

# Section1:GeneralInformation

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# Section 1: General Information

Please note that this is section 1 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

**1.1 Please indicate if information provided in this APR is disclosable outside the Green Climate Fund. \***

- Yes - The Accredited Entity agrees that the information reported is disclosable.
- No - The information reported is partly confidential. The disclosable version of the APR will be attached.

If you select the second option [No - The information reported is partly confidential. The disclosable version of the APR will be attached], please follow the below steps.

- Step 1: Fill in all the sections of the APR with disclosable information.
- Step 2: Save each section using the 'Open as PDF' function provided in the top-right corner. (Do NOT submit an APR at this step).
- Step 3: Attach all these disclosable six sections, including an additional section on COVID-19, to the attachment boxes below, which will be shown once you check the second option only.
- Step 4: Update all the sections of the APR below with non-disclosable information.
- Step 5: Submit the non-disclosable APR with an attachment of the disclosable APR in the PDF format.

**Please attach the disclosable Section 1 of the Annual Performance Report**

Section\_1\_\_General\_Information-3.pdf

**Please attach the disclosable Section 2 of the Annual Performance Report**

Section\_2\_\_Implementation\_Progress-3.pdf

**Please attach the disclosable Section 3 of the Annual Performance Report**

Section\_3\_\_Financial\_Information-2.pdf

**Please attach the disclosable Section 4 of the Annual Performance Report**

Section\_4\_\_Environmental\_and\_Social\_Safeguards\_&\_Gender-3.pdf

**Please attach the disclosable Section 5 of the Annual Performance Report**

Section\_5\_\_Annexes-3.pdf

Please attach multiple documents, if required.

**Please attach the disclosable Section 6 of the Annual Performance Report**

Section\_6\_\_Attachments-3.pdf

Please attach multiple documents, if required.

**Please attach the disclosable Additional Section on COVID-19 of the Annual Performance Report**

Additional\_Section\_\_COVID-19\_Impact-3.pdf

**1.2 Please indicate if this report has been shared with the relevant NDA(s) for this Funded Activity**

Yes

Once the APR is created in the PPMS, please use the 'Open as PDF' function to download the report in PDF format and to share with relevant authorities (i.e. NDAs) before submission. Select 'Yes' only if shared to ALL the relevant NDA(s).

**Please Indicate the date of submission to NDA(s)**

2021-02-26

If the APR is submitted to multiple NDAs, please indicate the latest date of submission to NDA, and provide the other dates per NDA in the further explanation box below.

**Please provide further explanation, if any:****1.3 Funded Activity Title (Project/Programme Title)**

Priming Financial and Land Use Planning Instruments to Reduce Emissions from Deforestation

**1.4 Funding Proposal Reference Number**

19

**1.5 Board Meeting Number**

14

**1.6 Accredited Entity contacts for this APR****Full Name**

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**Phone Number****1.7 Executing Entity(ies)****Full Name of Executing Entity**

Ministry of Environment and Water (MAAE)

**1.8 Project Duration****From**

2017-05-22

**To**

2022-05-22

**1.9 Current Year of Implementation**

4

Indicate the year number, e.g., '2'

**1.10 Annual reporting period covered in this report****From**

2020-01-01

**To**

2020-12-31

**Confirmation and Acknowledgement of Information \***

\* This is a required question to submit section 1 of the Annual Performance Report (APR).

 The accredited entity hereby confirms that the information provided in section 1 is complete and ready for submission.

## Section2:ImplementationProgress

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## Section 2: Implementation Progress

Please note that this is section 2 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

### 2.1 Overall (summary) project progress

Despite the great challenges that the Project has encountered during 2020 due to the global pandemic of Covid-19, progress has been made as shown below:

#### Output 1

18 prioritized Decentralized Autonomous Governments (GADs, for its acronym in Spanish) were supported (6 provincial and 12 cantonal) incorporating criteria of climate change, forest conservation and sustainable production free from deforestation, with a gender and intercultural approach in updating their Land Use and Development Plans (PDOT).

The elaboration/updating of four Life Plans was coordinated, one for each of the four prioritized indigenous community/nationality considering an epistemological analysis and respecting their worldview and local realities.

18 inter-institutional framework agreements were signed between the MAAE, MAG and 6 provincial GADs and 12 prioritized cantonal GADs of the Ecuadorian Amazon, in order to create the institutional and operational framework for the execution of local actions that allow the implementation of the Project.

#### Output 2

With the support of the Project, AGROCALIDAD and BanEcuador are redesigning their lines of credit for good agricultural practices, which enables the finance of working capital and fixed assets to obtain certification in Good Agricultural Practices (GAP) from AGROCALIDAD.

To achieve the country definition of sustainable production free from deforestation, an inter-ministerial agreement MAG – MAAE has been drafted, which defines the certification/recognition scheme for production that is sustainable and free from deforestation.

#### Output 3

There is an updated native forest traceability strategy that includes the Forest Administration System (FAS) which is a 90% restructured with modules for the traceability of timber and non-timber forest products. Enhancement of six permanent forest control posts.

The 159,557 hectares of native forest under conservation with the MAAE Socio Bosque Project are maintained based on the processes of socioeconomic monitoring and vegetation cover carried out by the Environmental Authority every six months. The socioeconomic monitoring manual updated in 2019 has been translated into the native Kichwa and Shuar languages.

The Socio Bosque Project has three financial mechanisms designed for its institutionalization and subsequent application. Likewise, it has an operation manual with administrative/financial processes, and a renewed image and communication materials developed.

There are 11,023 hectares under restoration process. There is 40% progress in georeferencing and plant production for the restoration of 7,601 hectares with the San Jacinto, Rukullakta and Canelos communities. The 2,422 hectares with the Mancomunidad del Bosque Seco continue. The Free, Prior and Informed Consultation (FPIC) was started with the communities for the restoration of 1,000 hectares with the Cascales GAD.

The hectares under conditions of sustainable forest management (SFM) total 37,146 in the Ecuadorian Amazon, registered under the FAS. The SFM roadmap to implement the Project's strategy for SFM in the prioritized areas is available in coordination with the MAAE Forest Directorate.

There are 393,392 hectares under protection and watershed vision, managed with REDD+ actions through three water funds with action areas in priority sites for REDD+.

#### Output 4

Environmental and Social Impact Assessment (ESIA) for the Project and its respective action plans regarding stakeholder participation, gender, capacity building, and livelihoods focused on project beneficiaries was delivered in November 2020. The action plans of the ESIA will be implemented in 2021.

Application of the protocol of the National Consultation Guide for REDD+, which benefited 17 Amazonian organizations/communities that participated in territorial planning processes, implementation plans for REDD+ measures and actions, restoration projects, and community monitoring. The application of the protocol was conducted through virtual and in person meeting, according to the official regulations during the sanitary emergency (COVID-19).

#### South-South Cooperation Experiences and Exchange Events:

In January, Ecuador hosted the International Event for the Exchange of Experiences on Safeguards Information Systems supported by the Project. There were speakers from several countries in the region such as: Chile, Costa Rica, Mexico, Paraguay, and Ecuador, who shared their experiences and knowledge on the design and implementation of

Safeguards Information Systems. The inputs of this exchange enriched the Project's development of the SIS as a national system that must be institutionalized by the Ministry of Environment and Water.

In August, the First Virtual Latin American Perspectives and Strategies Palm Forum was held with the support of Propalma. The objective of this forum was to deepen the analysis of the situation that the palm growing sector was going through, the trends, perspectives and new challenges that must be assumed from the perspective of our region to face current problems. The Project is working towards obtaining the RSPO international certification for the Northern Amazon, and the event mentioned above, represented a great opportunity to show the progress along this path, share knowledge and also learn from other countries' experiences.

In August, an exchange of experiences was carried out between Ecuador and Brazil in relation to the ESIA process and the Environmental and Social Management Plans (ESMP) that have been developed in both countries. The organization of this event was conducted by Ecuador and Brazil GCF projects with the support of the UNDP. The Project's team and some delegates from the MAAE participated in the event with the objective of learning more about the ESIA and ESMP processes.

Virtual coffee dialogues, carried out through webinar modality, were held in September, with the objective to generate a space for dialogue and experience exchange at the continental level (Peru, Colombia, El Salvador, Guatemala, Honduras, and Ecuador) between various actors in the sector. The PROAmazonía project social media channels were used to share content about these webinar events. Also, some of the specialists that work in the Project participated as speakers and were able to present the milestones achieved by the project.

In November, the International Seminar on Forest Degradation was held, with the aim of sharing experiences of countries in the region (south - south) on methodologies for estimating forest degradation within the framework of REDD+. This event was coordinated with FAO, MAAE, and the Project. There were participants from countries such as: Brazil, Ecuador, Costa Rica, Mexico, Honduras.

--Please see attached word APR for full text--

Provide a narrative report describing the overall progress on the implementation of the funded activity, focusing on implementation achievements, delays, and challenges according to the planned activities. As relevant, include references to other sections of this report (including Annexes or Attachments). Include a description of key milestones of the funded activity achieved during this reporting period including any deviations from original expectations. Also, describe challenges encountered and actions undertaken to resolve these challenges, and lessons learned during the implementation, including issues related to non-compliance with GCF standards or conditions, if any. In parallel, include positive achievements and better-than-expected results. If any issues have arisen in the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project, please provide a description of those items and how they have impacted the implementation period and final targets. Kindly make sure that this section just gives an overall summary and doesn't have overlap with other sections.

## 2.2 Performance against the GCF investment criteria (summary)



Provide a narrative report describing the progress on the funded activity's performance against the GCF investment criteria framework. The performance should be compared against the initial assessment provided in the Board-approved Funding Proposal (section E). The list of the investment criteria as per the current framework is provided below. For each investment criteria outlined below, please include an assessment of current status, changes, progress and impact of the project as well as any impact of project context on the project during this reporting period against the initial baseline scenario and planned activities as per the assessment presented in the approved Funding Proposal. This sub-section 2.2 is not applicable for REDD+ Results-Based Payments Projects. Please write 'Not Applicable' as the response.

**Relevant Links**

[The GCF investment criteria framework](#)

### 2.2.1 Impact Potential

The Project continues to support the REDD+ Action Plan of Ecuador to reduce emissions caused by deforestation.

The exact amount of emission reductions that Ecuador will achieve by implementing its REDD+ AP nationwide during the life of the GCF project (2017-2022) will be known once the second and third BURs with the respective REDD+ Technical Annexes are submitted to the UNFCCC during 2021 and 2023, respectively. The second BUR, which will cover years 2015-2018, is currently being developed and will be submitted to the UNFCCC for review in 2021. These results will be compared with the second FREL period 2001-2014 (FREL-2), which was submitted for Technical Review by the UNFCCC experts in January 2020 and is currently under revision.

As of the end of 2020, the Project has supported 20,800 direct beneficiaries in the transition to sustainable agricultural practices for cocoa, coffee, palm oil and livestock. The total number of direct beneficiaries of the Project and its four outputs until now is 156,202 people, which represents 13% of the Amazonian population and the Loja province (National Census 2010: 1,188,780 inhabitants). It is expected to increase this number next year with the implementation of the Farmers Field Schools (ECAS, for its acronym in Spanish) strategy, the new restoration agreement, and the implementation of the new PDOTs of the local GADs.

Please find below a detailed description of each output regarding beneficiaries supported in 2020.

#### Output 1

Approximately 266 public officials (61% men and 39% women) were trained in land planning issues with a focus on climate change and sustainable production.

Four indigenous communities are benefited with the development of their Life Plans (Planning tool) for their territories through a participatory process, which includes their worldview and traditional knowledge: (i) Yamanunka 1,661 inhabitants (51% are men and 49% women); (ii) Santiago Association 2,857 people (51% are men and 49% women). Sevilla Association has a total of 10,173 people (50% are men and 50% women); and (iv) Chikta 412 inhabitants (50% are men and 50% are women). A total number of 15,103 beneficiaries.

#### Output 2

The UNDP's Growing with Your Business (CCSN) methodology provided training in commercialization, marketing, organizational strengthening, among others, to representatives of 18 coffee and cocoa producing organizations, representing a total of 2,278 beneficiaries (39% women and 61% men).

APROCCCE association in Sucumbios continued to receive technical assistance from the Project to strengthen its association, integrated by coffee and cocoa producers. A total of 318 beneficiaries (23% women and 77% men).

5,022 producers were supported by ATPA-MAG to transition to sustainable agricultural practices.

#### Output 3

Training of 140 professionals (27% women and 73% men) who carry out forest control activities at the national level to strengthen MAAE's capacities.

Ten communities of the Socio Bosque Project benefited with conservation incentives (4,056 people)<sup>3</sup>.

The agreement between MAAE and the Bosque Seco Commonwealth for reforestation activities benefits 106,386 inhabitants in the prioritized municipalities in the Loja province.

10,200 beneficiaries from three communities of the central Amazon (Canelos 1,700, Rukullakta 6,000, San Jacinto 2,500) as part of restoration activities.

The reforestation agreement with GAD Cascales in Sucumbios province benefits 300 people.

688 beneficiaries have official authorizations from MAAE for sustainable forest management.

2,409,355 beneficiaries of the three Water Funds (FONAG 1,619,000, FONAPA 779,000, FORAGUA 11,355). The intervention of the Water Funds includes the eastern Andes where the Amazonian rivers are born (watershed protection).

#### Output 4

Strengthening the capacities of 2,286 people at the national level (36% women and 64% men), belonging to public institutions MAAE, MAG, Amazonian GAD at the provincial, cantonal and parochial levels, organizations of Amazonian indigenous nationalities, Water Funds, Civil Society Organizations, International Cooperation (FAO, GIZ, UNDP), Universities, Producer Organizations, among others. The subjects of these trainings were related to local governance, territorial planning, sustainable production, climate change, conservation, restoration, and REDD+.

The restructuring of the REDD+ Working Table for its third period of operation (2020 - 2022) with a total of 45 organizations at the national level that represent various sectors of civil society, the private sector, communities, peoples and indigenous nationalities. There are 90 representatives for the REDD+ Working Table (45 lead representatives and 45 alternates). From the 90 representatives, 38% are women and 62% are men, (18 women participate as main representatives in the Working Table).

### 2.2.2 Paradigm shift potential

According to the approved Funding Proposal the Project will generate a paradigm shift on three levels. In 2020, the achievements that contribute to sustainability and the paradigm shift are:

A. It will demonstrate that sustainable commodity supply chain initiatives, domestic policies and finance, and international finance for REDD+ can be integrated into a coherent package of PAMs, completely in line with the objective of a central Government Programme – the Agenda for the Transformation of Production in the Amazon, ATPA, which seeks the transition to sustainable production systems through both certification and traceability for deforestation-free products. It will provide a model for these types of engagement such that other developing countries will seek to work with the GCF to co-finance the implementation of their REDD+ National Strategies or Action Plans.

The Project is working with the Ministry of Agriculture and Livestock on the implementation of the Premium and Sustainable strategy that will be the base of the Inter-ministerial Agreement for the sustainable production free from deforestation (expected to be signed in Q1 2021). The objective is the promotion, the production, and commercialization of deforestation-free agricultural products, focusing on the Project's four commodities (cocoa, coffee, palm, and cattle). This is a strategy that positions the country as a model of sustainable development in the agricultural sector supporting the livelihoods of farmers and promoting economically profitable enterprises that are environmentally responsible. The strategy includes certification and traceability schemes for the Project's prioritized commodities.

