouse gas emissions. Changes in temperature, rainfall and seasonality have been observed by indigenous peoples of the Amazon, consistent with scientific data, with profound negative effects on culture, food security and health (Kronik and Verner 2010).

Thirty-eight percent of the Amazon region of Colombia, Ecuador, Peru, and Bolivia, is comprised of indigenous territories (Walker et al. 2020). Data show that indigenous Amazon territories play a very effective role in reducing deforestation, with deforestation rates up to 6 times lower than the average for areas outside these territories and protected areas (RAISG et al. 2017; Walker et al. 2020). However, these territories are also vulnerable to increasing deforestation and degradation pressures; there are indications in Colombia that deforestation rates are increasing within indigenous territories in recent years (Garcia, E. et al. 2018), and forest degradation affecting indigenous territories has generated significant emissions (Walker et al. 2020).

Table 3 *Indigenous Territories and Amazon Forests of Brazil, Colombia, Ecuador, Peru and Bolivia* (Walker et al., 2020)

<table>
<thead>
<tr>
<th>Country</th>
<th>Millions of Hectares of Indigenous Territories</th>
<th>Carbon stock MtCO2 (% of national Amazon carbon stock)</th>
<th>% of Amazon Forests in Indigenous territories</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>13.2</td>
<td>1,096.7 (29%)</td>
<td>28%</td>
</tr>
<tr>
<td>Brazil</td>
<td>106.6</td>
<td>12,609.4 (30%)</td>
<td>25%</td>
</tr>
<tr>
<td>Colombia</td>
<td>26.8</td>
<td>3,315.0 (60%)</td>
<td>56%</td>
</tr>
<tr>
<td>Ecuador</td>
<td>6.4</td>
<td>834.2 (68%)</td>
<td>63%</td>
</tr>
<tr>
<td>Peru</td>
<td>24.1</td>
<td>3,027.1 (32%)</td>
<td>31%</td>
</tr>
</tbody>
</table>

Colombia, in its Integral Strategy for the Control of Deforestation and Forest Management (MINAMBIENTE and IDEAM 2018), has placed special emphasis on reducing deforestation and closing the agricultural frontier by consolidating the territorial governance of ethnic groups and rural communities. Ecuador’s REDD+ Strategy highlights the role of indigenous peoples as stewards of over 6M ha of forests with implications for tenure, participation, resource governance, safeguards, and knowledge management, and in key components of the plan relating to policies and institutions as well as conservation and restoration (Ministerio del Ambiente del Ecuador 2016). Peru’s national climate change and forests strategy is built on extensive indigenous participation, and places special emphasis on the rights and roles of indigenous peoples in the overarching framework, objectives and across strategic actions (Ministerio del Ambiente 2016). Bolivia has proposed a goal of increasing seven-fold the area under community forest management in its NDCs and includes strengthening use and management of traditional extractive products for the benefit of indigenous peoples in its national constitution.

*Involving local and subnational governments:* National government regulations and strategies in Bolivia, Brazil, Colombia, Ecuador and Peru identify the importance of regional governments, communities, and building local capacity to combat deforestation and implement actions to stabilize the agricultural frontier. This reflects policy and institutional trends toward decentralization and increasing community participation.

**Root Causes and Barriers**

The forests, people, and local governments of the Amazon face accelerating pressures from deforestation and climate change, increasing globally-significant emissions, and the exposure of vulnerable populations to climate risks that negatively impact health and livelihoods. National forest and climate strategies have identified and promoted priorities for action that reduce emissions and build resilience to climate change but continue to face significant barriers in shifting development to a low-emissions, climate-resilient paradigm, including:

- Monitoring and early warning systems (EWS) for fires, deforestation and degradation are essential to planning and enforcement and have improved dramatically, but products are often not available to potential users in timely
Regional Cooperation and Integration

In September 2019, leaders from 7 Amazon countries signed the Leticia Pact for the Amazon in recognition of the need for greater regional collaboration to respond to events such as the widespread forest fires that occurred in the basin that year. While individual countries have made important progress in meeting the challenges of conservation and development in the Amazon, the scale of the Amazon basin, and the challenges it faces, call for ambitious regional approaches, with countries working more closely and leveraging their combined expertise and implementation capacity. Each country has developed innovations, technical expertise and best practices, often relatively unknown in neighboring countries, and with enormous untapped potential for dissemination and replication.

The Leticia Pact (LP), and its corresponding Action Plan (LPAP, December 2019), establish an integrated framework that includes actions for reforestation, conservation, sustainable use, promotion of bio-economy, improvements in monitoring and early warning systems, and better regional cooperation to combat common threats, with prioritization of the needs and vulnerabilities of women and indigenous peoples. This Action Plan is closely aligned with strategies proposed by the signatory countries to address the challenges of global climate change (Full text of the LPAP in Annex 4).

The LP and the LPAP create a framework for collaboration at the regional scale across 5 axes, 16 mandates, and 52 actions, most with direct linkages to climate change mitigation and adaptation. The LP recognizes the value of leveraging regional partnerships and exchange while also explicitly noting the different national circumstances of signatory countries, and the need for local action. The intensification of a chronic deforestation crisis that led to the negotiation and signing of the LP underscores the need for urgent action in the face of fire, illegal activity and other causes of deforestation, while the LP also points to the longer-term changes in economies, governance, culture and information needed to address the
underlying causes of forest destruction. The LP emphasizes the importance of strengthened international finance and cooperation for its implementation, with special reference to the GCF as well as other multilateral entities.  

### B.2. Project/Programme description (max. 3 pages)

This Program is designed to support Bolivia, Brazil, Colombia, Ecuador and Peru in their combined efforts, highlighted in the Leticia Pact for the Amazon (LP) and its Action Plan (LPAP), as well as in their respective national climate change strategies, to strengthen the capacity of governments and communities to work together to respond to threats to forests, promote sustainable land uses, mobilize investment, manage risks associated with climate change, reduce greenhouse gas emissions, and increase the climate resilience of vulnerable communities in the Amazon.

While national approaches, based on differing country circumstances and sovereignty, are the foundation for resolving the linked challenges of deforestation and climate-change adaptation, the process of regional collaboration creates a new opportunity to accelerate a paradigm shift towards low-emissions, climate-resilient Amazon development. By taking a regional approach, grounded in national priorities and strategies, the Program aims to create impacts efficiently and at a scale commensurate with the challenges of the Amazon. By better integrating national efforts into a regional, programmatic approach, Bolivia, Brazil, Colombia, Ecuador and Peru will:

- Focus investments on consolidating an array of innovative and successful national and local strategies identified jointly as having strong potential for replication;
- Create opportunities for regional scaling up of effective approaches, including shared training, exchanges and South-South capacity building that leverage shared technical, human and financial resources;
- Develop opportunities to attract and deploy private capital for low-emissions land uses by supporting regional financial mechanisms, a scalable pipeline of investments across countries, and dissemination of replicable tools and innovations;
- Facilitate sharing of data and technology platforms across countries to accelerate near real-time monitoring and use of information for improved land use planning, deforestation prevention, and effective enforcement;
- Promote coordinated approaches to forest conservation and governance between countries, especially in border regions;
- Achieve efficiencies in Program administration, M&E, and implementation to optimize use of resources;
- Take advantage of Program implementation and governance mechanisms to foment closer collaboration across the Amazon and coordination with other regional and multilateral efforts addressing forests and climate change.

This Program will contribute to the following GCF Fund-level Outcomes:

- M5.0 Strengthened institutional and regulatory systems for low-emission planning and development;
- M9.0 Improved management of land or forest areas contributing to emission reductions;
- A5.0 Strengthened institutional and regulatory systems for climate-responsive planning and development;
- A7.0 Strengthened adaptive capacity and reduced exposure to climate risks;
- A8.0 Strengthened awareness of climate threats and risk-reduction processes.