For example, the Undersecretariat for Livestock Production is working on a sustainable livestock production traceability system, the pilot has been developed and this will be the base for the national traceability system expected to be finished during 2021. The Project is coordinating with MAAE the possibility to have a co-financing contribution from REM Program (another REDD+ program that is under implementation) to develop with MAG the national traceability system planned for 2021. Also, AGROCALIDAD (MAG's Phyto and zoo sanitary regulation and control agency) has established within the GAP certification, the provisions to limit the advance of the agricultural frontier for new coffee and cocoa crops, that is, avoiding deforestation on those farms. The Coffee and Cocoa Program from MAG is applying good agricultural practices on all export products. The Project also coordinates with the Interinstitutional Committee for Sustainable Palm Oil to achieve the RSPO Jurisdictional Certification (40% advance of the Action Plan of the Committee).

To achieve the objectives related to the traceability and certification of deforestation-free products, it is necessary to have producers trained in good agricultural practices and be prepared to access to certification schemes and traceability systems. For this reason, ECAS are a key strategy to deliver a complete training for project beneficiaries.

B. It will create schemes of payment for environmental services at the local level, in watersheds with HEP facilities that will contribute to co-financing the REDD+ AP and the efforts of reducing deforestation, forest degradation and the related GHG emissions, as well as enhancing conservation and enhancement of carbon stocks.

Through the Water Funds (FONAG, FONAPA, FORAGUA), ordinances are being created (five during 2020) with the Municipal GADs to establish new water conservation areas, and taxes are created for this purpose to be invested in the properties where the conservation is carried out.

The Project provided financial sustainability mechanisms for this three water funds (two mechanisms per water fund), which currently contribute with conservation, protection, and restoration actions in 393,372 hectares. These financial solutions will allow the continuation of the launched REDD+ actions and will promote the inclusion of new conservation areas. In this way, the three water funds will continue to be allies of the MAAE, and clearly make the coordination and complementarity between forests and water visible.

The national mechanism to launch the carbon neutrality system is developed by MAAE with the support of the Project, the next step is to sign the ministerial decree to make it official. Through this mechanism, large companies will be able to offset their greenhouse gas emissions, and in turn fund conservation and restoration activities through the ministry.

C. It will build confidence in UNFCCC processes by demonstrating the link between Ecuador's successful implementation of its National REDD+ AP and the early achievement of measurable and reportable results, in terms of tCO<sub>2</sub>e, that can be eligible for REDD+ Results-Based Payments. As such, it will provide a model for moving from phase 2 towards phase 3 of REDD+ that can be replicated by the GCF in its engagement with other countries. These future REDD+ RBPs for initial results in one REDD+ activity (deforestation, as per the FREL submitted to the UNFCCC) will be re-invested into the REDD+ Action Plan to broaden phase 2 investments (both in terms of geography and in terms of REDD+ activities), in an iterative manner. Figure 3 below describes this paradigm shift theory of change in the context of its alignment with the UNFCCC decisions relevant to REDD+

Ecuador's experience could be an example of success for other countries, by demonstrating the link between the results of its REDD+ Action Plan implementation and the results achieved in terms of emissions reductions, that are measurable and reported via the UNFCCC procedures.

The Ecuadorian government has demonstrated at the country level to reduce its deforestation rate in 2014, which is why, in 2020, the new REDD+ Results based payment Project was launched. Thanks to this commitment, the country received non-reimbursable funds from the Green Climate Fund (GCF), for a total of 18.5 million dollars, to continue the implementation of the REDD+ AP. The country demonstrated total commitment to meet its climate change goals and this was recognized by the international community.

Ecuador's experience is also relevant, because the Project intervenes on a national scale in different aspects to tackle deforestation drivers in a comprehensive manner: sustainable commodity supply chain initiatives, domestic policies and finance, and international finance for REDD+ integrated into a coherent package that effectively being applied to reduce the deforestation...

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### 2.2.3 Sustainable development potential

The Project contributes to the fulfillment of the following co-benefits:

**Water regulation:** The three water funds, FONAG, FONAPA and FORAGUA, are responsible for promoting access to quality water in their areas of intervention, which contribute to water security of local communities, and to the transformation of the regions' energy matrix. In 2020, the three water funds undertook studies and activities to monitor the quantity and quality of water. The 393,272 hectares of watersheds protected contribute to the maintenance of ecosystem services related to water flow regulation, erosion control, water storage, and water infiltration.

**Biodiversity:** The following strategies are helping to reduce deforestation in the buffer zones of protected areas, located close to the prioritized areas of the project: restoration of 2,422 hectares in the dry forest of southern Ecuador; conservation of native forest through 10 agreements with Amazonian communities; forest traceability and generation of primary forest information / forest inventory; alliances for restoration with the Altrópico Foundation and three communities in the central Amazon (7,601 ha), and the Municipal GAD of Cascales (1,000 ha). These efforts are helping to increase connectivity between forest patches which is critical for species habitats and biodiversity conservation.

**Poverty:** The project contributed to the improvement of the living conditions of its beneficiaries through different actions, such as providing greater access to capacity building trainings in administrative, commercial, and organizational matters using the UNDP Growing with Your Business (CCSN) methodology. Furthermore, the CCSN intervention was responsible for generating employment opportunities in the area. A digital marketing alternative was also created in the Citizen Collaborative virtual platform in coordination with the ATPA-MAG project, UNDP, and the San Francisco Global Foundation for the sale of agroecological products grown by Amazonian women within the framework of the Covid-19 pandemic.

**Human rights:** Within the framework of the Inter-Institutional Cooperation Agreement between MAAE, MAG and CONFENIAE, the project is contributing to the empowerment of indigenous communities in the Amazon through a variety of actions including building leadership capacities, guaranteeing their right of participation in decision making and their collective rights on ancestral lands processes. During 2020 the Free Prior and Informed Consultation (FPIC), was implemented in all the activities in which indigenous communities participated.

**Social needs:** Through component 2 there are thousands of hectares that are under transition to sustainable production practices. The project gave support to several associations to adopt best agricultural practices, so they can increase their land productivity, which will hopefully result in the increase of their income.

**Gender:** The project seeks to generate conditions for gender equality in its various activities, one of the most significant in 2020 was the inclusion of the gender and intercultural approach in the PDOT. The project also promoted women participation in natural resources management, involvement in capacity building processes and access to incentives for conservation, restoration, and sustainable production.

#### 2.2.4 Needs of the recipient ?

##### Economic Need:

The project is relevant for the country because of the national economic need to tackle climate change related issues. The project implements the REDD+ AP in the whole Amazonia, which is the biggest region in the country, and all the efforts and interventions of the project are key to achieve the REDD+ AP goals. The Ministry of Environment and Water assigns part of its institutional budget to the pursuit of the REDD+ AP results. However, during 2020 several cuts have been made by the national government to funnel resources to handle the sanitarian crisis caused by the COVID-19 pandemic. These cuts have specially affected the Ministry of Environment and Water. The GCF funds, however, have allowed the project to continue its activities and support the Ministry in advancing REDD+ goals. The GCF funds, more than ever, are critical to continue the work and support the country's implementation of the REDD+ AP.

##### Social Need:

It is expected that the local actors that benefit directly and indirectly from the Project maintain their commitment to implement actions aimed at conservation, sustainable and free from deforestation production, beyond the duration of the Project, and in 2021 some strategies for the sustainability of the actions will be defined. Support has also been provided to beneficiaries so that they can adapt to the changes that occurred due to the situation of the Covid-19 pandemic. For example, in some cases they have been given access to the internet to maintain communication during the time of the mobility restriction, also the associations of agricultural producers received PPE equipment to keep working in their farms and collection centers, thus they have been able to continue participating in the planned activities of the Project. Also, a protocol of PPE has been developed to continue working with the beneficiaries of the Project.

##### Institutional Need:

The Project has strengthened the institutional framework and implementation capacity of its partners and local actors. The Project provided technical assistance to the Technical Secretariat of the Amazon Special Territorial Circumscription (STCTEA) in updating the Amazonian Integral Plan (PIA) and strengthening the regional articulation platform. Also, five training programs were developed which covered topics regarding: 1. "High Conservation Values (HCV), High Carbon Stock (HCS) and Multiple Use Landscape (MUL)"; 2. "Strengthening of Local Information Systems (LIS)"; 3. "Design of public investment projects"; 4. "Design of projects with a logical framework methodology aligned to the requirements of the Planifica Ecuador Technical Secretariat (STPE) format" and 5. "Use and management of the climate change toolbox", 266 public officials, 97 women and 169 men, were trained.

The technical team of the Project has a key executing role to be the support of the technical areas of MAAE and MAG, for example, in the areas of conservation, restoration and sustainable forest management. It works hand in hand with the Undersecretariat of Natural Heritage of the MAAE: Directorate of Forests, Socio Bosque Project, National Reforestation Program, and the Undersecretariat of Forest Production of the MAG. Likewise, ten technicians directly support the MAAE technical offices in the provinces, with functions regarding the follow-up and monitoring of the agreements of the Socio Bosque Project in the Amazon, and forestry advice to small and medium producers.

Since 2020, the technical team of the component related to financing and REDD+ has acted as technical and advisory arm of the Undersecretariat of Climate Change from the MAAC, to whom it provides support in the operational components (gender, safeguards, participation, capacity building) of the REDD+ Action Plan. However, it is necessary to strengthen the REDD+ technical team in the Ministry, to generate greater empowerment regarding these processes.

### 2.2.5 Country Ownership

The institutional and capacity strengthening processes provided by the Project are also intended to generate more empowerment and sustainability of actions. Some of them are:

Five virtual capacity-building workshops were held for 266 public officials (60% men and 40% women) on topics related to High Conservation Values (HCV), High Carbon Reserves (ARC); Multiple Use Landscape (PUM); Local Information Systems (SIL); design of public investment projects; design of projects with a logical framework methodology; use and management of the climate change toolbox.

Representatives of public entities (272) trained in sustainable finance (47% women and 53% men).

A total of 54 people trained in gender and human rights (67% are women and 33% are men).

MAAE representatives (57) participated in the exchange of experiences on Safeguards Information Systems with countries from the region (63% are women and 37% are men).

Within the framework of the Inter-Institutional Cooperation Agreement between MAE, MAG and CONFENIAE, signed in October 2018, the preparation / updating of four Life Plan documents was coordinated, one for each prioritized community / nationality.

Support was given to AGROCALIDAD (Ministry of Agriculture and Livestock) to increase the profit destinations for the credit to promote responsible, sustainable, and deforestation-free purchases.

The project supported MAAE in the development of computer modules for the SAF system, which respond to the information needs of the Socio Bosque Project, the National Reforestation Program, and the Directorate of Forests for forest control.

Three (3) Co-financing Workshops were held to maintain the commitment of the traditional partners, and with potential partners (NGO), private company, GADs, for the latter, from Component 1 of the Project, synergies with other components will be sought in order to support the GADs in the implementation of the Projects prioritized in their PDOs, and it will also seek to assist them technically in seeking other sources of financing, for this same purpose. Several roadmaps have been developed with some of the partners identified in the co-financing workshops, to promote project results in some prioritized areas to have a greater scope of the results. It is important to mention that MAAE and MAG participated in all the workshops to give the guidelines that must be considered by the strategic partners and the Project to implement actions that can be maintained in the future years creating country ownership.

It is important to mention that all the strategies and activities carried out by the Project are fully aligned with the current national policy, which is led by the implementing partners MAAE and MAG, and that all planning is carried out in a participatory manner with both institutions so that the results achieved are of interest and usefulness for the country, thus generating national ownership.

### 2.2.6 Efficiency and Effectiveness

The project works with 4 strategic partners that report co-financing every year. These partners are: (i) Ministry of the Environment and Water - MAAE; (ii) Ministry of Agriculture and Livestock - MAG; (iii) Food and Agriculture Organization - FAO; and (iv) United Nations Development Program - UNDP. In the case of MAAE and UNDP, the contributions are distributed among the 4 components of the project, while the MAG concentrates its contributions on Component 2 (Transition to sustainable production systems), and on Component 1 (Policies and Institutional). FAO's main contribution is focused on strengthening the National Forest Monitoring System under Component 4 (REDD+ and financing).

The 4 partners co-financial contributions account for a total amount of 26,385,954 USD, which corresponds to more than 60% of the total amount planned for co-financing the project. These numbers indicate that co-financing is on track, as well as stakeholder commitment and good quality management. The co-financing ensures better implementation of the actions in the field, because the contributions of each partner are focused on the improvement of capacities and on the strengthening of the national institutions. Having these agreements is a way of enhancing the impact of the activities implemented with the optimization of available resources.

Several strategic actions have strengthened the effectiveness of the Project, one of them was the update of the strategic planning of the project and its four technical components, which included the scenario in the face of the Covid-19 situation, which mostly allowed to continue with the activities planned to the year 2020. A PPE protocol was also developed for field actions that has been implemented since the last quarter of 2020, to continue executing activities in the intervention areas that allow progress towards the Project results. In addition, between the months of August and September an Operationalization Plan was developed to accelerate the administrative and strategic processes of the Project, which was built with MAAE, MAG and UNDP in a participatory manner, which has allowed optimizing time in the different administrative processes and project operations.

Other key actions to improve project effectiveness are listed below:

#### Output 1

Inter-institutional framework agreements between the MAAE, MAG and 6 provincial GADs and 12 prioritized cantonal GADs of the Ecuadorian Amazon, to continue with the coordinated work between these institutions, creating the institutional and operational framework for the execution of local actions through the implementation of planning and land use planning instruments (PDOT and LUMP), aimed at sustainable and free from deforestation production; and, forest conservation in the Ecuadorian Amazon.

#### Output 2

During the health emergency in the country, the internal team of the Project led by Component 2 developed a digital platform for the commercialization of the products of the associations with which it is working. Through this tool, the sale of coffee produced by the APEOSAE organization to the national company COFINA was accomplished, thus achieving a commercial agreement, and guaranteeing the consumption of that production during the health emergency.

#### Output 3

Letters of Intent have been signed between the three communities involved in the restoration of 7,600 hectares and the MAAE, and specific conventions/agreements between GAD Cascales and the indigenous leaders of the communities involved for the restoration of 1,000 hectares, to have their will, predisposition and commitment to advance with the activities and the achievement of the expected results. The continuity of the UNDP-FAO inter-agency agreement has facilitated the achievement of important results regarding forest control and traceability. It is culminating with the gathering of information, analysis, and delivery of the 38 conglomerates (plots) sampled in the framework of the Second National Forest Assessment, as well as the catalog of forest species, physical and anatomical properties of the wood.

#### Output 4

Through the agreement signed between FAO and UNDP, activities are carried out framed in the National Forest Assessment, the Strengthening of the Forest Monitoring System, the generation of technical reports such as BUR and REDD+ Technical Annex, community monitoring with nationalities. This strategic alliance with the partner has made it possible to optimize the resources and time of the project's technical team, considering that FAO has considerable expertise in the topics described above, guaranteeing the technical quality of the products delivered through these strategic actions for the Project.

## 2.3 Project Outputs Implementation Status

**Use 'Add Row' button to add multiple outputs and/or activities reported against one output**

<b>Project Output Name</b>	
Output 1: Investment in enabling policies to reduce the drivers of deforestation and its associated emissions.	
The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.	
<b>Project Activity Name</b>	
Act. 1.1: PDOT and Life Plans updated and implemented with climate change criteria and actions.	
<b>Status</b>	<b>Implementation Progress</b>
Activity started - progress on track	50 <span style="float: right; border: 1px solid #ccc; padding: 2px 5px;">%</span>
<b>Progress for the relevant reporting period</b>	
<p>In 2020, to advance in the process of updating and implementing PDOT and Life Plans with policies and actions to prevent deforestation, and promote climate change mitigation and sustainable production, the following milestones have been established:</p> <p>Joint work was carried out with 18 prioritized GADs in updating their PDOTs, which have been approved until December 2020 in accordance with current regulations, incorporating in the Diagnosis, Proposal and Management Model stages, criteria for forest conservation, sustainable production and climate change with a gender and intercultural approach. For which, the Guides generated by the Ecuadorian Technical Planning Secretariat (STPE) were used as the main tool, being the first time that these approaches have been included in these territorial planning instruments. These Guides are the result of the work carried out by the technical team of the Project, which are now part of the official regulations.</p> <p>The joint work was completed with 12 prioritized cantonal GADs, which included the preparation of proposals for the rural Land Use and Management for production and protection for updating the Land Use and Management Plans (LUMP), incorporating climate change criteria, forest conservation and sustainable production with a gender and intercultural approach, with which roadmaps are being drawn up to coordinate and plan the implementation of actions and activities within the framework of the inter-institutional agreement between MAAE, MAG and the GAD.</p> <p>18 prioritized GADs (6 provincial, 12 cantonal) were supported in: 1. Preparation of 90 ordinance proposals and 90 project profiles, five per each GAD, related to issues of forest conservation, climate change, sustainable and free from deforestation production, Areas for Conservation and Sustainable Use (ACUS), among others. 2. Preparation of 10 prioritized multi-year projects, related to issues of forest conservation, climate change, sustainable and free from deforestation production, with a gender and intercultural approach, in line with the national public policy issued by the governing bodies for the environment and production. Each of these instruments has a specific purpose, hence the need to have ordinances, thematic projects and multi-year projects, which in some way guarantee the application of the criteria promoted by the Project in the interventions carried out by the GAD.</p> <p>Technical assistance was coordinated and facilitated to 4 prioritized communities/nationalities (San Francisco de Chikta Commune, Shuar Yamanunka Commune, Sevilla Don Bosco Association with 48 centers or communities, and Santiago Association) for updating their Life Plans including pedagogical mediation, for which an epistemological analysis and respect for the worldview and reality of these indigenous communities, peoples and nationalities was considered. This, with emphasis on criteria of climate change, conservation, sustainable agricultural production, gender and interculturality. It is worth mentioning that the updating of the fifth Life Plan for the Shuar Association "Pangui", El Pangui canton, Zamora Chinchipe province, is in progress, following guidelines and criteria like the rest of the Plans.</p> <p><b>Challenge:</b></p> <p>The implementation of public policies at the local level as part of institutional strengthening to reduce deforestation, mitigate and adapt to climate change and promote sustainable agriculture with a gender and intercultural approach through the different instruments of local planning, is a challenge, because these issues used to be addressed separately, and now what is sought is to integrate them in an articulated manner in the territorial planning of each of the GADs and as a whole in the entire Amazon region.</p> <p><b>Lessons Learned:</b></p> <p>The political decision of local authorities to include the approaches of climate change, forest conservation, sustainable production, gender and interculturality in their planning instruments has been crucial to generate a first positive change in the mentality of those who work in the production process of the PDOTs in the prioritized local GADs, in addition the inter-institutional commitment between the key actors is essential to achieve comprehensive planning. This shows that, if the territorial leaders are committed and work for a cause, the people who follow them will gradually align themselves with these work proposals.</p>	
Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.	



**Key milestones and deliverables for the next reporting period**

Technical assistance will be provided for the implementation of actions, activities and projects within the framework of the inter-institutional agreement between MAAE, MAG and the GADs that include the criteria of forest conservation, sustainable production with focus on climate change, gender and interculturality.

Support will be given to 18 prioritized GADs in the Implementation of Local Information Systems (LIS), through institutional strengthening mechanisms linked to Development and Land Management Plans (PDOT) and Land Use and Management Plans (LUMP), in accordance with current legal regulations. These systems will allow monitoring the implementation of the current PDOTs.

Technical assistance will be given to MAAE and MAG for the preparation of a ministerial agreement proposal that contains environmental and REDD+ guidelines linked to current regulations on the definition of parameters for the classification and occupation of land. In the case of areas destined for the Protection, this will be ruled by MAAE, and the areas destined for agricultural production will be ruled by MAG. With this ministerial agreement, what is sought is to integrate the guidelines of both ministries, maintaining the criteria promoted by the Project on climate change, conservation, sustainable production, and REDD+.

Technical assistance to the Shuar "Pangui" Association, El Pangui canton, Zamora Chinchipe province, to complete the update of its Life Plan including pedagogical mediation, for which an epistemological analysis and respect for the worldview and reality of this indigenous community is considered. This, with emphasis on criteria of climate change, conservation, sustainable agricultural production, gender and interculturality.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 1: Investment in enabling policies to reduce the drivers of deforestation and its associated emissions.

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 1.2: Local capacity building for supervision of land-use planning and zoning.

**Status**

Activity started - progress on track

**Implementation Progress**

50 %

**Progress for the relevant reporting period**

In 2020 the following advances were achieved:

Five virtual training programs were developed for 266 public officials, 40% women and 60% men, covering the following topics: 1. "High Conservation Values (HCV), High Carbon Stock (HCS) and Multiple Use Landscape (MUL)"; 2. "Strengthening of Local Information Systems (LIS)"; 3. "Design of public investment projects"; 4. "Design of projects with a logical framework methodology aligned to the requirements of the Planifica Ecuador Technical Secretariat (STPE) format" and 5. "Use and management of the climate change toolbox".

A virtual training program was developed aimed at 85 indigenous community leaders, 30% women and 70% men, belonging to the Kichwa, Andwa, Shuar, Quijus, Shuar, Waorani, Cofan, Siona, Secopai and Sapara nationalities, where the following topics were addressed: 1. Development Plans vs Life Plan and 2. Constitutive elements of the Life Plans.

**Challenge:**

The governance structure in Ecuador requires taking into consideration that the GADs are independent from the national government and as such have autonomy to make their own decisions. This requires additional effort and time from project staff to ensure significant commitment and ongoing management of the relationship with representatives from each GAD.

One challenge is that the leaders of the prioritized indigenous communities have the conceptual elements and methodological tools necessary to contribute to the facilitation of collective processes of construction of Life Plans, from their own worldview and as an intercultural process, that differentiates themselves from others traditional planning processes, which obey other logics and rationalities, such as strategic plans and development plans.

**Lessons Learned:**

The pandemic generated by Covid-19 and the consequent restrictions to carry out mobilizations and meetings of people, delayed the implementation of all the activities planned by the Project. However, this has allowed the generation of alternative communication and capacity-building mechanisms, through of the use of technologies, especially the Internet, cell phones, and computers, which have been instruments that allowed monitoring the activities planned with the different beneficiaries, especially with the communities for the construction of life plans, and thus, advance with the established goal.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

Technical workshops will be coordinated in the prioritized areas, aimed for at least 100 public officials from GAD, MAAE, MAG and STCTEA to adapt territorial planning to a pandemic and post-pandemic scenario with the Project's approaches.

The technical capacities of at least 100 leaders of indigenous communities will be strengthened, where the following topics will be addressed: 1. Development Plans vs Life Plan and 2. Constitutive elements of the Life Plans.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 1: Investment in enabling policies to reduce the drivers of deforestation and its associated emissions.

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 1.3: Strengthening forest control.

**Status**

Activity started - progress on track

**Implementation Progress**

75 %

**Progress for the relevant reporting period**

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During this period, the Project continued with the design of tools to strengthen forest control and promote the traceability of wood.

**Forest traceability strategy.** The traceability strategy is a tool developed to strengthen the monitoring of the chain of custody of the harvested forest product. The aim of this tool is to integrate the progress made in the restructuring of the computer Forest Administration System (FAS), the modifications made to the regulations on sustainable forest management and administrative procedures, and the infrastructure improvements in forest control posts. The strategy has been updated according to the guidelines of the Authorities and was submitted for its final review and approval. The strategy relies on technical inputs from the Forest Directorate, the Project, and other professional actors who are experts in the field.

**Wood certificate of legal origin Punto Verde Forestal (PVF).** A mixed training methodology (participants from the public and private sectors) of the Punto Verde Forestal Mechanism was developed and approved, aimed at officials from the Provincial Directorates of the MAAE and other interested parties. Two webinars of the Punto Verde Forestal were held to publicize the legal timber standard and its application. The events had a participation of 253 people (163 men and 90 women) from the MAAE, the Project, and delegates from the institutions and those interested in applying to the mechanism, that is, private sector companies. As part of the communication materials for the dissemination of the Punto Verde Forestal mechanism, an infographic on the mechanism was prepared and two articles were written: one for the Project Newsletter, and another in the communicational spaces of the FAO.

**Verification audits of compliance with the indicators defined in the legal wood standard,** to the companies Aglomerados Cotopaxi, ARBORIENTE and CULTEX, which resulted in all companies complying with the legal wood standard.

**Automation of information gathering in the field.** In order to improve the information gathering process on forest control, the data collection project is being carried out using mobile devices, which will be used by the Forest Inspectors of the Fixed Control Posts, the Mobile Units, and those of Final Destination. In the mobile devices, whether cell phone or tablet, will be all the information of the mobilization guides that the technician needs to determine if there is any novelty compared to the guide presented by the driver or with the visual verification of the transported product. Each product review will be recorded in the device, in case a retention is required, the respective information will also be recorded.

It is important to note that the process is mostly done offline. The forestry technician must connect the device to the Internet to send reviews or retentions made directly to the database of the Forest Administration System – FAS, and at the same time the information of new mobilization guides that have been generated since the last time of connection. Additionally, information will be received from guides that have been reviewed or retained from other parts of the country, this to better control the movement of the product. Each forestry technician will know where the product passed, and in which places it was previously checked. This will make it possible to detect possible forgeries and clones of the mobilization permits.

**Restructuring of the computer system for forest use.** Work has been done on the restructuring of the Forest Administration System (FAS) with the creation of modules for timber and non-timber forest products and land allocation. This has included the gathering of information regarding processes, sub-processes and functional requirements that must be programmed to obtain a solid platform that allows the user and the Environmental Authority to monitor forest use at the national level. With a solid computer platform, the management of the information generated, the permits issued, and the forest dynamics itself are improved.

**Enhancement of the Amazonian forest checkpoints.** In order to strengthen forest control in the Amazon, the six fixed forest control posts located in the provinces of Sucumbios, Orellana, Morona Santiago, Napo and Pastaza were enhanced, providing control technicians with better habitability conditions and providing with technological tools to reduce the illegal traffic of wood, such as blocks. Two new camper units were purchased for the Santa Cecilia and El Coca posts and for the Jimbitono, Baeza, Villano and Bella Unión posts, the existing units are being readjusted. All six posts are fully operational since December 2020.

Additionally, there is a factory line for the construction of the control post in Mera, as a prior step to managing the construction permit. After the development of the feasibility study in 2019, the ToRs for the construction process were adjusted according to the UNDP guidelines for constructions (which were not available in 2019). Negotiations for the factory line and building permit were also carried out through the hiring of a professional who is accredited by Mera Municipality.

**Training to improve forest control.** In the first quarter of 2020, the training process for 140 technical technicians in charge of forest administration and control, advisers, and forest verifiers of the MAAE and the Project (38 women) was completed. It was a theoretical-practical course in dendrology and anatomy of forest species, which took place in the parish of Misahuallí in the Tena canton, in the province of Napo, where training activities were coordinated on the identification of timber and non-timber forest species and products of commercial interest. As part of the comprehensive approach to the content on dendrology, the participants were able to strengthen their knowledge regarding the taxonomic characteristics of 53 forest species and 29 timber species for wood anatomy. At the beginning of the course, the average knowledge regarding the identification of the studied species was 19.5%, while at the end of the course an average of 75.5% was reached, showing a substantial improvement in knowledge. The guide for the identification of 24 non-timber species is available, designed and printed in 250 copies to be distributed to the field staff of the Forest Directorate.

**Second National Forest Assessment.** As part of the process of gathering information from 38 conglomerates of the II National Forest Assessment in the Morona Santiago, Pastaza and Napo provinces, the identification of 1,948 botanical specimens was carried out in the National Herbarium (INABIO). There is a database that is in the debugging process. There is a methodological document of socialization and free, prior, and informed consent (FPIC) made to indigenous communities, as part of the II National Forest Assessment. As part of the Project's communication strategy, a promotional video was produced, and the website of the National Forest Assessment (NFA) is available.

**Catalogue for the identification of forest species.** The collection of 102 trees of 51 species was completed, in the provinces of Orellana and Napo, information that will be used to be loaded into the mobile application once completed.

**Multi-stakeholder Roundtable on non-timber forest products.** This is a participatory space that was established to generate recommendations for collaboration and to strengthen alliances between various public, private and community stakeholders to promote sustainable forest management (including timber and non-timber forest products of legal and sustainable origin).

**Challenge:**

The implementation of the forest control strategy constitutes an important challenge at the country level, since it means a change in how the wood chain is currently developing. It even implies a paradigm shift in the forestry sector, which up to now has carried the wood business in a somewhat informal way, without due control. It is expected that, with the improvement in both physical and technological infrastructure (positions of forest control, mobile applications, blocks), and specialized training for the technical personnel who carry out the control, this situation improves, in addition, it is very important to provide sufficient information and dissemination to the actors involved. It is also expected that both small and medium-sized producers will join the production and commercialization of wood of legal origin, through incentives such as financing through credit lines.

The contracting for the development of the Forest Administration System has required the signing of two-time extension amendments due to the complexity of the computer processes and the reviews of the different areas of the MAAE, meaning an exhaustive follow-up by the technical team of the Project as well as negotiations on scope.

The technical staff of the Forest Directorate has greater knowledge and skills to strengthen forest control at the national level. However, the constant turnover of technical staff is a major limitation. The challenge is to continue with this type of training for new professionals in the future.

The change of Authorities directly affects strategic processes to address forest control actions. This is how the traceability strategy has been updated on several occasions during 2020. It even depends on the political will and interest that the Authorities give to the issue.

**Lessons Learned:**

The health emergency caused by Covid-19 taught that strong contingency plans must be adopted to deal with this type of eventualities, especially in the inspection work carried out by forest control technicians. It would be an alternative that the owners of the properties could send information to the ministry that is later verified by the control technicians, through the mobile applications being developed with the Project.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

Pilots for the application of the forest traceability strategy, including dissemination on the Forest Administration System.

Tests of the computer Forest Administration System will be carried out in real scenarios and environments, and it is expected that the MAAE databases will be updated in this system.

Implementation of the three mobile applications for gathering information in the field, using mobile devices, and training for end users and technical staff of the MAAE who will oversee giving the respective maintenance to each application. These three applications correspond to the (i) Socio Bosque Project; (ii) National Reforestation Program; and (iii) National Forest Control System.

Development of the mobile application for the recognition of forest species - species catalog. This application will be used by field technicians who work for the Undersecretariat of Natural Heritage.

The mobile applications will enter operation in the field in the first quarter of 2021. These applications are composed of several forms to collect information in the field, specific for each process that is carried out, and are developed based on the needs of each of the technical areas of the MAAE that are mentioned above.