### Theory of Change

Current trajectories for land use, emissions and climate change impacts for the Amazon are recognized as unsustainable, but governments, indigenous peoples and local communities face significant barriers to shifting development towards low-emission and climate-resilient pathways, as described in section B.1. Across the Amazon, national and local programs, both from governments and civil society, are generating an array of valuable approaches for addressing deforestation, climate change mitigation, and adaptation; but these experiences and capacities are too infrequently shared and replicated.

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12 Axis V: Financing and International Cooperation (Mandates 15 and 16), Action Plan of the Leticia Pact for the Amazon.
The Program’s overall **Goal** is to reduce greenhouse gas emissions from deforestation and increase the resilience of local communities to climate change in the Amazon by strengthening successful national and local strategies and scaling them up regionally under the roadmap provided by the Leticia Pact for the Amazon.

If monitoring, investment, and strategies for low-deforestation development and adaptation are consolidated locally and nationally, and disseminated across countries through regional cooperation under the Leticia Pact, then Amazon forest loss and emissions will be reduced and indigenous peoples and local communities will be less affected by climate change impacts **because** shared information, governance, and economic alternatives can operate more efficiently at scale to support immediate action and structural change that benefit the Amazon forest and its peoples.

Effectively changing deforestation and emissions trajectories in the Amazon requires strategies operating at multiple scales of governance and over varied time frames. Each country’s national approaches to climate change and the Amazon are reflected in NDCs, climate change plans, REDD+ Strategies, National Adaptation Plans (NAPs), and other national programs and policies. The LP and LPAP help define a shared vision for these national approaches and lay out needs, opportunities, and commitments for strengthened regional cooperation and coordination.

Based on country-led priorities determined by the intersection of these national and regional strategies, the proposed Program will seek to achieve the following main Program Components:

1. Prevention and effective response to deforestation, degradation, forest fires and other climate risks will be improved based on strengthened monitoring and early warning systems with active participation of local communities, indigenous peoples and local governments, leading to reduced deforestation, emissions and vulnerability (LP Axis I- Reforestation, conservation, sustainable use of forests and biodiversity and promotion of the bioeconomy, Axis II-Amazon Security, Axis III- Information, knowledge management and reporting and Axis IV- Empowerment of women and indigenous peoples)

2. Emissions will be reduced, and long-term forest carbon storage increased through the expansion and finance of sustainable land use and management practices at the landscape scale. (Especially Mandates and Actions grouped under LP Axis I- Reforestation, conservation, sustainable use of forests and biodiversity and promotion of the bioeconomy).

3. Indigenous peoples, local communities and local governments will be empowered with tools and capacities to anticipate and adapt to current and projected climate change impacts on food security and livelihoods. (LP Axis IV- Empowerment of women and indigenous peoples, Mandates 11 and 12)

4. A dynamic space for greater cooperation between Amazon countries will be generated for the coordination of actions and the exchange of information, experiences and good practices, resulting in more effective national and regional action to reduce emissions, improve institutional and regulatory systems, and enhance climate resilience and livelihoods of vulnerable people, communities, and regions. (Cross-cutting aspect of all LP Mandates).

A diagram of the Theory of Change is included as Annex 5.

**Focal Geographies**

Many Program activities, especially those focused on monitoring, policy instruments, and regional collaboration, will create broad impact across the entire Amazon regions of participating countries.

In order to efficiently execute geographically targeted activities and provide for mutual reinforcement of complementary components, the Program has also identified focal regions in each country. These priority landscapes were selected because they encapsulate the key mitigation and adaptation challenges of diverse Amazonian contexts, and provide favorable conditions for the application of priority activities and interventions, with strong potential for regional replication and/or transboundary coordination.

Through a country-led process, these focal landscapes were identified based on:

- Commonalities across countries in drivers and agents of deforestation, with potential for regional dissemination and replication of strategies;
- High priority areas with active deforestation and forest fire dynamics resulting in significant emissions;
- Ecosystems and vulnerable populations especially likely to suffer from current and projected climate change impacts;
- Presence of indigenous peoples who are highly vulnerable to climate change impacts because their livelihoods and culture are uniquely tied to natural ecosystems, while also playing an exceptional role in maintaining carbon stocks and avoiding emissions;
- Opportunities for transboundary coordination and collaboration;
Potential to address gaps or add value to existing investments.

These focal landscapes allow for the application of broad programmatic approaches over a total of 35M ha of forests. Additional areas in Brazil will be identified during the development of the full Program Funding Proposal. More targeted interventions will focus on specific local governments, indigenous territories, or other areas according to specific needs and opportunities. These areas have been identified by participating governments based on the above criteria and may be revised to increase Program effectiveness and efficiency in accordance with a programmatic approach.

A map of focal geographies is included as Figure 1, key deforestation and population data is summarized in Table 4, and additional descriptive information is included in Annex 6.

Figure 1: Propose Program Focal Geographies for Bolivia, Colombia, Ecuador and Peru. Brazil areas to be determined during full proposal development

Table 4: Summary Deforestation and Population Data for Focal Landscapes in Colombia, Ecuador, Peru and Bolivia

<table>
<thead>
<tr>
<th>Priority Landscape</th>
<th>Area (M ha)</th>
<th>Average Deforestation (ha/y)</th>
<th>De-forestation as % of national Amazon total</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colombia Piedemonte Andino/adjacent Amazonian Floodplains</td>
<td>3.48</td>
<td>12,285</td>
<td>13.6%</td>
<td>923,229</td>
</tr>
<tr>
<td>Colombia Lower-Middle Putumayo Basin and Lower Amazon Basin</td>
<td>6.28</td>
<td>926</td>
<td>1.0%</td>
<td>70,760</td>
</tr>
<tr>
<td>Ecuador Cofán Bermejo-Cuyabeno</td>
<td>1.48</td>
<td>3,333</td>
<td>8.5%</td>
<td>202,242</td>
</tr>
<tr>
<td>Ecuador Sangay - Río Negro Sopladora - Podocarpus - Yacuri</td>
<td>3.32</td>
<td>15,264</td>
<td>38.7%</td>
<td>1,182,432</td>
</tr>
<tr>
<td>Peru Lower Amazon</td>
<td>2.32</td>
<td>4,419</td>
<td>2.7%</td>
<td>40,706</td>
</tr>
<tr>
<td>Peru Tabaconas-Santiago</td>
<td>3.54</td>
<td>6,388</td>
<td>4.0%</td>
<td>428,820</td>
</tr>
<tr>
<td>Bolivia-Castaña</td>
<td>3.86</td>
<td>6,894</td>
<td>5.4%</td>
<td>166,949</td>
</tr>
<tr>
<td>Bolivia – Wild Cacao</td>
<td>4.39</td>
<td>9,586</td>
<td>7.5%</td>
<td>39,536</td>
</tr>
</tbody>
</table>
Program Components and Activities
Within its four key Components, the Program will facilitate regional cooperation as well as differentiated approaches appropriate to national circumstances and priorities of the five countries. A summary outline and brief description is provided here, with additional detail on a provisional set of indicative activities detailed in the Logical Framework in Annex 7. These activities will be developed fully during the Funding Proposal development phase, prioritizing activities that demonstrate innovation and the potential for scalability and replication across countries, with dissemination to be facilitated by the program. Given the cross-cutting and multi-stakeholder nature of the activities, the development of the full Program Proposal will include broad engagement at country level, including the participation of government ministries and agencies from other sectors, taking advantage of currently established platforms for cross-sectoral and multi-stakeholder coordination (e.g., national climate committees, ministerial councils). Complementarity and coordination with other GCF investments was considered by Ministries of the Environment in the formulation of this Concept Note, with additional coordination and joint planning to be conducted during full Program Proposal development, including ongoing participation in the construction of GCF’s recently initiated Amazon Programming Framework process.

The framework and specific activities described, especially those involving indigenous peoples and local communities, should be seen as indicative. The preparation of the Funding Proposal will be carried out with the participation of representatives of the peoples and communities in accordance with the principles of Free, Prior, Informed Consent (FPIC), as well as GCF and CI policies.

Program Component 1: Prevention and effective response to deforestation, degradation, forest fires and other climate risks are improved based on strengthened monitoring and early warning systems with active participation of local communities, indigenous peoples and local governments in planning, prevention, enforcement, and adaptation.