The FAS is expected to be fully restructured and enabled in the first quarter of 2021.

By implementing mobile applications, a better information management will be achieved in relation to mobilization guides. This, because now it is limited to a visual review against the document provided by the same driver, from now on it will be compared with the information stored in the system FAS. The survey method will allow a more agile registration for forest inspectors and will allow more time for their inspection tasks. If the information is sent directly to the FAS base, the availability of data will be much better than now, since now the authorities usually require the consolidation of information on a weekly or monthly basis. As of the implementation of this project, the information will be up to date and the authorities will be able to access it from reports designed for it. The Project has provided tablets for the use of the applications. However, the challenge is that the technical staff permanently have the equipment / tablets in optimal conditions and updated versions so that the applications work properly.

Build the forest control post in the Mera canton.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 1: Investment in enabling policies to reduce the drivers of deforestation and its associated emissions.

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 1.4: Formal Inter-Institutional Coordination Structures within the framework of PDOT, Life Plans and land-use zoning.

**Status** **Implementation Progress**

Activity started - progress on track 50 %

**Progress for the relevant reporting period**

To establish formal structures of inter-institutional coordination within the processes of land use planning, life plans and land zoning. In 2020, the following have been implemented:

Within the framework of the inter-institutional agreement between MAAE, MAG and STCTEA, technical assistance was coordinated and provided to STCTEA in the generation of inputs for updating the Amazonian Integral Plan (PIA), which includes: 1. Proposal of strategic indicators with Amazonian relevance related to forest conservation, sustainable production and climate change; 2. Proposal for a regional articulation platform (CTEA Governance Center) that includes a management model and action plan; and 3. Proposal for the strengthening of the Regional Information System (RIS).

18 inter-institutional framework agreements were signed between the MAAE, MAG and 6 provincial GADs and 12 prioritized cantonal GADs of the Ecuadorian Amazon, as part of the implementation of the Project. These agreements will allow to continue with the coordinated work between these institutions, creating the institutional and operational framework for the execution of local actions through the implementation of planning and land use instruments (PDOT and LUMP), and the strengthening of the 6 provincial territorial articulation platforms, aimed at sustainable and free from deforestation production, and forest conservation in the Ecuadorian Amazon.

**Challenge:**

Implementing the platforms for territorial coordination in the current circumstances due to the pandemic generated by Covid-19 has been a challenge since mobilizations and meetings of people have been restricted, in addition the GAD has prioritized other urgent activities related to issues of health, provision of food and basic services to the population. In this sense, for the long-term sustainability and viability of these platforms, it is important to count on the political will of the authorities and strengthen alternative mechanisms for communication and stakeholder engagement.

**Lessons Learned:**

The pandemic generated by Covid-19 and the consequent restrictions to carry out mobilizations and meetings of people has allowed innovation in the generation and implementation of alternative communication mechanisms, capacity building and stakeholder engagement (virtual meetings and training, social networks).

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

The Project will provide technical and coordination support to the STCTEA for the management and implementation of the action plan of the regional articulation platform (CTEA Governance Center), aligned with the six provincial articulation platforms.

Territorial articulation platforms will be consolidated in the six Amazonian provinces (Sucumbíos, Orellana, Napo, Pastaza, Morona Santiago, and Zamora Chinchipe) with the support of the Project, using the structure established in 2020. These platforms will serve for the technical-political analysis in the framework of the implementation of PDOT and LUMP.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non-forest areas

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 2.1: Provision of incentives for the sustainable production transition period.

**Status** **Implementation Progress**

Activity started - progress on track 35 %

### Progress for the relevant reporting period

#### Progress and Milestone update:

- The Project supported 18 coffee and cocoa producers' organizations (2,278 producers, 39% women and 61% men) that successfully completed the training sessions under the Growing with Your Business (CCSN) methodology of the UNDP's SDG value chains program. The project benefited 2,278 producers with training in commercialization, marketing, organizational strengthening, strategic planning, and quality management, among others. The last stage included the execution of improvement plans for their businesses for the 18 organizations, which consisted in the delivery of materials (plastics for greenhouses, drawers, tanks, hoses, moisture protectors, among others) and supplies (brand manuals, laboratory analysis) for a value of USD 1,500 per organization.
- The organization of coffee and cocoa producers APROCCE, in the province of Sucumbíos, left the CCSN methodology however it received assistance from the Project during 2020 (318 beneficiaries (23% women and 77% men)), in administration, associativity and good agricultural practices.
- The process of evaluation and diagnosis of the installed capacity of 15 coffee and cocoa collection centers in the Amazon was carried out (this collection centers benefit 8 organizations that produce both coffee and cocoa, 5 organization only cocoa, and 6 only coffee, a total number of 19 organizations), through a consultancy. The ministries are evaluating the proposal for the implementation of enhancing activities of the collection centers. The installed capacity of 15 coffee and cocoa collection centers was evaluated, repowering plans were developed to maximize their production, which were presented to the Ministry of Agriculture for approval.
- The pandemic generated by the Covid-19 and the resulting restrictions to carry out mobilizations and social gathering, delayed the implementation of all the activities planned by the project, including the implementation of farmer field schools. An emergency strategy was developed of to continue with the activities planned by the Project, and to support the government in strengthening biosecurity measures: 1) safeguarding production, 2) implementing measures to reduce the risk of contagion, and 3) generating commercial alliances.
- The 12 mobile veterinary units for cattle have started their renew process. The units are vans that have veterinary equipment for livestock (injections, insemination straws, medicines, etc.). These Units are part of the MAG's infrastructure, and there are 2 in each Amazonian province (12 in total), but they were deteriorated and not operating. The Project provided support to the ministry to repower these veterinary units. The first stage corresponds to the maintenance of the vehicles, which was carried out in 2020, and the second stage is the equipping of the mobile units so they can operate again, this will be done in 2021. Approximately, each mobile veterinary unit helps 80 farmers per month; that is, an average of 4 per day. The 12 existing units in the Amazon carry out 960 monthly visits, and there are around 11,520 visits per year.
- The Minister of Agriculture and Livestock defined a non-monetary incentives strategy to assist 7,404 beneficiaries from the productive sector of coffee, cocoa, palm, and livestock. The support will be given through specialized farmer field schools with the objective of strengthening the capacities of the producers. The Tropical Agronomic Research and Teaching Center (CATIE) of Costa Rica was selected to develop and implement the capacity-building program for 3,500 cattle producers from the 6 Amazonian provinces. The training program for 3,000 coffee and cocoa producers will oversee by the Inter-American Institute for Cooperation on Agriculture (IICA). The launch of the Fields Schools (ECA) with CATIE took place in December 2020 and activities will begin in January 2021. In the case of the oil palm sector, the launch of the capacity building program for 904 producers from Sucumbíos and Orellana provinces, attended by the National Association of Oil Palm Growers (ANCUPA), took place on November 23. And, in December 2020, the Responsible Party Agreement was signed between IICA and UNDP.
- As a measure to reduce the risks of contagion of Covid-19, and in adherence to the application of a biosecurity practice in the collection centers, biosecurity kits were delivered to the partners of 12 coffee producer organizations, 6 cocoa producer organizations, and 20 livestock organizations. For an overall total of 3,000 beneficiaries (aprox).

#### Challenge:

The health emergency and limitations for mobility and social gatherings of large groups of people caused delays in certain activities that are now considered in the 2021 planning. A possible second massive outbreak of the disease poses a latent risk to the implementation of the component 2 and program activities. This includes farmer field schools, the execution of which is programmed at the territorial level in direct contact with local actors (producers, technicians, etc.).

The implementing partners MAAE and MAG also had to face difficulties related to the health emergency, new adjustments in the budgets generated disengagement and change of authorities, and with this the progress of the activities and goals of the Project was also limited.

#### Lessons Learned:

After a detailed analysis, it was determined that the process of farmer field schools to strengthen capacities in sustainable production of palm, coffee, cocoa, and livestock is the most appropriate and sustainable method, through which non-monetary incentives can be delivered, and provide support to producers in their transition to sustainable production systems.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

### Key milestones and deliverables for the next reporting period

- It will begin with the implementation of farmer field schools in the areas of coffee, cocoa, oil palm and livestock. By 2021, it is expected that 4,154 producers (1,750 livestock, 1,500 coffee and cocoa, and 904 palm) will be trained in sustainable production and forest conservation issues corresponding to REDD+. Additionally, these producers will receive non-monetary incentives to transition to sustainable production. The baseline for the ECAS will be collected in Q1 2021, and the specific trainings will start in Q2 2021.
- Eleven (11) coffee and cocoa collection centers, which are within the GCF zones, will begin their enhancement process in 2021.
- It is expected to have 12 mobile veterinary units enhanced and supplied with medicines and veterinary supplies by the first quarter of 2021.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non-forest areas

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 2.2: Promote the coordination and implementation of existing tax incentives that will allow for the transition to sustainable production systems.

Status	Implementation Progress
Activity started - progress on track	25 %

**Progress for the relevant reporting period**

Progress and Milestone update:

The requirements have been defined for the development of an economic evaluation study on the impact of tax spending on the country's economy, and a proposal for tax incentives that contribute to a transition of sustainable and deforestation-free production systems. At the same time, the study will deliver different proposals to provide improvements to tax incentives that contribute to a transition towards sustainable production and deforestation-free systems.

Challenge:

Tax expenditure is understood as the resources that the State, at all levels of Government, ceases to receive due to the deduction, exemption, among other mechanisms, of direct or indirect taxes established in the corresponding regulations. To know the impact of tax spending, an international team (Economic Commission for Latin America - ECLAC) and a local team (consultant) supported by the Internal Revenue Service (IRS) are required. In Ecuador, this national institution only quantifies tax spending in US dollars and as a percentage at Gross Domestic Product, but it does not develop tax expenditure assessments, this methodology is new in the country.

Understanding the entire spectrum related to a tax incentive requires a very detailed technical analysis and from this study it becomes another challenge to generate clear proposals that allow the Internal Revenue Service of Ecuador to have key elements to generate modifications and / or improvements in financial incentives, which are directly or indirectly related to the axes of sustainability and productive areas for deforestation-free.

On the other hand, in a post-pandemic and economic reactivation scenario, trying to review tax incentives may not be very well seen by the Internal Revenue Service.

Lessons Learned:

To develop incentives, permanent coordination and work is required with the Internal Revenue Service (IRS) and the international experts from ECLAC (who understand the methodology that evaluates the impact of tax spending), in the current logic and with a pandemic scenario, because there are mobility restrictions and also the Government is focused on economic reactivation. The review of tax incentives may generate some reluctance from the IRS, so, it is necessary to work with a good institutional coordination and progressively, as it is a sensitive issue at this time.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

- By 2021 there will be an economic evaluation of the impact of tax spending and a proposal for tax incentives that contribute towards the transition of sustainable and deforestation-free production systems, as well as its monitoring mechanism

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non-forest areas

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 2.3: Support the redesign of public credit lines to reorient them to sustainable production practices.

Status	Implementation Progress
Activity started - progress on track	25 %



**Progress for the relevant reporting period**

Progress and Milestone update:

- Work was carried out with BanEcuador in the redesign of its line of credit for good agricultural practices. Also, work has been done with AGROCALIDAD (MAG) to increase the destinations of the credit line. These credits are already enabled to finance working capital and fixed assets to obtain the certification of Good Agricultural Practices - GAP from AGROCALIDAD. It is important to emphasize that AGROCALIDAD's GAP certification includes restrictions on deforestation processes for coffee and cocoa producers who wish to access this certification.
- BanEcuador requested support from the Project to become part of the banks with sustainable finance protocols from the Ecuador Banks Association ASOBANCA. There are 3 areas that require technical assistance: (i) improvement of internal processes (eco-efficiency, reduce carbon footprint); (ii) generation of green products; (iii) implementation of a social and environmental risk management system. This work will continue next year since the Project is supporting the bank in these 3 areas.

Challenge:

In the framework of the global pandemic (Covid-19), the mandatory state of emergency that Ecuador went through has exposed it to a complicated social and economic situation. In addition, the country is preparing for an electoral year, in which new authorities will position themselves, and with it there will be staff turnover at all levels. , it is important to mention that Ecuador is in a process of economic reactivation and it will be necessary to analyze the scenarios that could arise throughout 2021, especially in promoting the generation of foreign exchange as a priority, being able to leave aside other sectors.

Lessons Learned:

It is necessary, to know how inter-institutional relationships work and the affinity to work between the actors involved, on issues related to the design of green credit lines or the inclusion of sustainability criteria in credit lines that already exist. Financial institutions need to link their own resources (time, technical staff, and budget) to develop a methodology for identifying environmental and social risks, as well as for structuring green lines.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

- To achieve a redesign of the credit lines, in addition to that achieved as GAP, it is necessary to generate a structured work with BanEcuador, which is the financial institution that supports the productive sector. Within its business line it is important to know the degree of interest, and the degree of incidence (at a technical level) in decision-making for the development and redesign of credit lines with a focus on production that is sustainable and free from deforestation, particularly in a post-pandemic scenario.
- It is estimated that, for the first quarter of 2021, BanEcuador will adhere to the ASOBANCA Sustainable Finance Protocol. Within the framework of this protocol, the bank undertakes to: Improve its internal practices and processes to be more eco-efficient; Design green lines of credit; and Develop an environmental and social risk management system or any other mechanism that incorporates sustainability criteria.
- Regarding the development of a methodology for the identification of environmental and social risks in financial institutions of the Popular and Solidarity-based Economy, it is important to mention that their interest has been identified and the terms of reference are in place to develop the methodology, implementation, training and piloting in two Savings and Credit Cooperatives with emphasis on the agricultural sector. Despite the fact that these technical and financial efforts can be great challenges for cooperatives, even more so in a post-pandemic and economic reactivation scenario, for 2021 it is estimated that conversations will resume with the 2 Savings and Credit Cooperatives that have been chosen by the Project to implement the methodology. This, so that these sustainability criteria are appropriate to their reality (this is complemented by the methodology that the BIOFIN project is currently developing).

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non-forest areas

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 2.4: Responsible public and private procurement for deforestation-free production.