Program Activity Set 1.1: National and regional monitoring and early warning systems strengthened.
The capacity for monitoring, alerting, and rapid response constitutes the first line of response to threats of deforestation, degradation, and forest fires. Ensuring an effective system that operates in Near-Real Time (NRT) requires effective integration of technology with institutional structures and legal tools for prevention and control, and participation at the local level. Complementary monitoring efforts by governmental entities and by civil society organizations have proven effective in various Amazon countries, the former provides official sources of information, can integrate with national REDD+ accounting and may be considered for legal processes, while the latter can have more flexibility to test new technologies, deliver information more quickly and make data publicly accessible/available.

The Program will strengthen existing national monitoring and early warning systems with NRT monitoring and improved analysis capabilities to identify, analyze, and predict deforestation and forest fires with higher resolution and in a more timely manner that enables better control and prevention (see 1.2). National monitoring and EWS will be improved with new NRT monitoring products that leverage advances in sensor development to take advantage of satellite constellations, high resolution imagers, and diverse sensor types. These national systems will also integrate options for faster and more user-friendly delivery of information, including the development of applications and technology for user engagement to generate and utilize data. Systems will be shared with local stakeholders to enhance capacities for adequate prevention, management and reporting.

At the regional scale the Program will seek greater integration of national systems into a regional platform (LPAP 6-7.1), integrating data, analyses, and users from global civil-society and governmental agencies. By working at the regional level, the Program will leverage opportunities to increase scale and efficiencies. The Program will support the creation of a regional network, including shared data platforms, nourished by national systems and civil-society partners. During the development of the full Funding Proposal, the Program proponents will seek to leverage experience and lessons learned from relevant regional projects, including the Amazon Cooperation Treaty Organization (ACTO) ‘Monitoring Forest Cover in the Amazon Region’ project and SERVIR-Amazonia at the International Center for Tropical Agriculture (CIAT).

Complementing government programs, civil society-based systems play an important role in generating additional sources of data, verification, and dissemination of information, and in the experimentation and deployment of new technologies with potential for a harmonized regional early warning system. In addition, their main developers (local and international NGOS) are often key partners to governments on conservation and sustainable management efforts at a
local level. Civil-society systems have also proven effective at piloting new technologies and capacities with community stakeholders, including indigenous peoples. Civil-society partners participating in this regional platform will include Amazon Conservation Association and The World Resources Institute. Additional information on the current status of Amazon monitoring systems and these partners is included in Annex 3.

Program Activity Set 1.2: Local communities, indigenous peoples and local governments participating in monitoring and EWS to effectively prevent and respond to fires and other threats of deforestation and degradation.

The Program will promote the active participation of local stakeholders for data generation and use of national monitoring systems for deforestation prevention and control at the site level. An EWS produced by and accessible to beneficiary populations can increase accuracy of data and ensure buy in at the local level. Training and technical support will contribute to improving decentralized capacity of regional offices of national agencies (e.g. park rangers, forest inspectors, and fire brigades) and local governments responsible for land-use planning, prevention, enforcement, and emergency response. IPLCs and civil society stakeholders will also be engaged to put these data to work in monitoring and preventing threats, initiating legal actions, and raising public awareness of deforestation incidents.

Activities supporting better prevention, management, and control of fires (e.g. extension services, fire brigades) will contribute to reducing emissions, in particular by supporting improvements in local capacities and facilitating exchange of practices and mechanisms for mutual support across the region, consistent with LP Mandate 4.

Program Component 2: Emissions will be reduced and long-term forest carbon storage increased through the expansion and finance of sustainable land use and management practices at the landscape scale.

Reducing deforestation and associated emissions require actions that transform rural economies toward options that value the forest and reduce pressures for expansion of the agricultural frontier, supported by adequate governance, enabling environments, and sources of finance that recognize the global benefits provided by emissions reductions. The Program will develop a set of actions, working synergistically in focal geographic areas that integrate conservation mechanisms with productive alternatives that value the goods and services of the forests and support rural families and communities by increasing the productivity of already deforested or degraded areas.

Though specific activities will vary across national geographies according to national circumstances and laws, the Program will prioritize activities mutually identified by multiple countries for their potential for innovation and replication through this regional Program.

Program Activity Set 2.1: Conservation, sustainable forest use, and restoration are expanded through support for improved planning, governance, and technical capacity

The Program will strengthen long-term forest protection and stewardship, with an emphasis on mechanisms with potential for regional replication and scaling up. Activities will focus on:

- Supporting strategic opportunities for creation and strengthening of conservation and sustainable management areas, including subnational and transboundary protected areas\(^{13}\) and indigenous territories, covering forests currently without adequate protections;
- Creating mechanisms that leverage government investments in tenure processes and support rural settlers to integrate conservation commitments into land titling in forest frontier areas;
- Expansion of the coverage and sustainability (technical and economic) of forest conservation incentive mechanisms;
- Expanding reforestation and forest restoration in priority areas identified in national plans which to date have suffered from lack of technical capacity, clear implementation strategies, and financing mechanisms (see 2.3);
- Development of land-use plans and zoning regulations to increase forest connectivity and provide a framework for conservation, restoration, and sustainable land use.

Program Activity Set 2.2: Support the creation, strengthening and scaling up of enterprises and value chains which reduce emissions, augment carbon sequestration and storage, and/or reduce vulnerability to climate change

This Program will support the development of a set of activities, appropriate to specific national and local contexts, that contribute to reducing pressures on forests by increasing the value of sustainable agriculture (e.g. agroforestry systems for cocoa, coffee, or other specialized products), livestock (e.g. silvopastoral systems) or forestry (e.g. non-timber forest resources, sustainable forest management) through technical assistance, the development of entrepreneurial capacities, and strengthening connections with markets and sources of public and private investment.

\(^{13}\) Activity 9.3 of the LPAP: Strengthen collaborative management initiatives between adjacent natural protected areas in border areas of the Amazon region, based on successful experiences.
By leveraging strategic market intelligence, technical capacity, and business expertise across the region the Program will contribute to supporting business and value-chain development efficiently and with potential for scale (see Green Business Facility, Program Activity Set 2.3 below).

Recognizing the importance of diversified local economies, especially for indigenous peoples and local communities, the program’s activities will take into account the need to integrate production for the market appropriately while prioritizing local needs and food security.

To enhance resilience of production in the face of climate change, both for market and non-market needs, the Program will integrate information on projected climate impacts (see Program Component 1) with technical assistance for livelihood and value chain activities. These will include options for climate-smart commodity production (e.g., coffee, cocoa and innovative agroforestry crops or NTFPs) through, for example, changes in practices and diversification of income sources.

Activities in this set will be linked with conservation frameworks under Program Activity set 2.1 (above) to shift development at the landscape level to deforestation-free, low emissions development, as well as creating a pipeline for sustainable investment mechanisms and private sector engagement under Program Activity 2.3 (below).

Program Activity Set 2.3: Financial mechanisms and sources of funding mobilized to promote and sustain restoration, conservation, forest management and sustainable business models
The Program will support consolidation, growth and replication of financial mechanisms able to mobilize capital efficiently at scale to support low-emissions rural development across the 5 Amazon countries. The Program will 1) Structure one or more regional financial mechanisms to support SMEs contributing to low-emissions development; 2) Support governments, in collaboration with the private sector, to create broader enabling conditions, opportunities for investment, and new financial instruments, drawing on successful and emerging vehicles in participating countries that can be replicated and scaled up.

Scaling and replication of a Green Business Facility - Direct finance for SMEs:
In order to catalyze private investment in AFOLU projects in the Amazon a dedicated mechanism is required that can promote low emission land use development. The Program will identify, design, and structure low-emissions land-use projects in the Amazon that leverage public-private partnerships to sequester carbon and catalyze co-investment. This activity will explore opportunities for complementarity with the work being initiated by the Interamerican Development Bank on structuring mechanisms for sustainable finance in the Amazon, as highlighted by the LPAP.