**Status**

Activity started - progress on track

**Implementation Progress**

55 %

**Progress for the relevant reporting period**

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#### Progress and Milestone update:

##### Agricultural products:

- The Growing with your Business (CCSN Spanish acronym) methodology culminated its capacity-building process for 18 producer organizations in commercialization, marketing, and organizational strengthening processes, among others. The health emergency caused by Covid-19 delayed the process of implementing the methodology in the field. The process closed in October 2020 with the delivery of improvement plans for these organizations.
- Under the leadership of the MAAE, there is a roadmap with the SERCOP to propose adjustments to the public procurement regulations to ensure purchases of production that is sustainable and deforestation-free.
- There is a Responsible Parties Agreement between the Union of Cocoa Farmer Organizations (UNOCACE) and UNDP, with the purpose of carrying out training processes in quality improvement for post-harvest, inclusion of partners in the development of certification processes in fair trade, GAP and organic, and commercial relationship with 4 cocoa producing organizations in the province of Sucumbíos (APROCEL, AGRODUP, APROCCE, Primavera Oriental). The goal of this agreement is to achieve a 30% increase in certified production, starting from the production base line of the 4 organizations (8,923 quintals). The agreement was signed in December 2020 and will last 19 months.
- Meetings have been held with the Italian company LAVAZZA, which has shown interest in purchasing deforestation-free coffee, for which work began on a technical proposal as an annex to the Memorandum of Understanding to be signed with the company in 2021. Additionally, 9 coffee samples from 4 organizations in the Amazon (AGRODUP, ACRIM, ASOSUMACO, APECAP and APEOSAE) were sent to LAVAZZA, and the results indicated that the samples were of high quality.
- Approaches were made with the company SILVA CACAO, who has also shown interest in the work carried out by the Project, the company made a visit to the Amazon and took samples from some organizations. The company selected 3 organizations (WIÑAK, APEOSAE and TSATSAYAKU) as potential suppliers, after verifying the quality of their product. A similar activity was carried out with the OLAM company, which selected 2 cocoa producing organizations (KALLARI and ASOSUMACO). The OLAM company is interested in purchasing cocoa that meets forest conservation standards and selected the organizations, which according to their parameters already meet these requirements.
- At the beginning of 2020, a part of Ecuador's participation in the international Fruit Logistics fair in Berlin was financed by the Project, where the Ecuador Premium and Sustainable strategy was promoted. The authorities from the MAAE and MAG and representatives of producers who work with the Project participated, in meetings with coffee importers and made prospecting visits to the fair and supermarkets in Germany.
- There is a study of sustainable and deforestation-free Amazonian coffee and cocoa market opportunities in international markets. The results show high acceptance of products that certify environmentally responsible production processes and that have high quality parameters. The results were presented to the Ecuadorian producers through workshops that were coordinated with MAG.
- Within the commercial platform created by The Project, within the framework of the Covid-19 strategy, a commercial alliance between COFINA (a national company) and APEOSAE was achieved for the purchase of coffee. This is a computer platform developed by the Project team, and hosted on the same The Project website hosting, specifically it was created to be used during the national health emergency.
- Working with ECOLAC, a roadmap was defined to articulate the Zumbi milk producers in Zamora Chinchipe, with sustainable production practices and deforestation-free. In December 2020, the process of surveying farm perimeters began.
- Within the framework of the Covid-19 strategy, support was provided to MAG-ATPA producer associations, through an e-commerce model. A pilot for the commercialization of agroecological product baskets was carried out in the city of Quito, through the platform "Colaboratorio Ciudadano" of UNDP and the San Francisco Global Foundation, for the benefit of the Inti Agricultural Association of the province of Napo. The platform is open to new initiatives to expand the market for Amazonian products in the large cities of the country, providing an alternative of economic income that goes directly to the producer.

##### Non-timber forest products

- Research: The commercial potential of 343 native species of non-timber forest products (NTFP), from the dry forest of the south of the country and the Ecuadorian Amazon, has been evaluated with the support of the UTPL. Of these, 12 species with the greatest commercial potential in prioritized areas of the Socio Bosque Program (SBP) have details of their uses, abundance, ease of propagation, and industry. The project has access to genetic resources of the Amazon species and this process complies with the Nagoya protocol.
- Capacity building: through the UTPL, 6 communities have been trained on how to make adequate use of NTFPs, on the construction of management plans for NTFPs, and finally on how to generate bio-entrepreneurships related to these products. These trainings will continue in 2021.
- Activities related to NTFPs are being implemented in a complementary manner with the GEF project that is also part of The Project.

##### Challenge:

The health emergency continues to be the main challenge for the activities to be carried out, since most of them have to do with field activities. Changes in market prices for some products should also be considered, due to the context of the pandemic.

For NTFP activities, in addition to mobilization restrictions to hold meetings and face-to-face events, a major challenge is the strengthening of the value chain (supply and demand), since the communities have immediate needs to satisfy, for which the logging of native forest is always a short-term and "petty cash" option.

##### Lessons Learned:

Despite the crisis generated by the pandemic, the levels of purchase of raw materials for export such as coffee, cocoa and palm in the collection centers did not suffer a major impact. Not so in the case of livestock products, especially milk, which had high and low prices and purchase of the product not only in the Amazon region, but also at the national level. This shows how positioned the first 3 mentioned products are, either because of the prestige they have in the international market (coffee and cocoa) and their quality, or because the demand of these products during the pandemic crisis.

In times of economic crisis, the characteristics of a product that is sustainable and deforestation-free were less prioritized, especially at the national level, where the general purchasing power of the population is oriented towards products of lower price and in many cases of lower quality (products not necessarily environmentally friendly). At the international level, the interest in consuming products that demonstrate environmental responsibility remains, but with variations due to the current situation due to the pandemic.

The economic crisis puts high pressure on forests. The strategy to face the crisis led to the consideration of multiple alternatives to ensure the economic sustainability of beneficiary families, including the generation of alternatives for buying and selling products through electronic platforms and with public and private inter-institutional alliances.

To resume field activities with the beneficiary communities, the development and dissemination of health and safety protocols related to COVID-19 (PPE) was key. In addition, a change in the strategies and virtual work mode has also been decisive to continue with the activities, as far as possible.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

**Agricultural products:**

- MAAE and SERCOP will sign an inter-institutional cooperation agreement to promote responsible, sustainable, and deforestation-free public purchases within the framework of the Project's implementation.
- It is expected to have a 20% increase in cocoa production that meets certification parameters in good agricultural/Fair Trade/organic practices by the end of 2021, as part of the Responsible Parties Agreement with UNOCACE.
- The Memorandum of Understanding is expected to be signed with the LAVAZZA company by the beginning of 2021 and to start with the activities established in the technical annex.
- The first deforestation-free coffee and cocoa sales are expected to be made through LAVAZZA, UNOCACE, OLAM and SILVA CACAO.
- Associations that have made progress in reaching out to international companies interested in purchasing their sustainable products will be strengthened, especially with training cycles on environmental issues, which will be covered during the implementation of the farmer field schools.

**Non-timber forest products.**

- Four species of NTFP of the 12 identified will have a management plan in 2021, which includes a census and analysis of carrying capacity, among other aspects, that guarantee sustainable use. This instrument will be transferred to the communities for the commercial use of the species.
- Continuity of training for communities on the use of NTFPs.
- For wood from SFM, inclusive businesses will be established between cutters (property owners) and timber industries that value the sustainability of the activity. In the case of NTFPs, a marketing campaign will be implemented for 30 bio-entrepreneurships that position this production as sustainable and useful to reduce deforestation in the Amazon Region and the Dry Forest in the south of the country.
- All activities related to NTFPs are complemented with actions implemented by the GEF project, which is also part of The Project.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non-forest areas

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 2.5: Certification and traceability of deforestation-free products.

**Status**

Activity started - progress on track

**Implementation Progress**

40 %

### Progress for the relevant reporting period

#### Progress and Milestone update:

- There is a roadmap between MAAE and MAG to develop the official national definition of sustainable and deforestation-free production in the country. This milestone is expected to be achieved with the signing of an inter-ministerial agreement.
- The MAG/AGROCALIDAD for GAP standard is in place, which includes the criterion of not expanding the agricultural frontier for new coffee and cocoa crops, focused on protecting the forest.
- The real estimation of the volume of coffee production in the province of Morona Santiago is being carried out, with these data it will be possible to make the final adjustments to the studies for the construction of the collection center.
- The identification sheets of properties with palm crops are being drawn up, and the land use map of the farms, which are the basis for the definition of the sustainable palm traceability system.
- For cocoa, work is being carried out together with PRCC-MAG to define the steps to follow to generate a traceability system anchored to the MAG's computer platforms.
- Two (2) agricultural organizations, APROCEL in Sucumbios and APEOSAE in Zamora Chinchipe, have completed the survey of perimeters for the implementation of the deforestation monitoring tool on their partners' farms (200 and 170 respectively). Both organizations are producers of coffee and cocoa.
- With the Undersecretariat of Livestock Production of MAG, work is being carried out on a standard GAP for livestock that includes criteria for sustainable and deforestation-free production. There are also 5 associations (2,721 head of cattle) that are registered in AGROCALIDAD to carry out the GAP certification process, which is expected to be concluded in 2021.
- In livestock, the Foot-and-Mouth Disease System of Ecuador (SIFAE) is being updated for the implementation of livestock traceability, and it is expected to be completed early next year.
- The Project applied to participate in the UNDP-Cultivate global initiative, which links leading companies worldwide that offer technology services with countries that need investments and knowledge in sustainable agricultural innovation. Ecuador was chosen for this initiative. The Canadian company Convergence Tech was selected to design a traceability system with blockchain technology for livestock in Ecuador. The company is going to develop a technological tool to trace the meat in phase two of the chain (treatment that the meat receives, the packaging process and how it reaches supermarkets). The company also analyzed the phase one of the chain to provide recommendations to the MAG. The company will deliver this technological tool to complete the national meat traceability system. With this strategy, it is expected to commercialize in new markets and increase sales of sustainable livestock products.

#### Challenge:

The health emergency delayed the execution of activities in the field. The perimeter survey processes, carried out by the beneficiary partners of the producer associations, could not be carried out during the time that the mobility restrictions caused by the pandemic lasted, and even until now the activities are still normalizing.

#### Lessons Learned:

In APEOSAE and APROCEL, although meetings and training workshops were held on the importance of the forest for producers; the factors that motivate the decision to implement the forest monitoring tool within their internal control systems, is directly link with the benefit that this activity brings them to access certification processes, through which they can receive better economic recognition for their products.

One of the key factors that motivates producers to engage in sustainable and deforestation-free production activities, is the existence of companies, such as LAVAZZA, that show the willingness to buy deforestation-free commodities and their interest of participate in the process to develop the sustainable and deforestation-free production criteria. Therefore, the markets are an important issue to convince the producers to carry out sustainable and deforestation-free production, because without the markets is very difficult to achieve the producers' commitment.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

### Key milestones and deliverables for the next reporting period

- There will be official criteria for sustainable and deforestation-free production issued by the MAG and MAAE ministries, through an inter-ministerial agreement.
- The GAP standards will have a mechanism for recognition by the MAAE as the competent authority for forest conservation, which may be developed once the ministerial agreement is reached on the country's definition of sustainable and deforestation-free production.
- The construction of the coffee collection center will begin in the Morona Santiago province.
- There will be progress regarding the certification process of the RSPO standard for sustainable palm oil that will be in implementation.
- There will be a traceability system for coffee, cocoa and livestock anchored to MAG's computer platforms.
- The first deforestation-free coffee and cocoa purchases are expected to be completed by the end of 2021.
- At least 30% of all producers who applied for the GAP certification process (AGROCALIDAD) for livestock, coffee, and cocoa, will have the GAP certification until the end of 2021.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 3: Financial and non-financial mechanisms for restoration, conservation, and connectivity.

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 3.1: Strengthen conservation, restoration, and forest management processes through the National Socio Bosque Program.

**Status**

Activity started - progress on track

**Implementation Progress**

70 %

**Progress for the relevant reporting period**

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## Progress and Milestone update:

## Conservation

- Hectares under conservation: 159,557.63 ha are kept under strict conservation through the financing of agreements with 10 communities within the framework of the Socio Bosque Project. These agreements are continuously monitored in the forestry, legal and socio-economic areas.
- Socio-economic manual for the accountability of the incentive: in the first quarter of 2020 the updated manual was officially approved, which includes a minimum percentage of 50% to be allocated for sustainable productive projects related to bio-entrepreneurships, from the third year after receiving the incentive. The manual has been translated into Kichwa and Shuar for later dissemination. This manual was presented and validated with the technical staff of the MAAE.
- Capacity building: 30 technicians from the Socio Bosque Project have been strengthened in their administrative and financial capacities, thus facilitating the monitoring activities of the agreements, and improving the advice they provide to the communities.
- Continuity of hiring technical personnel: six technicians hired by the Project carry out monitoring activities of compliance with legal, technical, and financial requirements of partners of the Socio Bosque Project in the six Amazonian provinces. They also support communities in the development of bio-entrepreneurships, incentive investment planning, control, and surveillance.
- Financial sustainability: three financial sustainability mechanisms have been designed to be applied by the Socio Bosque Project with the involvement of the private sector: a) carbon neutrality mechanism, b) water credits, c) contributions from the private sector. Additionally, procedures and a roadmap have been established to guide the involvement of the Socio Bosque Project in the carbon neutrality certification mechanism.
- Automated information collection: during this period, the development of the Project for the collection of information through mobile devices has been completed. The field technicians in charge of plant monitoring have a computer solution that allows them to record information from their mobile devices, whether they are cell phones or tablets. This exercise will be carried out offline and later, when the device can connect to the Internet, the information will be sent directly to the Socio Bosque Project's Evaluation, Monitoring and Application System - SEMOP. The automated forms are field verification for new agreements and monitoring of areas under conservation. This will allow for a better quality of information and the technician will have more time for his field activities. This, since the information is sent directly to the system, the reports required by the national coordinators and other authorities are generated.

## Sustainable Forest Management

- Hectares under sustainable forest management: 11,207 additional hectares under sustainable forest management and registered in the Forest Administration System (FAS). Cumulatively, there are 37,156 hectares.
- Roadmap for forestry advisory: A plan and a work schedule have been prepared to carry out sustainable forest management activities with the Amazonian communities.
- Sustainable forest management model: a sustainable forest management pilot project has been developed, reviewed, and approved by MAAE and MAG. Silvicultural practices will be applied, the forest value chain will be improved, and forest and non-timber products will be commercialized in responsible national markets.
- Technical standard for sustainable forest management: The National Environmental Authority has included in the preparation of the forest regulations the technical contributions of the studies completed in 2020 on the best forest practices for sustainable forest management carried out by the Project.

## Forest restoration.

- Hectares under restoration: to date, there is a total of 11,023 hectares under restoration processes with different partners (only in 2020 agreements were signed for 8,601 hectares). The restoration processes are carried out through partners and alliances, who present technical expertise and work experience in restoration and in the intervention, area prioritized by the donor, and the criteria of the MAAE's National Reforestation Program.
- Mancomunidad del Bosque Seco: 2,422 ha have been given continuity in active and passive restoration processes under the supervision and monitoring of the Mancomunidad de Bosque Seco (MBS). Among the main actions carried out are: maintenance of 120,000 thousand plants planted during the first two years of execution; support to five bio-entrepreneurships in the region (Randi Bio shop; "Del Bosque Seco" bee honey; Wonders of the forest, Bamboo and handicrafts; "Don Juventino" granulated panela, cabuya art, handicrafts and dyes) in the purchase of equipment and strengthening of capacities to improve the economy of families; installation of 49 permanent plots for follow-up; and monitoring of areas undergoing restoration processes.
- Altrópico Foundation: in May the Responsible Parties Agreement was signed between the Altrópico Foundation and UNDP, and in June the Letter of Intent between MAAE and three Amazonian communities: Kichwa People of Rukullakta, San Jacinto del Pindo Commune and Kichwa de Canelos Ancestral Commune, to implement forest restoration actions for 7,601 ha. During the first six months of execution, some important milestones have been reached, including: 40% progress in the georeferencing and production of plants in the three communities, which represents a total of 3,040 georeferenced hectares and around 160,000 plants in nurseries and in adaptation processes for sowing; preparation of a biosecurity protocol in conjunction with the three communities, CONFENIAE, the Pan American Health Organization and the Project to carry out restoration activities under the health emergency caused by Covid-19 that the country is experiencing; 80% progress in the implementation of the Free, Prior and Informed Consultation with the three communities
- Cascales GAD: in October, the agreement was signed between the MAAE and the Cascales Cantonal GAD to start with the implementation of the forest restoration project for 1,000 ha and the linking of the following communities during the process: Cofán Duvuno, Jesús Del Gran Poder, Pastaza, Los Shiris, San José De Aguatico, Wuamak Urku. To date, the consent of the communities to implement the restoration project has been successfully completed, as part of the Free, Prior and Informed Consultation.
- HIVOS Organization: since April, in coordination with the National Reforestation Program of the MAAE, the selection process for the signing of the Responsible Party Agreement between the HIVOS Organization and UNDP, and the Letter of Intent between the MAAE and the communities linked to the process to implement the forest



restoration project for 4,000 ha in two cantons Orellana and Shushufindi has been carried out. To date, the MAAE and UNDP have approved the selection of the organization, the technical proposal and all the administrative-financial qualifications required, so that the signature can be carried out as soon as possible.

- **Bio-entrepreneurship:** a guide was built to strengthen the beekeeping bio-entrepreneurship business model of the Mancomunidad del Bosque Seco, and there is a pre-selection of bio-entrepreneurships to be strengthened in the communities Kichwa Rukullakta People, San Jacinto del Pindo and Canelos Ancestral Commune: guayusa and achiote.
- **Automated field information collection:** there is an application for gathering information using mobile devices. Five forms were developed for the National Reforestation Program: (i) evaluation of properties in assisted natural regeneration modality; (ii) tree nursery registry; (iii) field record for property evaluation; (iv) application for forest restoration agreements; and (v) land degradation form. This computer solution will provide better quality information and will be centralized, since until now the data is found on local computers of each technician. This centralization of information will allow the authorities to access it in a more agile and timely manner through the reports designed for this purpose.

#### Challenge:

**Conservation:** Increase the inclusion of bio-entrepreneurships in the investment plans of the incentive delivered by the Socio Bosque Project to the communities, according to the guidelines of the Socioeconomic Manual. This, being a relatively new issue for the communities, it is sometimes difficult for them to want to allocate part of their economic incentive in green business actions. In the end it was possible to include this percentage, but it is always necessary to provide more information and explain the benefits to the community of investing in these types of activities.

**Support communities for the timely delivery of incentive accountability documentation under a pandemic context.** Most communities have very limited access and are in many cases isolated. Due to mobility restrictions, Socio Bosque technicians were not able to visit the communities for several months and the delivery of documentation was delayed in most cases, finally, once the missions began to resume, the majority could be completed.

**Finalize the delivery and approval of the three financial sustainability mechanisms for the Socio Bosque Project due to the complexity of the issue and the process of construction of the Carbon Neutrality mechanism by the MAAE.**

**The reduction of personnel in the MAAE, especially in the offices in the provinces, has meant an additional workload for the monitoring technicians in the field, which is why the achievement of the results and goals has been delayed.**

**Sustainable forest management:** Implementation of provincial roadmaps for advising and training communities in sustainable forest management under a pandemic context and without an approved technical standard. The roadmaps have been prepared, and their implementation was resumed at the end of 2020, so these actions will continue in 2021.

**Articulation with the issues of sustainable production and farm management to promote sustainable use of the forest, and implement conservation actions, sustainable forest management and agricultural production with a comprehensive vision.**

**Restoration:** Comply with the times established in the restoration project schedules, mainly in georeferencing, plant production, and sowing in the areas identified for forest restoration with the Altrópico partner.

**Ensure that the beneficiaries of restoration projects are empowered by the importance of recovering forest goods and services, and that they recognize the benefits that the Project brings to the community and families, including the use of non-timber forest products as life choices.** Part of the communities are interested in participating in these projects, but another part is not, thus ways to generate interest must be sought so that most of the community realize the benefits that these actions are expected to generate.

**Generate alliances with other actors in the Amazonian provinces that can complement the activities that are developed with each of the implementing partners, and that contribute to the sustainability of the restored areas.** Now, several organizations that also work on restoration issues in the Amazon have been identified, and it is expected to establish working alliances with some of them in 2021.

**The field verification actions of the areas under restoration require the selection of a sample due to the extension, selection that is face-to-face and manual.** The pandemic delayed the completion of visits, which is an enabler for the approval of progress, reports, and payments. Also, mobilization costs are high in some cases.

#### Lessons Learned:

**Due to the pandemic, it was necessary to implement innovative forms and mechanisms of communication and virtual work.** In some cases, these mechanisms had very good results, in others, although the results were positive, progress was slower. Furthermore, the fact that not all intervention areas and beneficiaries have permanent access to the internet required constant adaptation by the team and the target groups.

**For the implementation of activities through partners, a good alternative is to apply one of the programmatic tools that UNDP has.** In addition, these tools allow evaluating the financial administrative capacity of organizations and mitigating possible risks.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

**Key milestones and deliverables for the next reporting period**

This area is currently blank, intended for reporting key milestones and deliverables for the next reporting period.

#### Conservation.

- Maintenance and monitoring of 159,557.63 ha of forests under conservation agreements financed by the Project, as part of the Socio Bosque Project.
- Dissemination of the Socio-economic Monitoring Manual for investment plans and accountability for the social organizations of the Socio Bosque Project, which was prepared in 2020.
- Training for beneficiary partners of the Socio Bosque Project on financial administrative issues.
- Advice to beneficiary partners of the Socio Bosque Project on the issues of sustainable forest management and development of bio-entrepreneurships.
- The contracts of the six technicians of the Socio Bosque Project who implement the monitoring of the conservation agreements, and advise the communities in the fulfillment of requirements, are maintained.
- Hiring of a technical advisor to support the Socio Bosque Project in the identification of possible alliances, and make them come to fruition, to implement the financial sustainability mechanisms previously designed.
- Dissemination events of the Socio Bosque Project.

#### Sustainable Forest Management.

- At least 89,000 hectares, corresponding to ten communities, under sustainable forest management activities.
- Signing of the agreement with CEFOVE (National Working Group on Voluntary Forest Certification in Ecuador and implementation of the pilot project for sustainable forest management in the Amazon region of Ecuador, with the following results: (i) a pilot scenario for SFM established in an area of forest management of at least 300 ha; (ii) a total management area under a landscape approach of at least 600 ha; and (iii) Platform management model to promote SFM at the landscape scale, with a definition of roles, functions and commitments assumed from key actors.
- Issue, by MAAE, the standard for the sustainable forest management of natural forests including the best silvicultural practices.
- Update the document of the Plan for the Promotion of Sustainable Forest Management, and its dissemination. Prepare and disseminate communication material on sustainable forest management.
- Continuity of technical advice on sustainable forest management to MAAE.
- Articulation of sustainable forest management criteria in ATPA's farm management plans.
- Training in sustainable forest management for 60 forestry technicians from MAAE, through the technical experience of the company Verde Canandé.

#### Forest Restoration.

##### Altrópico Foundation.

- Finish with 100% of the identification and georeferencing of the 7,601 ha for forest restoration, in addition to the production of plants that will be used for the different practices identified by Altrópico, among these: agroforestry systems, reforestation in block, nucleation, natural regeneration, etc.
- Complete the free, prior, and informed consultation as part of the agreement between the Altrópico Foundation and the three indigenous communities.
- Advance with 100% of the planting of plants in the three communities, which help the process of ecological succession and the recovery of environmental goods and services.

##### Cascales GAD.

- Complete with 100% of the identification and georeferencing of the 1,000 ha for forest restoration, in addition to the production of plants that will be used for the different practices identified by the GAD and the communities, among these: agroforestry systems, reforestation in block, nucleation, natural regeneration, among others.
- Complete the Free, Prior and Informed Consultation as part of the agreement between the GAD of Cascales and the five communities involved.
- Start with the planting of plants in the five communities, which help the process of ecological succession and the recovery of environmental goods and services.

##### HIVOS organization.

- Signing and initiation of the Responsible Party Agreement between UNDP and HIVOS.
- Complete with 100% of the identification and georeferencing of the 1,000 ha for forest restoration, in addition to the production of plants that will be used for the different practices identified by HIVOS and the communities, among these: agroforestry systems, reforestation in block, nucleation, natural regeneration, among others.
- Complete the Free, Prior and Informed Consultation within the framework of the agreement between HIVOS and the participating communities.

- Design the training plan aimed at forest managers in the restoration areas, and train at least technicians and beneficiaries of two partners, which will be defined in early 2021.
  - Build the bio-entrepreneurship guides for the restoration project implementation areas.
- Hiring of a technical advisor to support the Socio Bosque Project in the identification of possible alliances, and make them come to fruition, to implement the financial sustainability mechanisms previously designed.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

**Project Output Name**

Output 3: Financial and non-financial mechanisms for restoration, conservation, and connectivity.

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 3.2: Strengthen mechanisms for integrated water resource management (IWRM) in the basins located within prioritized areas.

**Status**

Activity started - progress on track

**Implementation Progress**

75 %

### Progress for the relevant reporting period

#### Progress and Milestone update:

- Hectares under forest protection and REDD+ actions with a hydrographic basin vision: there is an accumulated execution of 393,373 ha in hydrographic basins (154,974 new ha in 2020), through the issuance of municipal ordinances for the establishment of conservation and restoration areas, and through community agreements. This is done with the support of three water funds, partners of MAAE.
- Conservation agreements: 71 individual agreements for conservation, restoration, and sustainable production in FORAGUA's work area, which reinforce the regulation instruments generated.
- Training: 87 technicians (25 women) from local governments and park rangers have received training on different topics, such as: gender perspective, restoration, photography for visual monitoring, environmental legislation; 28 technicians from the water funds (17 women) participated in a capacity-building process for the identification and implementation of financial solutions for the sustainability of the water funds. The process consisted of a virtual course, a theoretical workshop and a practical workshop for each fund, and several work meetings.
- Restoration: 13,993 ha of grasslands in areas of hydric importance are in the process of converting land use from livestock to restoration and conservation in the FORAGUA intervention area.
- Ecosystem services: generation of information for monitoring ecosystem services and the impact of the three water funds: water quality, hydrometeorological data, carbon stocks, restoration, wildlife.
- Carbon research: two research studies on carbon stocks and CO2 emissions started around the influence area of FONAG.
- Control and surveillance of the areas under conservation: 18,000 ha of forests and moorlands under control and surveillance by park rangers in the influence area of FONAG, which is complemented by activities to reduce animal load and prevent fires.
- Strengthening of forest nurseries: five forest nurseries strengthened to support restoration actions in FORAGUA and FONAPA work areas.
- Financial sustainability: six financial sustainability strategies identified in a participatory manner and designed for application by water funds (2 for each fund).
- Accountability to MAAE and UNDP: the three water funds have begun a process of strengthening administrative and financial capacities. It consists of an analysis of current administrative procedures, the preparation of a financial administrative manual for use by each fund, training events, and monitoring the use of the manuals.
- Systematization: it has begun with the systematization of the work carried out by FORAGUA for the consolidation and approval of municipal ordinances for the establishment of conservation areas.

#### Challenge:

The issuance of municipal ordinances for the establishment of conservation areas in FONAPA's work area faces a lack of political will, which has prevented the consolidation of part of the work planned in 2020. 2021 will be a key year to increase the conservation areas with this water fund, taking advantage of the context of a possible change in the guidelines received by the local authorities of the GAD from the national authorities that will be elected in the first quarter of 2021.

Active restoration activities and training activities are the ones that have had the greatest impact on their execution due to the Covid-19 pandemic. These two fields of action should be emphasized in a special way in 2021, within what the current state of health emergency allows.

#### Lessons Learned:

The conservation of areas of water importance needs planning work at different scales. Both the issuance of municipal ordinances for large areas, and the direct work with the landowners, are necessary to achieve the objectives and mutually reinforce both strategies.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

### Key milestones and deliverables for the next reporting period

- Create a video that helps to make the work of the water funds visible.
- Increase areas of water importance under conservation by approximately 50,000 ha (FONAPA).
- Establish active and passive restoration areas in the intervention areas of the three funds.
- Report the results of the different monitoring actions implemented by the three water funds.
- Complete the two research studies on carbon stocks (FONAG).
- Finish, design and publish the systematization of the work carried out by FORAGUA in the establishment of ordinances for the protection of natural resources.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

### Project Output Name

Output 4: Implementation of enabling instruments to reduce the drivers of deforestation and its associated emissions

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

**Project Activity Name**

Act. 4.1: Support to the implementation of the Warsaw Framework for REDD+ and other operational processes. (Components 4)

**Status**

**Implementation Progress**

Activity started - progress on track

50

%

**Progress for the relevant reporting period**

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#### Progress and Milestone update:

- Advances for the Measures and Actions Management System and Safeguards Information System (SIS).
- Business process documentation of the Measures and Actions Management System approved.
- Development of functional requirements for the Measures and Actions Management System and SIS.
- Development of prototypes of the Measures and Actions Management System.
- First release of the Measures and Actions Management System, which includes: Registration of the REDD+ Action Plan and registration of projects, programs, and implementation plans.
- Definition of the interoperability mechanism for REDD+ systems.

#### Safeguards .

- South-South Cooperation Experiences and Exchange Events on the development of the SIS with Mexico, Chile, Paraguay, and Costa Rica was successfully carried out in January 2020.
- The Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) was completed in 2020, which includes a gender action plan, an indigenous engagement plan and a stakeholder engagement plan.
- An online training strategy has been designed to improve the understanding of environmental and social safeguards in technical teams that belong to local governments, the Ministry of Environment and Water, and the GCF projects.
- The FPIC national guidelines were implemented in Napo and Pastaza as part of the consultation process with three local communities that belong to the Kichwa Indigenous Nationality for the forest restoration project that is under implementation since this year, and it is coordinated with MAAE and Altropico NGO. The FPIC national guidelines was also implemented in five communities for the Life Plans process in coordination with Component 1.

#### Gender

- Approximately 266 public officials (61% men and 39% women) were trained in land planning issues with a focus on climate change and sustainable production.
- With the development of the Life Plans, 4 indigenous communities are benefited: (i) Yamanunka 1,661 inhabitants (51% are men and 49% women); (ii) Santiago Association 2,857 people (51% are men and 49% women. Sevilla Association has a total of 10,173 people (50% are men and 50% women); and (iv) Chikta 412 inhabitants (50% are men and 50% are women). A total number of 15,103 beneficiaries.
- The Growing with Your Business (CCSN) methodology of the Sustainable Development Goal (SDG) value chains program of UNDP provided training in commercialization, marketing, organizational strengthening, among others, to representatives of 18 coffee and cocoa producing organizations, representing a total of 2,278 beneficiaries (39% women and 61% men).
- The work with APROCCE association in Sucumbíos continued, which receives technical assistance from the Project team for its organizational strengthening. It is made up of coffee and cocoa producers, in total there are 318 beneficiaries (23% women and 77% men).
- Training of 140 professionals (27% women and 73% men) who carry out forest control activities at the national level to strengthen MAAE's capacities.
- Strengthening the capacities of 2,286 people at the national level (36% women and 64% men), belonging to public institutions MAAE, MAG, Amazonian GAD at the provincial, cantonal and parochial levels, organizations of Amazonian indigenous nationalities, Water Funds, Civil Society Organizations, International Cooperation (FAO, GIZ, UNDP), Universities, Producer Organizations, among others. The subjects of these trainings were related to local governance, territorial planning, sustainable production, climate change, conservation, restoration, and REDD+.