In Peru, CI is in the process of establishing a multi-purpose, green business facility (GBF). This GBF aims to accelerate future investment in sustainable development and conservation in Peru by bringing investment to scale for sustainable land use in support of the Peruvian government’s NDC and Sustainable Development Goals (SDG). It is envisioned that the GBF in Peru will be supported in part through a proposed GCF project: ‘Scaling the Communal Reserve Co-management Model to Reduce Emissions and Build Resilience of Indigenous People in the Peruvian Amazon’.

The GBF will bring together a consortium of companies, investors, and other national and international level partners interested in advancing sustainable development work to scale proven sustainable business models and foster the growth of other promising environmentally friendly sustainable value chains. The GBF will provide capital and services to accelerate the growth of private sector investments into bio businesses. The GBF will provide a combination of investments and grants for technical assistance, capacity building, project preparation activities, Capex (equipment), and Opex (staffing) requirements associated with completing private sector investments that generate conservation benefits. This GBF is currently being established in Peru, with commitments from key private sector partners for start-up finance and capitalization.

This cutting-edge model, integrating finance and technical assistance for low-emissions rural development enterprises, has strong potential for replication in each of the countries participating in this program. Funding under this Program would contribute to further consolidating and expanding Peru's GBF beyond communal reserves, increasing the scope for impact and leverage of private-sector finance. The Program would also replicate the GBF model in Colombia, Ecuador, Bolivia and Brazil, through parallel country-level entities integrated through shared methodologies, policies and lessons learned to accelerate replication, or potentially into a regional platform that pools finance and management capacity for greater efficiency.

Revenue streams from GBF-facility investments are expected to include a combination of agriculture and forestry products as well as monetization of ecosystem services including emissions reductions (e.g. under domestic carbon
Creating enabling conditions for investment and replicating successful financial innovations in the Public Sector
As the Amazonian economy grows it will have huge capital needs that now are only being met with short-term, risk intolerant, and expensive capital. The Program will contribute to strengthening public sector capacity, with a focus on developing enabling conditions such as supporting plans and strategies that promote sustainable development in the Amazon, as well as leveraging and replicating successful innovations from different countries. The Program will convene a platform for a series of programs or working groups aimed at engaging the business community around sustainability. The program of work will also jointly develop road maps with public sector agencies which would, among other things, create government-endorsed NDC financing plans identifying the contribution the private sector can play in financing and achieving emission removals/reductions.

In order to provide alternatives to current offerings in the financial market, the Program will work with public funding institutions such as FINAGRO and Banco Agrario to build new financial products and instruments, including where appropriate, new credit lines which promote low emissions development. Activities will include supporting banks to develop and/or enhance their Environmental, Social, and Governance policies and programs, develop a portfolio of investments in low-emission AFOLU projects, and create new financial products particularly focused on the Amazon. Opportunities to develop new financial products such as Amazonian bonds, exchange markets, and traded public equities will also be explored with public and private sector financial institutions.

Countries and subnational governments across the region have already developed an impressive, innovative array of public and private finance mechanisms with potential for replication. These include the deployment of a carbon tax in Colombia, providing finance for reforestation and forest conservation, direct conservation incentive payments to community landowners (e.g. Socio Bosque in Ecuador, Conservación de Bosques in Peru), results-based payments for REDD+, mainstreaming of green credit lines in financial institutions (e.g. FINAGRO Colombia), as well as emerging ideas for “green bonds” and new opportunities for debt swaps for nature. Program activities will contribute both to consolidating these initiatives and scaling up and replicating across the region, through exchanges, peer-to-peer technical assistance, events, and publications.

Evolving opportunities for synergies and complementarity with other initiatives, including those funded by GCF, will be incorporated in the subsequent stage, development of the Full Proposal, with particular attention to other GCF proposals (existing and in development), including the Inter-American Development Bank’s Bioeconomy Fund, and the Peruvian Amazon Eco Bio Business Facility. CI, as AE, has already begun discussions with IADB in this regard, as well as exploring opportunities for coordination under the GCF’s emerging Amazon Programming framework.

Program Component 3: Local communities and indigenous peoples will be empowered with tools and capacities to adapt to the current and projected impacts of climate change on food security and livelihoods.

Program Activity Set 3.1: Local communities, indigenous peoples and local governments are empowered with better information to anticipate and adapt to climate change scenarios, risks and vulnerability.
This Program Component and Activity Set will focus on increasing climate resiliency by ensuring that indigenous peoples and subnational governments receive and incorporate information on climate impacts and risks in decision-making, planning, regulatory instruments and local programs. Currently, much of the valuable climate information generated by national, regional and civil society platforms has limited dissemination to, and uptake by, the local entities responsible for land-use and development planning, increasing their populations’ vulnerability to climate risks such as fire, floods, water shortage and disruptions to agriculture and forest resource management.

Program Component 3 is closely aligned with and complementary to Program Components 1 and 2. While Program Component 2 is primarily focused on mitigation impacts (reducing emissions and increasing carbon storage), Program Component 3 focuses on adaptation: increasing resilience of vulnerable people, communities, ecosystems and ecosystem services. Program Component 3 provides for linking climate information systems (generated under Program Activity Set 1.1) with local decision-making for adaptation including:

14 A special purpose vehicle to leverage finance for watershed conversation. BE is centered on results-based payments, channelling investments into conservation and restoration activities that reduce sedimentation and stabilize water flows benefitting downstream users, especially hydropower companies who pay for results generated against agreed metrics and compensation terms. BE is initiating two pilots in Colombia with corporate partners AES (USA) and ENEL (Italy). Early-stage donors that support the development of the BE concept, such as FMO (the Dutch Development Bank) and the Nordic Development Fund, have requested preferential rights to invest in debt or equity in financially viable BE projects.
Raise awareness of climate threats and risk-reduction processes by local governments and indigenous peoples

Through training and capacity-building of subnational government entities the Program will contribute to cross-cutting integration of climate risk information into their plans and programs. National-level information will be disseminated and validated with subnational governments, including vulnerability assessments of Amazonian urban centers and spatial planning incorporating climate-change variables and their effects on infrastructure, water supply, land use, and economic development.

Vulnerable nature-dependent populations, especially indigenous peoples, will be supported through innovative training and participatory monitoring schemes to integrate traditional and local knowledge with scientific information on climate change, variability, and associated risks to improve resilience. The focus will be on improving baseline information and local monitoring of key climate risks identified through a participatory process including risks to agricultural production, food sovereignty, management of wild-harvested resources, floods, fires, and health.

Strengthen institutional and regulatory systems of local governments and indigenous peoples for climate-responsive planning and development

Articulating NDCs, national climate-change and adaptation plans with subnational governments is essential to ensuring that entities with territorial jurisdiction at multiple scales are cooperating and coordinating effectively. This process of integration between different levels of governance is proceeding to different degrees across the region, with significant gaps and ongoing needs. Government plans, particularly territorial and local development and management plans, are important instruments across the Amazon countries, with a large role for subnational governments in regulation and investment. The Program will support the incorporation of adaptation, risk-reduction and disaster management actions in territorial development plans at various scales (e.g. village plans, management plans, municipal and provincial/departmental plans). While legal regimes vary across countries, these subnational entities and plans typically govern land-use zoning, investments and public programs.

For indigenous territories, Life Plans (territorial land-use plans, management plans, and similar) will integrate climate change vulnerability assessments and adaptation measures, while contributing to strengthening structures that facilitate formal governance over natural resources. Emphasis will be on identifying adaptation and risk management actions that are linked and complementary to traditional practices, systems of governance and culture, as well as establishing the long-term mechanisms for monitoring and adaptive management. Strengthening the capacity of local organizations for adaptation planning and management will also include enhancing their participation in broader, aforementioned governmental (national and subnational) processes related to climate change, including NDCs, adaptation plans and regional development plans.