#### Second FREL update and REDD+ technical annex.

- With the technical assistance from FAO, in January 2020 Ecuador's Reference Level of Forest Emissions from Deforestation was presented for the period 2001-2014, it is currently in the process of technical evaluation by the experts of the UNFCCC.
- Regarding the REDD+ Technical Annex for the 2015-2018 period, progress has been made in updating it; however, once the report of the UNFCCC experts on the process of technical evaluation of the Reference Level is available, the calculations corresponding to the reduction of emissions for the period 2015-2018 will be carried out.

#### National Forest Monitoring System (NFMS).

- The final version of the management model of the National Forest Monitoring System (NFMS) was presented, which is a requirement within the Ministerial Agreement where the Institutional Guidelines for the operation of the National Forest Monitoring System (NFMS) of Ecuador are issued as part of the institutionalization of the System. The management model is in final adjustment and review for formalization.
- A roadmap was developed for the construction of the website of the National Forest Assessment (NFA) that was reviewed with the Technical Committee of the NFA of the Ministry of Environment and Water.



Strategic Plans for Territorial Implementation (PEIT-Ecuador) and zones of homogeneous deforestation processes in Ecuador.

- During 2020, a study was carried out to define zones of homogeneous deforestation processes in Ecuador. This study aimed to supply the Ministry of Environment and Water, other institutions that are key for the management of deforestation in general and the Ministry of Agriculture (MAG) in particular, with an initial input of operational and financial planning for the development of a national portfolio integrated by a set of actions to promote net zero deforestation in Ecuador until 2030. This, by following and improving the conceptual and methodological model used to build a PEIT for the Amazon Region of Ecuador (PEIT-ARE). This Plan identified opportunities and needs that complement existing efforts to reduce net deforestation in Ecuador in the short and medium term and including general financing guidelines for priority necessary actions.

Carbon neutrality mechanism.

- Support has been provided to MAAE in the construction of the technical document to prepare the Ministerial Agreement for the mechanism of quantification, reduction, and neutrality of the carbon footprint. This process will culminate during the first semester of 2021.

Technical inputs for the LULUCF sector for the NDC implementation plan:

- In 2020, the construction of the necessary inputs for the development of an implementation plan regarding the LULUCF sector that contributes to the National Determined Contribution (NDC) for the unconditional and conditioned scenarios was carried out, information that will be used by the MAAE.

REDD+ Working Group.

- Formation of the REDD+ Working Table for its third period 2020-2022, made up of 45 civil society organizations, indigenous communities, peoples and nationalities, consortia and associations, representatives of the Coast, Sierra, and Amazon regions. The process of conformation of the Working Table implied a public, open, and transparent call so that the organizations are informed and can present their applications. For the process of conformation of the Working Table, a Selection Committee was established by the MAAE, The Project, UNDP, Civil Society and FAO as an overseer. To date, an introductory course has been held for new members about REDD+, two meetings of the REDD+ Working Table, and two meetings for the exchange of experiences between the organizations that are part of the Working Table, all virtually.

- The restructuring of the REDD+ Working Table for its third period of operation (2020 - 2022) with a total of 45 organizations at the national level that represent various sectors of civil society, the private sector, communities, peoples and indigenous nationalities. Three of them are women's organizations (La Chakra women producers, CONFENIAE's Women Group, and the Waorani Women's Association of Ecuador) and 1 for young people (Environment Young Network from the south of Ecuador). There are 90 representatives for the REDD+ Working Table (45 are the main ones and 45 alternates). From the 90 representatives, 38% are women and 62% are men, (18 women participate as main representatives in the Working Table).

Cross-cutting strategies.

- During 2020 the Project has implemented part of the strategies for strengthening capacities and edu-communication, which are linked to each component of the Project and respond to the intervention logic and its needs. The strategies are aligned with those established in the REDD+ Action Plan in its Operational component 4.

- 4 edu-communicative booklets have been developed in Spanish and interpreted to Amazonian Kichwa and Shuar on topics such as: 1) Climate change; 2) Forests, 3) REDD+ and 4) Safeguards. These materials are directed to the nationalities and local actors with whom the project works.

- In coordination with the components of the project, some edu-communicational materials have been produced, such as: a) 4 life plans of indigenous nationalities with pedagogical and cultural mediation and interpreted into the original Kichwa and Shuar languages; b) PPE manual in the Amazonian Kichwa language to prevent the spread of the Covid-19 virus, video in Kichwa and radio spots produced in native languages; c) Accountability Manual for the Socio Bosque Program in Amazonian Kichwa; d) Radio spots on social and environmental safeguards interpreted into the Kichwa, Shuar and Waorani languages.

Communication:

- From the communication area, several initiatives have been developed that include: the design of information and awareness campaigns related to the care of the forests, the promotion of the empowerment of women in the Amazon, and the defense of indigenous peoples.

- Communicational products that have been worked on include radio products such as spots and a radio program of good agricultural practices, the production of videos with traditional, animated, and explanatory formats. Likewise, the design of digital and printed publications on specialized topics such as the Punto Verde Forestal standard, the development of mobile applications for the FAS, the acquisition of campers for forest control, the training of 140 public officials of the MAAE in dendrology and wood anatomy for better control in the field.

- The main dissemination channels that have been used, through The Project, are the Institutional website that is in the stage of translation into English. The radio used to share messages in the Ecuadorian Amazon; through spots adapted to various Amazonian languages. Social networks (Facebook and Twitter) have also been very useful resources for informing citizens on a regular basis about the main actions carried out by the Project.

Published Articles.

- Publication "From Commitment to Action. Supporting deforestation free commodity supply chains from the Amazon", in coordination with the UNDP Green Commodities Program.

- An Institutional bulletin, called Newsletter, is published monthly in which the main achievements of The Project are included. This information is published on our website and at the same time is sent through a mailing service that includes a base of 1,300 readers.

- The Project collaborated with an article for the World Cocoa Foundation, referring to the production of Cacao in Ecuador.

- A publication about the “Lessons learned during the REDD+ preparation phase in Ecuador: Stakeholder involvement and capacity building” was prepared, designed, and diagrammed. Publication prepared with the collaboration of MAAE, members of the REDD+ Working Table (second period).

#### Challenge:

The effect of the pandemic product of COVID-19 implied a great challenge for the team and the activities that required actions related to face-to-face training processes, participatory and consultation processes, all these especially with local actors and nationalities.

From March to September 2020, the component undertook work alternatives in remote and virtual mode in such a way that it was possible to advance with the planned activities. A document was developed with recommendations for strengthening participatory processes during the pandemic.

The reduction of staff in the Ministry of Environment and Water (due to the national situation and the austerity of the current government) has meant a high concentration of activities in a single person (focal point or counterpart) at certain times, which has made the timely progress of activities difficult.

It represents a challenge for the effective insertion of the gender perspective in all the components of the Project since each reality in the localities is widely diverse and there is resistance. Thus, it is necessary that this be a process in permanent work and approach through processes awareness.

#### Lessons Learned:

Given the pandemic situation, thanks to the multidisciplinary team formed in the component, alternative and innovative strategies were generated in order to allow the work to advance, especially with local actors who have limited connectivity and resources to attend virtual meetings and workshops.

Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.

#### Key milestones and deliverables for the next reporting period

For the Measures and Actions Management System and for the SIS, the following products will be developed in 2021:

- Second version of the Measures and Actions Management System.
- Prototypes developed for the SIS.
- Design and launching of the SIS web portal, hosted on the MAAE website.

#### Safeguards

- Implementation of the ESMP within the The Project program as a measure to reduce risks and improve benefits for stakeholders and beneficiaries. This includes the implementation of the Gender Action Plan, IP Plan and Stakeholder Engagement Plan.
- The Third National Summary of Safeguards is drafted and approved by the MAAE.
- REDD+ National Grievance and Reparation Mechanism (grievance mechanism) institutionalized by the MAAE.
- Safeguards Technical Working Group institutionalized in MAAE.

#### Second FREL update and REDD+ technical annex.

- The REDD+ Technical Annex 2015 - 2018 is expected to be submitted together with the Second Biennial Update Report (BUR) to the UNFCCC, in 2021.

#### REDD+ Working Table.

- It is planned to hold 4 ordinary meetings of the Working Table in 2021, plus the extraordinary meetings that may arise.

#### National Forest Monitoring System.

- A roadmap was developed for the construction of the website of the National Forest Assessment (NFA) that was reviewed with the Technical Committee of the NFA of the Ministry of Environment and Water.

#### Carbon neutrality mechanism.

- The process to sign the Ministerial Agreement for the carbon footprint quantification, reduction and neutrality mechanism will culminate during the first half of 2021.

#### Communication.

The Institutional website of the Project will finalize its translation until mid-2021.

Please include a list of key milestones and deliverables expected to be executed in the next reporting period.

#### Project Output Name

Output 4: Implementation of enabling instruments to reduce the drivers of deforestation and its associated emissions

The output name should match with the output reported in the sub-section 2.4.3. If you have multiple activities to be reported against one output, you need to write down the same output name for every activity.

<b>Project Activity Name</b>	
Act. 4.2: Operationalization of the financial architecture of the REDD+ AP.	
<b>Status</b>	<b>Implementation Progress</b>
Activity started - progress on track	45 %
<b>Progress for the relevant reporting period</b>	
<p>Progress and Milestone update:</p> <p>Support the accreditation of a national entity for the GCF.</p> <p>With the expertise of the Frankfurt School of Finance &amp; Management - UNEP Centre (FS) a gap analysis was conducted for 4 national institutions that have presented their interest to be accredited by the GCF (BanEcuador, Banco de Desarrollo del Ecuador-BDE B.P., Corporación Financiera Nacional-CFN and ESPOL-TECH). The BDE was the financial institution that achieved the highest score, and an action plan was developed to help the institution comply with the accreditation requirements of the GCF.</p> <p>The methodology used by the consultants for the evaluation of the 4 institutions was approved by the MAAE and The Project and it allowed for a quantitative and qualitative assessment of each entity.</p> <p><b>CONFENIAE Implementation Plan</b></p> <p>During this year, the process of prioritizing REDD+ measures and actions was carried out through consultation processes with the leaders of CONFENIAE. This Implementation Plan continues to prioritize its measures and actions that would be executed through the financing received by the GCF in the framework of the REDD+ Results based Payment project. This prioritization is being carried out with the leaders of CONFENIAE, together with the collaboration of the MAAE and The Project.</p> <p>The participatory process for the prioritization of REDD+ measures and actions with indigenous peoples and nationalities of the Amazon with CONFENIAE, was developed through the following steps: 1) Delivery of information to the government council with a Course on REDD+ and REDD+ Implementation Plan of CONFENIAE, and an informative meeting with the government council; 2) Consultation for the prioritization of measures and actions REDD+ of CONFENIAE to execute with the Project Results-based Payments Ecuador REDD+ 2014, with two participatory workshops with the government council and meetings to review the requirements for the organization that will execute the actions with them; 3) Validation of information within CONFENIAE and official sending of the final information.</p> <p><b>Challenge:</b></p> <p>Regarding the accreditation of the BDE, it is a process that requires institutional strengthening (technical, procedural, economic, etc.) and the accompaniment of qualified professional personnel with experience in the climate finance sector and clear knowledge of the national financial system. The process of closing the gaps is a process that will require time for the BDE, leaving then, in addition to the institutional commitment, the start of the search for the technical team which will contribute to institutional strengthening and thus preparing the financial institution to be accredited to the GCF.</p> <p><b>Lessons Learned:</b></p> <p>It is necessary to understand the dynamics of the public sector and the public financial system, two areas of action that may have different agendas, although both are public. Particularly in climate finance, since the bank will always prioritize the economic interests of the institution, and it will not necessarily be aligned one hundred percent with the policies that other government agencies promote, as is the case of the ministries.</p>	
<p><small>Provide an updated progress on this project activity for the relevant reporting period, including delays and issues encountered, key milestones reached, and lessons learned, including issues related to non-compliance with GCF standards or conditions, vis-à-vis expectations, if any. In parallel, include positive achievements and better-than-expected results.</small></p>	
<b>Key milestones and deliverables for the next reporting period</b>	
<p>Formation of a technical team that implements the Action Plan, develops strategies and/or methodologies to close the gaps of the BDE and contribute to an institutional strengthening of the financial entity, in this way to achieve that the Development Bank of Ecuador, potentially, can be accredited to the GCF.</p>	
<p><small>Please include a list of key milestones and deliverables expected to be executed in the next reporting period.</small></p>	

2.4 Progress Update on the Logic Framework Indicators

Values of Baseline, mid-term target and final targets should be the same from the approved funding proposals unless calculation methodologies were revised in agreements with the GCF. Please attach a supporting document(s) describing the calculation methodology of the current value of all the indicators in Section 6; the indicators cover core, impact, outcome, and output levels. If there is a change in the methodology, you need to include clear justifications for the change and changed values as compared to the previous year.

This sub-section 2.4 is not applicable for REDD+ Results-Based Payments Projects. Please write 'Not Applicable' as the response.

#### 2.4.1 Core Indicators

##### Select applicable core indicators

- Mitigation Core Indicator 1 - Tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) reduced as a result of GCF funded project/programme
- Mitigation Core Indicator 2 - Cost per tCO<sub>2</sub>eq decreased for GCF funded project/programme
- Mitigation Core Indicator 3 - Volume of finance leveraged by GCF funding (Disaggregated by public/private source)
- Adaptation Core Indicator 1 - Direct Beneficiaries of GCF funded project/programme
- Adaptation Core Indicator 2 - Indirect Beneficiaries of GCF funded project/programme
- Adaptation Core Indicator 3 - Number of total beneficiaries relative to total population

## 2.4.2 Impact Indicators

### Select applicable impact indicators

- M1.1 Tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) reduced or avoided as a result of increased low-emission energy access and power generation
- M2.1 Tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) reduced or avoided as a result of increased access to low-emission transport
- M3.1 Tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) reduced or avoided as a result of buildings, cities, industries and appliances
- M4.1 Tonnes of carbon dioxide equivalent (tCO<sub>2</sub>eq) reduced or avoided as a result of sustainable management of forests and conservation and enhancement of forest carbon stocks
- A1.1 Change in expected losses of lives and economic assets due to the impact of extreme climate-related disasters in the geographic area of the GCF intervention
- A1.2 Number of males and females benefiting from the adoption of diversified, climate resilient livelihood options (including fisheries, agriculture, tourism, etc.)
- A1.3 Number of Fund funded projects/programmes that supports effective adaptation to fish stock migration and depletion due to climate change
- A2.1 Number of males and females benefiting from introduced health measures to respond to climate-sensitive diseases
- A2.2 Number of food secure households (in areas/periods at risk of climate change impacts)
- A2.3 Number of males and females with year round access to reliable and safe water supply despite climate shocks and stresses
- A3.1 Number and value of physical assets made more resilient to climate variability and change, considering human benefits (reported where applicable)
- A4.1 Coverage/scale of ecosystems protected and strengthened in response to climate variability and change
- A4.2 Value of ecosystem services generated or protected in response to climate change

## 2.4.3 Project/Programme-level Outcome & Output Indicators

Please provide ex-post 'Current Value' on a cumulative basis. If you have multiple outputs to be reported against one outcome, you need to write down the same outcome name for every output. Likewise, if you have multiple indicators to be reported against one output, you need to write down the same output name and corresponding outcome name for every indicator.

Use 'Add row' button to add multiple outcomes, outputs and/or indicators.