Program Activity Set 3.1 will contribute directly to GCF Fund-Level Outcomes A.5.0, A.7.0 and A.8.0, and its actions for awareness-raising and strengthening of institutional systems will be closely connected and coordinated with Activity Sets under Program Component 2, which is focused on reducing emissions and enhancing carbon storage through expansion of sustainable land use (contributing to M.5.0, M.9.0). Assessments of climate threats and risk-reduction needs, detailed to specific geographic focal areas and target beneficiaries, will be conducted during full Program proposal development to prioritize, target and define Program interventions in greater detail amongst over 100 local governments and over 100 indigenous territories in Program Focal Areas.

Program Component 4: A dynamic space for greater cooperation between Amazon countries will be generated for the coordination of actions and the exchange of information, experiences and best practices, resulting in more effective national and regional action to reduce emissions, improve institutional and regulatory systems, and enhance climate resilience and livelihoods of vulnerable people, communities and regions.

Leveraging regional exchange, collaboration and coordinated action is a central element of this Program. By maximizing the shared use of technical and financial resources, facilitating regional replication, and scaling up of innovations and successful strategies, the Program aims to achieve scale beyond the sum of its individual, national parts.

The LP and its LPAP lay out a series of areas relevant for the climate change mitigation and adaption components of this Program, where increased exchange and collaborative action can be leveraged to replicate successful interventions, share scientific expertise and data, and scale up regional impacts.

Program Activity Set 4.1: Increase opportunities for South-South dialogue, exchange of expertise and best practices relating to climate change and forest priorities

The Program will include a robust regional set of activities to facilitate sharing and dissemination, reinforced by the proposed governance and implementation structure, including the Regional Working Group (see below) and technical committees for specific themes. The Program Management Unit (PMU, see following) will be responsible for coordinating knowledge management and regional collaboration. The Program will actively seek to align with other regional projects,
initiatives and entities to provide necessary leverage, looking in particular for opportunities to bring together lessons and expertise from other GCF and GEF projects in the region as well as other regional initiatives.

The Program will facilitate events, joint trainings, exchanges, and knowledge management to enhance regional cooperation relating to enhancing mitigation and adaptation impacts by addressing priorities identified in LPAP, particularly:

**Monitoring, early warning and rapid response:** Strengthening technical capacities for monitoring the forest surface and deforestation and forest and soil degradation (1.3); Strengthen coordination and cooperation among the competent institutions of the LP countries, including satellite imagery agencies, to deepen and improve knowledge, management, monitoring, early warning, and national and regional reporting (7.1); Exchange reports on Amazonian environmental science, giving priority to variables related to hydrography, climatology, biodiversity, carbon stocks, and others, with a view to strengthening methodologies and comparability of data in the region (7.2); Promote greater cooperation, preferably in the form of networks, between research centers and the academic and scientific community (Amazon Academic and Research Group) (14.1); Strengthen the Amazon Regional Observatory (ORA) as a mechanism to support Amazonian countries in the conservation and sustainable use of biodiversity and territory (10.3); Promote the creation of the Technical Working Group on Integrated Fire Management (GTTMIF), formed and coordinated by the competent national technical bodies (4.2).

**Sustainable Land Use and Management:** Land-use planning and integrated management (1.5). Strengthen the different regional cooperation platforms to which the LP countries are party in order to develop capacities and exchange experiences in natural protected areas and other conservation modalities (9.2); Share experiences of models of territorial and environmental management of indigenous territories (11-12.5); Develop strategies for the sustainable use, management and harvesting of forest biodiversity products and benefits for local populations living in forest ecosystems (1.1). Articulate research centers to exchange experiences and carry out joint actions for sustainable forest management, the development of management plans for wild species, and/or the implementation of agroforestry production systems (10.5); Strengthen dialogue and cooperation in activities related to land-use planning and integrated management (1.5).

**Investment and Enterprise:** Promotion of value chains for trade (1.2); Promote alliances and agreements that allow training, advice, research, development, use and transfer of clean technology in the processes of transformation of forest products and biodiversity (10.4); Create and/or expand a network of Amazonian women entrepreneurs (11-12.3); Increase access to benefits under to performance-based payment programs and other non-market-based mechanisms and approaches (1.4); request the Network of Amazonian Research Centers (RCIA) and the Amazonian Universities generate relevant information to guide and advise decision making in bio-economy, circular economy and sustainable development, and other environmental issues, according to the priorities of the Amazonian countries (13/14.2).

Additional opportunities for structuring regional mechanisms for implementation of shared activities, in addition to dialogue and exchange, are described in Program Components 1 and 2:

- Program Activity Set 1.1 includes the creation of a regional platform for integration of monitoring and EWS across the Amazon;
- Program Activity Set 2.3 includes the structuring of regional financial mechanisms including the Green Business Facility.

**Implementation and Governance Arrangements**

Conservation International, through its CI-GCF Agency, will serve as the Accredited Entity (AE) for the Program. The CI-GCF Agency will be responsible for the overall oversight of this program, including technical, financial, and administrative monitoring and supervision (through reporting, audits, and annual site visits) and review and approval of the Executing Entity’s (EE) annual work plans and budgets. CI-GCF will also be responsible for providing support, guidance and backstopping to the EE; ensuring compliance with GCF policies and FAA terms and conditions; monitoring of the achievement of Program results; reporting to the GCF; and Program closure and evaluation. CI-GCF will conduct these responsibilities, and disburse GCF funds to the EE, in line with CI’s Accreditation Master Agreement (AMA) with the GCF.

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15 Numbers in parentheses refer to actions under LPAP
The Program Steering Committee (SC) will be the overarching body guiding the strategy and implementation of the Program. The SC will provide strategic guidance and support adaptive management of Program implementation, review progress and evaluation reports; discuss problems or strategic issues that arise during implementation, and provide support for the necessary inter-institutional coordination and contributions to Program activities. The SC will review and approve the annual work plan and programmatic and financial progress as received from the Program Management Unit and will be responsible for approving any change in strategy or overall implementation.

The Program Steering Committee will be comprised by 8 members, 7 of which will be participants with voting rights: (i) 1 representative from each participating Government (5 participants), (ii) 1 representative of the regional beneficiaries subject to rotation, and (iii) 1 representative of the AE. The Program Manager (see below) will act as Secretary, as a non-voting member.

Conservation International-Americas, as Executing Entity (EE), will establish and house the regional Program Management Unit (PMU), with subsidiary units in CI’s national offices in each of the 5 countries. The PMU will be headed by a full-time Program Manager, who will be responsible for Program delivery and coordination with all stakeholders. The PMU will be responsible for overall Program management and planning, providing support to CI’s country programs for day-to-day activities, coordinating with the national governments and Program partners, coordination with the AE, managing and overseeing grants to key regional partners, and coordinating Program execution across the five country offices.

CI will act as EE, with responsibilities assigned and carried out in each country by CI’s country programs, which will be responsible for national Program execution and administration, management of national sub-grantees and their activities, contributing to reporting to the AE, and ensuring optimal alignment of Government policies and priorities to achieve the Program's goals.
Program outcomes and Fund-level goals. CI’s role as EE in each country will be led by a full-time National Program Manager (NPM), who will be responsible for Program delivery and coordination with all stakeholders within the country.

The Implementing Partners in each country will be the Ministries of Environment (MoE) and/or National Designated Authorities. The Implementing Partners will be responsible at the highest level for reviewing the effective use of GCF resources and ensuring that Program implementation, including national multi-year work plans, follows national policies and standards. Implementing partners will contribute to the quarterly technical and financial reports, which the EE will submit to the AE. On an annual basis the implementing partners will contribute to the Annual Progress Report (APR) that the EE will submit to the AE for review and submission to the GCF. Implementing Partners will also ensure outreach and coordination with other sectoral ministries and entities, taking advantage of existing multisectoral platforms specific to each country to ensure integration and appropriation of other entities.

Additional partners for implementation of agreed activities, such as civil society organizations, contractors and indigenous peoples organizations will be incorporated through formal agreements and subgrants managed by the EE.

The program’s activities in each country will be guided by National Program Management Committees (NPMCs), including representatives of the Ministries of Environment (MoE) and/or the GCF National Designated Authorities (NDAs) and representatives of other stakeholders, to ensure that activities implemented by the Program align with strategic national objectives and priorities including National Climate Change Strategies, and help advance ambitious actions on adaptation and mitigation in line with national goals and needs. The NPMCs will also serve as forums for integrating stakeholder participation and to discuss technical matters, problems, and collaboration opportunities that might arise during implementation. The NDAs will be engaged throughout Program implementation, through the SC and NPMCs, and will be provided with detailed reporting on the status of Program activities and impacts.

The National Program Directors (NPDs) will be appointed by the Ministries of Environment of each country. The NPDs will be responsible for orienting and advising the National Program Manager on government policies and priorities. The NPDs will review coherence of the interventions, including results, risks, planning and procurement processes.

A Regional Working Group will be established with representatives of the NPMCs to provide for regional technical and operation coordination. The Regional Working Group will also be used to share lessons learned from subcomponents working on similar issues, identify opportunities for networking, S-S exchange, dissemination of emerging best practices, and Program integration with other regional initiatives. The Regional Working Group will meet periodically and will include representation of national Ministries of Environment, PMU, NPMCs, IPLC representatives, and regional/technical specialists as needed. Representatives from other regional initiatives will participate as appropriate.

Initial Risk Assessment Summary

Government transitions. Changes in governments due to elections that will take place over the lifetime of this program, as well as unexpected restructuring of public agencies, can create shifts in political visions with profound implications for development in the Amazon and the staffing and functioning of governments. Ongoing government-to-government engagement across this regional partnership will aim to guarantee continuity of high-level political commitment to this Program. The involvement of other levels of government (e.g. provinces, municipalities) as well as a diverse array of civil society actors, will help offset risks and provide continuity in the face of potential political changes at a national level.

Coordination amongst multiple governments: While the LP aims for an integrated approach to addressing Amazon deforestation, in practice national circumstances, capacities, and visions can and will differ. As a result, the pace of decision-making and implementation may vary across countries and governments. Ensuring an adequate Program structure and governance architecture will require appropriate coordination across all participating governments, while enabling efficient execution as demanded by each country.

National Economies and Public Budgets: National economies and public budgets may suffer fluctuations and are already under strain, especially due to major disruptions caused by the COVID-19 pandemic as well as drops in international commodity prices, including oil. This may simultaneously accelerate deforestation pressures in the Amazon and reduce the capacity for government action and expenditure. The Program’s strategies of strengthening local and civil society actors, including indigenous peoples, in parallel with national governments, contributes to a diversified network of stakeholders with capacity and strong interests in the outcomes of the Program.

Social conflict: Deforestation in the Amazon is driven or amplified by social conflict including crime and illegal activities, land grabbing, and land tenure conflicts. The Program priority areas aim to focus activities where deforestation risks are real but where social conditions and conflict do not make strategies unworkable. By addressing issues of governance,
enforcement, local capacity and sustainable livelihoods, the Program aims to address many of the underlying drivers of current or potential conflicts.

COVID-19: At the time of preparation of this Concept Note the pandemic is profoundly affecting the Amazon, and will continue to have ongoing impacts and lasting consequences. The pandemic has affected the health and livelihoods of the region’s people, including the death of traditional indigenous elders and the collapse of many economic supply chains. Economic crisis has increased deforestation pressures, while limited enforcement capacity and mobility from overwhelmed governments has reduced the capacity to respond effectively. Incorporating and addressing the new circumstances and needs created by the pandemic will be an integral part of the development of the Program Funding Proposal, and addressed through adaptive management during implementation. COVID-19 is also likely to affect operations and mechanisms during Program proposal preparation, and possibly Program implementation, including limitations on travel, field work, and in-person meetings.

Impacts on indigenous peoples: Many of the program’s activities will support improvements in livelihoods, governance and recognition of indigenous peoples and their territories to enable their ongoing role in reducing deforestation and increase their capacity to anticipate and adapt to the impacts of climate change. Activities may have implications for traditional cultural norms, governance, power structures, access to resources, distribution of benefits within communities and relationships with non-indigenous actors, including participating governments. The Program proposal and implementation will adopt and incorporate the GCF’s Indigenous Peoples Policy, ensuring free, prior informed consent and Indigenous Peoples Plans (IPP) or an Indigenous Peoples Planning Framework (IPPF).

Gender equity impacts. As structures of power and access to resources at all levels are still marked by pronounced gender inequities, the Program runs risks of perpetuating or accentuating these dynamics. The Program’s activities with traditional production systems, new enterprises, territorial governance, community organizations, as well as with government agencies and NGOs, will be informed by recognition of the need to explicitly address gender issues, including equity of access to employment and income-generating opportunities and the empowerment of women in leadership roles, supported by specific policies and monitoring and evaluation frameworks.

Administration of Funds: The Program will be executed by an array of governmental and non-governmental partners, some of whom may represent risks and deficiencies in their use and administration of funds. Conservation International’s operational policies and controls, including extensive due diligence of potential partners, will ensure the proper and transparent administration of the funds to reduce financial risks. Conservation International will work closely with these partners to reinforce capacity as needed and provide ongoing oversight and monitoring. A thorough assessment of all operational and financial risks, including risk mitigation measures, and the mechanisms of financial flows will be determined during Funding Proposal development.

Technical risks of agricultural and livestock technologies. While there is strong evidence that many sustainable practices are profitable and viable, combinations of traditional and innovative practices have inherent risks, including incipient markets, costly supply chain logistics in the Amazon, hesitancy of producers to adopt new practices and inevitable uncertainties about future climate conditions. By integrating and building on the vast body of research and practice across the region, and by conducting thorough assessments and business strategy analyses, the Program aims to reduce these risks for all stakeholders.

Mobilization of adequate finance for sustainable land use: Transitioning to profitable, sustainable forestry, agroforestry, grazing, and other productive activities will require a combination of technical assistance and adequate concessional or long-term finance to support producers. This funding will need to be leveraged from sources other than the GCF, including private sector supply chains, private financial institutions and government credit agencies, which may be scarce or constrained from investing in these endeavours due to factors such as perceived risk, return periods, lack of guarantees or scale. The Program will contribute to reducing risks through technical and organizational support and building capacities of both investors and producers to assess and negotiate finance for sustainable land use.

Impact Potential:

The Program integrates both mitigation and adaptation approaches: Amazon forests play a unique role in maintaining carbon stocks by stabilizing the global climate while their communities are among the most vulnerable to climate change.

Mitigation: Reduction of 31.6 MtCO2eq due to avoided deforestation and enhanced sequestration in the program’s focal areas during program’s 6-year lifespan, bringing more than 35M ha under improved conservation and management mechanisms. Over 20 years, these mitigation benefits are expected to total 223.8 MtCO2eq.

The methodology for these mitigation calculations is included in Annex 8.
**Adaptation:** Approximately **3.8 million people**\(^{17}\) (1.9 million males and 1.9 million females, 14% of total population of the Amazon basin) with increased resilience and enhanced livelihoods:

- Strengthened territorial governance and resource management of indigenous territories for greater resilience;
- Climate-smart production practices of smallholder producers for improved food security and generation of income;
- Improved capacity for detection, prevention and control of climate-related risks, including fire and floods, through monitoring and early-warning systems;
- Maintained and enhanced ecosystem services, including local climate regulation, water regulation and air quality.

**B.3. Expected project results aligned with the GCF investment criteria (max. 3 pages)**

**Paradigm Shift**

**Current Paradigm:**
Traditional development pathways, followed historically by virtually all forest-rich countries, have involved a dramatic reduction in forest cover to fuel expansion of economic growth and agricultural production for growing populations. The Amazon region is no exception, having lost 17% of its original forest cover, with collateral effects of increasing greenhouse gas emissions and leaving the region’s populations more vulnerable to the impacts of climate change.