<b>Results Area Type</b>		<b>Outcome Name</b>	
Please select			
<b>Output Name (under the afore-mentioned outcome)</b>			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
<b>Indicator Name</b>			
M4.0 Reduced emissions from land use, reforestation, reduced deforestation, and through sustainable forest management and conservation and enhancement of forest carbon stocks: Emission reduction (tCO2e) because of REDD+ AP			
<b>Unit</b>			
5CO2e			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
43400000	18600000		13360000
<b>Remarks (including changes, if any)</b>			
<p>The exact amount of emission reductions that Ecuador will achieve by implementing its REDD+ AP nationwide during the life of the GCF project (2017-2022) will be known once the second and third BURs with the respective REDD+ Technical Annexes are submitted to the UNFCCC during 2021 and 2023 respectively. The second BUR, which will cover years 2015-2018, is currently being developed and will be submitted to the UNFCCC for review in 2021. These results will be compared with the second FREL period 2001-2014 (FREL-2), which was submitted for Technical Review by the UNFCCC experts in January 2020 and is currently under revision</p> <p>The final targets for this indicator were adjusted after a technical review that was presented to the GCF and then approved. These changes were officialized through and amendment of the FAA for this project, that was signed by the GCF and UNDP as AE in October 2020.</p> <p>Note:                      Baseline: 43.4 million tCO2e emissions from deforestation per year during the period 2000-2008                      Emission reductions from deforestation of 4.8MtCO2 during the period 2008-2014.</p> <p>Current value: Nationwide Emission reduction of 9.3MtCO2eq/y for the period 2017-2018                      Cumulative emission reductions of 18.6MtCO2 for the period 2017-2018</p> <p>Final target: 13.36 million tCO2eq (cumulative) emissions reduced between 2017-2021                      USD 6.29 average per tCO2e                      (Official adjusted goals, sent to GCF)</p>			

<b>Results Area Type</b>		<b>Outcome Name</b>	
Please select		M5.0 Strengthened institutional and regulatory systems	
<b>Output Name (under the afore-mentioned outcome)</b>			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
<b>Indicator Name</b>			
5.1 Institutional and regulatory systems that improve incentives for low-emission planning and development and their effective implementation			
<b>Unit</b>			
#			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
	18	18	18

**Remarks (including changes, if any)**

At the end of 2020, the following advances have been made regarding the strengthening of policies, institutions, coordination mechanisms and regulatory frameworks that improve the incentives for low-emission planning and its effective implementation:

1. Support to the Planifica Ecuador Technical Secretariat in the preparation of the "Technical standard of minimum contents, basic approval procedure and formal registration process of the Land Use and Management Plans and the Complementary Urban Development Plans of the Municipal and Metropolitan Decentralized Autonomous Governments "; approved through Resolution No. 0005-CTUGS-2020 issued by the Technical Council for Land Use and Management (CTUGS) on February 28, 2020, which defines the rural conservation and production land and establishes as minimum contents of the Structuring Component, among others, "the location and description of the environmental, landscape, heritage, natural-anthropoc, extractive and productive conservation areas".
2. Preparation of 90 ordinance proposals and 90 project profile proposals, as part of the update of the 18 PDOT; regarding issues of forest conservation, climate change, sustainable and deforestation-free production, Areas for Conservation and Sustainable Use (ACUS), among others. Both the prioritization of ordinances and project profiles are key instruments for the implementation of the PDOT of the GADs with the criteria that the Project pursues.
3. Design and preparation of 10 multi-year projects (4 years, approximate time in which the PDOT is in force) prioritized by the GADs of the Northern Amazon aligned to the 18 PDOTs and regarding issues of forest conservation, climate change, sustainable and deforestation-free production, with a gender and intercultural approach, in line with the national public policy issued by the governing bodies for the environment and production.
4. Development of 4 life plans for indigenous communities in the Amazon, including climate change and sustainable production criteria. These plans were developed through participatory workshops with the 4 communities, who established the vision and the objectives for their plans.

**Note:**

Baseline: PDOT include some environmental information but do not include actions for GHG emissions reduction.

Life Plans include environmental information, but not actions for GHG emissions reduction.

Current value: 18 PDOT with Climate Change criteria.

5 life plans with Climate Change criteria

Midterm target: 18 PDOTs (12 municipals, 6 provincial).

5 life plans developed with Climate Change criteria.

Final target: At least 4 land-use planning instruments (18 PDOT, 5 life plans) linked to land-use zoning and climate change mitigation objectives.

**Results Area Type**

Please select

**Outcome Name**

M5.0 Strengthened institutional and regulatory systems

**Output Name (under the afore-mentioned outcome)**

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**

5.2 Number and level of effective coordination mechanisms

**Unit**

#

**Baseline**

1

**Current Value**

**Mid-term Target**

**Final Target**

2

**Remarks (including changes, if any)**

At the end of 2020, the following advances have been made related to coordination mechanisms:

- The interinstitutional Committee on Climate Change – (CICC in Spanish) is institutionalized and is led by the MAAE.
- Until the end of 2020, the national dialogue mechanism called the REDD+ Working Table has made the following progress:

Two (2) extraordinary meetings of the REDD+ Working Table, 2nd period (January and March) to contribute to the construction of the ProDoc of the Ecuador's REDD+ Payment by Results Project.

One (1) process of restructuring the REDD+ Working Table that included strategy planning activities, launching of the call, selection process, with a result of 45 new social organizations (Civil Society, Communities, Peoples, Indigenous and Peasant Nationalities, Private sector, consortia and associations) integrated into the REDD+ Working Table for a third period 2020-2022.

One (1) REDD+ Course for new Member Organizations (90 people), 3 modules and a duration of 25 hours. With a result of 54 people approved.

Two (2) Exchanges of virtual experiences, which will be maintained during the two years of the 3rd period, with presentations from 13 member organizations of the Working Table.

First ordinary meeting of the new period (September 2020) where the progress of REDD+ implementation in Ecuador was reported, representatives were elected by sector and inputs were collected for the Work Plan of the Working Table for the next 2 years.

One (1) Work Plan of the REDD+ Working Table Third period 2020-2022.

First extraordinary meeting of the new period (November) where proposals from organizations on topics of interest to them were addressed: balsa logging in the Ecuadorian Amazon and Socio Bosque Project.

Second regular meeting of the new period (December) to develop topics on the progress of REDD+ in the Coast, the National Agricultural Policy, and the approval of the 2020-2022 work plan.

- Interinstitutional Committee on Sustainable Palm Oil – CISPS. Now its action plan is 40% advanced, due to mobility restrictions, several of the planned actions were not carried out in 2020.

Note:  
 Baseline: One institutionalized mechanism for a national dialogue on climate change: Inter-institutional Committee on Climate Change (CICC).  
 Current value: Interinstitutional Committee on Climate Change – CICC made official and in operational REDD+ Working Group is implemented in its third period (2020-2022). Interinstitutional Committee on Sustainable Palm Oil – CISPS is made official and in operation. Its action plan advanced in 40%.  
 Midterm target: National Model of Governance for REDD+ established and linked to other mechanisms related to climate change and REDD+ implementation to promote REDD+ AP implementation and deforestation-free commodities.  
 Final target: At least 2 national mechanisms institutionalized and working (CICC and one related to deforestation-free commodities).

<b>Results Area Type</b>	<b>Outcome Name</b>		
Please select	M9.0 Improved management of land and forest		
<b>Output Name (under the afore-mentioned outcome)</b>			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
<b>Indicator Name</b>			
9.1 Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions.			
<b>Unit</b>			
ha			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
1400000	159557.63	159557.63	140000



**Remarks (including changes, if any)**

The hectares are kept under conservation with the Socio Bosque Project.

Note:  
 Baseline: SBP has 1.4 million ha under conservation.  
 Final target: 140,000 additional hectares for conservation.

<b>Results Area Type</b>	<b>Outcome Name</b>		
Please select	M9.0 Improved management of land and forest		
<b>Output Name (under the afore-mentioned outcome)</b>			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
<b>Indicator Name</b>			
9.1 Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions.			
<b>Unit</b>			
ha			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
4100000	37146	49999	149999
<b>Remarks (including changes, if any)</b>			
Since March of this year, field activities, due to the pandemic, were suspended. This meant that the MAAE did not authorize logging and field activities were paralyzed. Consequently, the goals established by MAAE and the Project for 2020 have been greatly reduced, so the Project worked with the Ministry to define a strategy to accelerate the process Field activities were restarted, albeit partially, from September. There is a roadmap that is the guide for the execution of this activity, and during 2021 is expected to considerably increase the number of hectares.			
Note: Baseline: 4.1 million ha for forest sustainable management. Final target: 140,000 additional hectares for sustainable forest management.			

<b>Results Area Type</b>	<b>Outcome Name</b>		
Please select	M9.0 Improved management of land and forest		
<b>Output Name (under the afore-mentioned outcome)</b>			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
<b>Indicator Name</b>			
9.1 Hectares of land or forests under improved and effective management that contributes to CO2 emission reductions.			
<b>Unit</b>			
ha			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
102000	11023	10000	15000
<b>Remarks (including changes, if any)</b>			
In 2020, 8,601 hectares were added to restoration processes, giving a cumulative 11,023 ha.			
Note: Baseline: SBP has 102,000 ha under restoration programmes. Final target: At least 15,000 additional hectares for restoration programs			

<b>Results Area Type</b>	<b>Outcome Name</b>
Please select	

**Output Name (under the afore-mentioned outcome)**

Output 1: Investment in enabling policies to reduce the drivers of deforestation and its associated emissions.

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**

Number of strengthened land-use planning instruments and life plans that have included climate change mitigation policies and actions.

**Unit**

#

Baseline	Current Value	Mid-term Target	Final Target
0	6	6	6

**Remarks (including changes, if any)**

At the end of 2020, it has been possible to incorporate in the stages of Diagnosis, Proposal and Management Model of the 18 prioritized PDOTs (6 provincial, 12 cantonal), criteria of forest conservation, sustainable production and climate change with a gender and intercultural approach; for which the Guides generated by the STPE were used as the main tool, being the first time that these approaches have been included in these territorial planning instruments.

The joint work was completed with 12 prioritized cantonal GADs, which included the preparation of proposals for the rural Land Use and Management for production and protection for updating the Land Use and Management Plans (LUMP), incorporating climate change criteria , forest conservation and sustainable production with a gender and intercultural approach, with which roadmaps are being drawn up to coordinate and plan the implementation of actions and activities within the framework of the inter-institutional agreement between MAAE, MAG and the GAD.

18 prioritized GADs (6 provincial, 12 cantonal) were supported in: 1. Preparation of 90 ordinance proposals and 90 project profiles, five per each GAD, related to issues of forest conservation, climate change, sustainable and free from deforestation production, Areas for Conservation and Sustainable Use (ACUS), among others. 2. Preparation of 10 prioritized multi-year projects (4 years, PDOT validity), related to issues of forest conservation, climate change, sustainable and deforestation-free production, with a gender and intercultural approach, in line with the national public policy issued by the governing bodies for the environment and production.

Technical assistance was coordinated and facilitated to 4 prioritized communities/nationalities (San Francisco de Chikta Commune, Shuar Yamanunka Commune, Sevilla Don Bosco Association with 48 centers or communities, and Santiago Association) for updating their Life Plans including pedagogical mediation, for which an epistemological analysis and respect for the worldview and reality of these indigenous communities, peoples and nationalities was considered. This, with emphasis on criteria of climate change, conservation, sustainable agricultural production, gender and interculturality. It is worth mentioning that the updating of the fifth Life Plan for the Shuar Association "Pangui", El Pangui canton, Zamora Chinchipe province, is in progress, following guidelines and criteria like the rest of the Life Plans.

Note:  
 Baseline: Provincial PDOT: 0  
 Cantonal PDOT: 0  
 Life Plans: 0

Current value: Provincial PDOT: 6  
 Cantonal PDOT: 12  
 Life Plans: 4

Midterm target: Provincial PDOT: 6  
 Cantonal PDOT: 12  
 Life Plans: 5

Final target: Provincial PDOT: 6  
 Cantonal PDOT: 12  
 Life Plans: 5

Results Area Type	Outcome Name
Please select	

**Output Name (under the afore-mentioned outcome)**

Output 1: Investment in enabling policies to reduce the drivers of deforestation and its associated emissions.

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**

Number of legal coordination instruments at a national and territorial level for REDD+.

**Unit**

#

Baseline	Current Value	Mid-term Target	Final Target
<b>Remarks (including changes, if any)</b>			
<ul style="list-style-type: none"> <li>• As for the CISPS, the platform with its action plan continues to report normally.</li> <li>• The third period of the REDD+ Working Group began in 2020 with 45 organizations. This period will last 2 years.</li> <li>• The Ministerial Agreement No. 056 is under implementation.</li> <li>• The agreement with CONFENIAE is under implementation and has 40% of advance.</li> </ul> <p>Note: Baseline: There are legal coordination instruments at a national and territorial level, but not for REDD+.</p> <p>Current value: *CISPS (Inter-institutional Committee for the Monitoring of Sustainable Palm) is a legal instrument to achieve the non-deforestation commodity goal, it was created by an Inter-ministerial Agreement #030 (19/03/2018) signed by MAAE and MAG. * REDD+ Work Group is a coordination instrument for the civil society participation that was created by a Ministerial Agreement #049 (27/06/2017) signed by MAE, and now it receives direct support from the Project. *There is the Ministerial Agreement No. 056 issued by the National Environmental Authority (Ministry of the Environment and Water) whose objective is to establish the requirements and procedures for the registration and approval, monitoring and follow-up mechanism for the implementing partners and the REDD+ Action and Measures Implementation Plans. • The agreement signed between MAAE, MAG and CONFENIAE that is in force and that seeks to have the participation of the peoples and nationalities of the Amazon in the actions implemented by the Project.</p> <p>Final target: At least 5 legal coordination instruments at a national and territorial level for REDD+. At least 6 inter-institutional agreements institutionalized and working at a national and territorial level.</p>			

<b>Results Area Type</b>	<b>Outcome Name</b>		
Please select			
<b>Output Name (under the afore-mentioned outcome)</b>			
Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non- forest areas.			
<small>Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.</small>			
<b>Indicator Name</b>			
Area (ha) transformed to sustainable production systems in deforested areas.			
<b>Unit</b>			
ha			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
	15000	20000	57430
<b>Remarks (including changes, if any)</b>			
<p>The health emergency did not allow the implementation of farmer field schools in the planned time. The process to adjust the proposal was resumed in August 2020. The farmer field schools for 7,404 beneficiaries of coffee, cocoa, palm, and livestock started in December 2020. It is estimated to reach 22,000 hectares in 2020 that make the transition to sustainable production systems. (A transformation of 3 hectares per farm is calculated, based on the agreement that was established with ATPA at the beginning of the Project implementation)</p> <p>Note: Baseline: Grassland: •Northern Amazon: 20,890 ha. •Central Amazon: 4,105 ha. •Southern Amazon: 82,374 ha. •Southern Dry Forests and Valleys: 4,273 ha.</p> <p>Current value: 15,000 ha (3 hectares per 5022 producers))</p> <p>Final target: At least 57,430 ha converted to sustainable production systems in the Project's prioritized areas</p>			

<b>Results Area Type</b>	<b>Outcome Name</b>		
Please select			

**Output Name (under the afore-mentioned outcome)**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non- forest areas.

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**

Number of products with deforestation-free certification and traceability.

**Unit**

#

Baseline	