National governments in each Amazon country have demonstrated political will, making significant investments and advances in addressing deforestation and climate vulnerability. Yet deforestation continues, and in some places is accelerating, due to a combination of ongoing economic pressures coupled with limited resources and capacities for monitoring, enforcement, or support for sustainable land use and adaptation strategies. While the conditions and challenges countries face across the Amazon have much in common, information, successful strategies, and possible solutions remain fragmented, with little diffusion or coordination across national boundaries.

Following this conventional development paradigm and land-use trajectory will release gigatons of stored carbon into the atmosphere and potentially push the Amazon biome beyond an ecological tipping point.

**Paradigm shift:**
Improved governance and economic opportunities based on the value of standing forest, catalyzed through greater regional collaboration and additional investment, will reduce deforestation rates while allowing for sustainable development, limiting GHG emissions, and protect vulnerable populations from the impacts of climate change.

By consolidating proven strategies and approaches in key geographies, connecting them with additional sources of private-sector investment and facilitating their dissemination and replication through greater regional collaboration, the proposed Program will accelerate the shift to a sustainable, low-emissions development trajectory across the Amazon that allows countries to develop economically while maintaining their forests.

Amazonian countries which have independently developed promising innovations and begun to deploy a variety of effective strategies for reducing deforestation, will strengthen, replicate and scale up strategies regionally to improve monitoring and early-warning systems, strengthen the tenure rights and management of indigenous peoples, create new conservation and management areas, foment economically viable sustainable land uses and value chains, and create economic and financial mechanisms that incentivize forest conservation.

While enhanced efforts and investment can have a major impact in reducing future emissions, it is clear that historical emissions of GHGs will have unavoidable impacts on the Amazon, affecting its most vulnerable populations, especially indigenous peoples. Careful participatory monitoring, planning and adaptation strategies can contribute to reducing the impacts of rising temperatures, changing rainfall patterns, increased risks of fire and floods, and changes in the dynamics of ecosystem resources on which people depend.

It is important to highlight the singular opportunity for investment to catalyze the cooperation framework of the LP for large-scale regional action on forests and climate change in the Amazon. By implementing its mandates, this Program is a direct and comprehensive response to the LP. The articulation of efforts and the exchange of best practices, technologies and lessons learned between Bolivia, Brazil, Colombia, Ecuador and Peru allow for the strengthening of

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\(^{17}\) Rural and urban populations of Program focal geographies, extrapolated assuming similar average numbers for Brazil.
national efforts that have been fragmented until now. The Program scheme has the potential to allow for future expansion to integrate other LP countries.

**Sustainable Development**

The LP Program will contribute to multiple UN Sustainable Development Goals (SDGs), in addition to SDG 13-Climate Action, which is the Program's central focus.

**Economic**

The integrated mitigation activities of Program Component 2, with its focus on strengthening sustainable economic activities will contribute directly to SDG1-Poverty Reduction and SDG8-Decent Work and Economic Growth, benefiting 320,000 nature-dependent people and vulnerable populations including indigenous peoples and smallholders involved in sustainable value chains, bio-enterprises, and productive activities.

**Social**

The activities in Program Component 2, as well as those focused on adaptation under Program Component 3, will also contribute to SDG2-Zero Hunger by promoting sustainable agriculture and strengthening resilient food security systems to ensure adequate family nutrition.

Strengthening effective partnerships - between countries, between actors at national to community levels, and between governments, the private sector, civil society, indigenous peoples and local communities - is the framework that has guided the LP since its negotiation and signing. Creating operational mechanisms through this Program contributes directly to SDG17-Partnerships.

**Environmental**

As a whole, actions to prevent, mitigate and reverse deforestation and degradation that contribute to the reduction of greenhouse gas emissions have large co-benefits for the conservation of the Amazon forests and their unique biodiversity (SDG15-Life on Land). The Program will result in improvements to the conservation and management of more than 35M ha of tropical forests, with direct benefits to local communities by protecting the diversity of products and services that they use and which contribute to their well-being.

**Gender Empowerment**

Gender Equality and Women's Empowerment (SDG5-Gender Equality) are cross-cutting and integral objectives of the proposed activities. At the level of the rural territories where the Program is focused, women, especially in indigenous communities, traditionally have a fundamental role in agricultural production activities and family maintenance. The Program will promote the participation, representation, and leadership of women in the design, execution and monitoring of all activities. This objective has been prioritized by the LP in its Mandate 11.

**Recipients' Needs**

Despite the significant progress that underpins the program, there are still significant gaps in geographical coverage and consolidation of mechanisms. The Program will incorporate and leverage the actions of other projects, programs and funding sources in the Amazon region of Bolivia, Brazil, Colombia, Ecuador and Peru, including among others:

- The GCF projects: Payments based on Results (Ecuador FP110), PROAmazonia (Ecuador, FP019, with GEF-6); Wetlands in the Province of Datem del Marañón (Peru, FP001), Communal Reserves (Peru, in preparation), Strengthening prevention and response to forest fires intensified by climate change (Peru, in preparation).
- GEF Projects: Sustainable Amazon Landscapes (ASL1, GEF-6 and ASL2, GEF-7), Heart of the Amazon (Colombia, GEF5), Integrated watershed management of the Putumayo-Içã river basin (GEF-7, in prep), Jaguar Project (GEF-7), Climate Intelligent Livestock (Ecuador, GEF-5), GEF Napo (Ecuador, GEF-5), Resilient Amazon (Peru, GEF-5); Deforestation-Free Commodity Supply Chains-FOLUR (Colombia, Peru, GEF-7); Forest management by indigenous and local communities (Bolivia GEF-5).
- REM-Vision Amazonia (Colombia, funded by Norway, Germany and the UK)
- REM Ecuador (Norway and Germany); Socio Bosque y REDD (Ecuador, KFW)
- Amazonia 2.0 by IUCN South and IAPA2, funded by the European Union
- Programa Amazonia Sin Fuego Ecuador (PASF) (Financed by governments of Italy, Brazil and IDB)
An initial review conducted during the preparation of this Program Concept Note has identified areas of possible synergy and complementarity, including addressing gaps in geographic coverage (taken into account in the definition of target geographies), complementing thematic gaps for existing investments, building on interventions to scale impact, applying lessons learned, and complementary funding. A summary of synergies and complementarities identified is provided in Annex 9. Dialogue with the implementing entities and donors for these projects has been initiated for the preparation of this Concept Note and will continue as part of the coordinated planning and preparation of the Program Proposal. Ministries of Environment, as key partners for this Program and other investments, play a central role in setting priorities and identifying opportunities for integration and complementarity.

Strong thematic and geographic synergies with GEF projects are particularly noteworthy. Preliminary discussions (with GEF 7 projects: ASL2 and Putumayo-Ica Basin - International Waters) indicate strong potential and interest of all parties in coordination and integration, creating an opportunity for alignment of GCF and GEF investments, including efficiencies in planning, implementation, stakeholder engagement and reporting and enhanced cooperation between Amazon countries for the coordination of actions and the exchange of information, experiences and best practices.

**Country Ownership**

This Program is designed jointly by the Ministries of Environment of Brazil, Colombia, and Peru; and the Ministries of Environment and Water of Bolivia and Ecuador, in coordination with other relevant entities in each country and in communication with the Designated National Authorities under the GCF where these are not the Ministries of Environment.

The Program is aligned with multiple public policy instruments and legislation in the five countries including, among others, their Nationally Determined Contributions, national climate change policies, forests, and REDD+, which are referenced in sections B.1 and B.2.

**Efficiency and Effectiveness**

This Program is economically and environmentally efficient, achieving a reduction of emissions of 31.6 MtCO2eq from avoided deforestation and sequestration over a total area of 35 M ha. This is equivalent to an average cost of ~USD 3.17/tCO2eq, assuming a total GCF investment of USD100M. However, this cost per tCO2eq includes only the mitigation benefits of the program, which also generates greater resilience and adaptive capacity of 320,000 inhabitants of the Amazon, and additional benefits for poverty alleviation, expansion of economic opportunities, women's empowerment, food security and biodiversity conservation.

The coordinated work between the five countries under this Program increases efficiency by enabling the dissemination and replication of effective strategies and best practices.

**B.4. Engagement among the NDA, AE, and/or other relevant stakeholders in the country (max ½ page)**

The Program described in this concept note was developed by Conservation International at the request of and in close collaboration with the governments of Bolivia, Brazil, Colombia, Ecuador and Peru. It has been under discussion and review through regular international coordination meetings including the focal points from participating Ministries of Environment (designated in coordination with GCF Nationally Designated Authorities in cases where these differ). At the national level these were complemented by extensive coordination meetings and technical reviews of earlier drafts of concept note documents with Ministries of Environment and other government agencies to ensure alignment with national priorities, plans and policies, especially regarding national climate change strategies, REDD+ plans and adaptation plans. Systematic consultations with additional stakeholders will be carried out during the development of the full Program proposal with respect to activities within each country, with special attention to the process of free, prior informed consent (FPIC) and participation of indigenous communities for their full involvement as per GCF policy.

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18 National Planning Department of Colombia; Ministry of Economy and Finance of Peru
### C. Indicative Financing/Cost Information (max. 3 pages)

**C.1. Financing by components (max ½ page)**

Please provide an estimate of the total cost per component/output and disaggregate by source of financing.

<table>
<thead>
<tr>
<th>Component/Output</th>
<th>Indicative cost (million USD)</th>
<th>GCF financing</th>
<th>Co-financing&lt;sup&gt;1,2&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Amount (million USD)</td>
<td>Financial Instrument</td>
</tr>
<tr>
<td>1. Strengthened monitoring and early warning systems</td>
<td>27.0</td>
<td>19.7</td>
<td>Grant</td>
</tr>
<tr>
<td>2. Sustainable land use and management at landscape scale</td>
<td>49.0</td>
<td>38.1</td>
<td>Grant</td>
</tr>
<tr>
<td>3. IP and local adaptation to climate-change impacts on food security and livelihoods</td>
<td>33.9</td>
<td>21.8</td>
<td>Grant</td>
</tr>
<tr>
<td>4. Increased cooperation on forests and climate change between Amazon countries</td>
<td>14.3</td>
<td>11.6</td>
<td>Grant</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>3.8</td>
<td>3.8</td>
<td>Grant</td>
</tr>
<tr>
<td>Program Management</td>
<td>5.0</td>
<td>5.0</td>
<td>Grant</td>
</tr>
<tr>
<td><strong>Indicative total cost (USD)</strong></td>
<td>133.0</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

**Budget Notes:**

<sup>1</sup> All co-finance is indicative and dependent upon materialization of funds during proposed Program period. Discussions are underway to mobilize up to $100 million in co-financing, including in-kind co-finance, and contributions from the program’s country governments. Co-finance amounts will be updated during development of the Funding Proposal.

<sup>2</sup> In addition to Direct Co-financing listed in the table above, the participating governments are expected to provide at least $15.8 million in parallel co-finance. Parallel co-financing amounts will be updated during development of the Funding Proposal.
The public sector in each of the participating countries is already making significant investments across the array of Program Components and activities described. However, public sector finances are under severe strain, now compounded by the interrelated dynamics of the COVID-19 pandemic and global economic recession. With the countries’ economies projected to contract significantly this year and the effects of the COVID-19 expected to be long-lasting (World Bank 2020), long-term investments of public sector resources and effort will be constrained across all countries.

The countries participating in this Program are at a juncture where pressures are increasing for unsustainable exploitation of the Amazon at the same moment when political momentum and operational capacity may limit the ability to respond effectively. Grant finance to this Program from the GCF at this time will play a pivotal role in reactivating development and conservation in the Amazon steering it towards a sustainable, low-emissions, climate resilient paradigm.

Other sources of multilateral and bilateral finance currently provide insufficient support for the geographic and thematic priorities identified as gaps by this Program (see Annex 9), in particular with regard to strengthening regional collaboration, scaling up across national boundaries, and generating new sources of private investment at scale.

All Program activities are oriented to providing public benefits and/or creating the enabling conditions for low-emissions rural development and climate resilience, activities which alone have little or no immediate attraction for private sector investment. Actions such as improving public-sector or civil-society monitoring of forests, deforestation prevention and enforcement, enhancing conservation areas and the governance of indigenous territories, will provide significant global benefits in terms of greenhouse gas emissions reductions, as well as other ecosystem services, but do not typically provide immediate private returns. However, as a result of GCF investments in these enabling conditions as well as preparing local organizations and enterprises to interact with markets and potential investors, components of the Program (especially 2.2 and 2.3) aim to reduce barriers to the deployment of private-sector finance.

Ensuring long-term sustainability and replicability is integral to the four Program Components.

Program Component 1: Rapid response, monitoring and early warning systems will lead to the consolidation of operational units with technical capacity within national and regional governments. Operating costs are relatively low following initial set-up, with costs of data and technology continuing to fall. Public-sector institutions will have the will and financial capacity to cover these maintenance costs, motivated by a constituency of users of this data creating public demand to sustain and expand these services for the long term. Increased demand for deforestation-free commodity supply chains and for REDD+ offsets and performance-based payments will also contribute to options for long-term financial sustainability. Ensuring complementary capacity embedded with civil society actors will also help ensure the long-term generation and use of monitoring and early-warning data, similarly in a very cost-efficient fashion once basic capacity and technology is consolidated, especially in light of falling costs for access to monitoring technology (e.g. remote sensing imagery, drones).

Program Component 2: Sustainable land use and management at landscape scale will support the creation and/or consolidation of conservation areas, particularly those under community management. Improvements in governance and legal protections will have lasting impacts with activities to be sustained by local communities and stewards themselves. Economic viability of conservation will be sustained by linking these areas to livelihood and income-generating activities. GCF funding will help overcome barriers to transitioning to low-emissions, resilient activities, positioning enterprises, producers and communities to better access private and public sources of support. By de-risking the adoption of new practices and the creation of new value chains and enterprises, the Program will create demonstrably viable economic alternatives and investment opportunities over the long term. By linking these to institutionalized sources of finance (e.g. Green Business Facility, REDD+, financial products from public and private financial institutions) the Program will establish mechanisms for ongoing support and scaling up of successful practices.

Program Component 3: IP and local adaptation to CC impacts on food security, livelihoods, the integration of climate vulnerability assessment and adaptation measures into planning instruments such as Indigenous Life Plans and municipal development plans will provide mechanisms for these considerations to be codified in long-term strategies and mainstreamed within public investment frameworks.

Program Component 4: Increased cooperation on forests and CC between LP countries will contribute to consolidating the integration and exchange envisioned under the LP. These activities will kick start the framework for making increased cooperation a reality, to be sustained by public investments from the participating countries over time.
Full program proposal development will include feasibility studies and a comprehensive financial and economic analysis that will demonstrate the sustainability of project interventions after the end of the Program period of performance.

### D. Supporting documents submitted (OPTIONAL)

- 1 Supplementary information on recent Amazon deforestation trends, drivers and national priorities
- 2 Future Climate Change Scenarios for the Western Amazon
- 3 Regional Monitoring and Early Warning Systems in the Amazon
- 4 Text of the Leticia Pact Action Plan (Unofficial Translation)
- 5 Diagram of the theory of change
- 6 Summary Description of Project Focal Areas
- 7 Indicative Log Frame including indicative activities
- 8 Methodology for Emissions Reductions Calculation
- 9 Summary of key multilateral investments, potential synergies
- 10 Results of environmental and social risk screening

### Self-awareness check boxes

Are you aware that the full Funding Proposal and Annexes will require these documents? **Yes ☒** **No ☐**

- Feasibility Study
- Environmental and social impact assessment or environmental and social management framework
- Stakeholder consultations at national and project level implementation including with indigenous people if relevant
- Gender assessment and action plan
- Operations and maintenance plan if relevant
- Loan or grant operation manual as appropriate
- Co-financing commitment letters

Are you aware that a funding proposal from an accredited entity without a signed AMA will be reviewed but not sent to the Board for consideration? **Yes ☒** **No ☐**
Literature Cited


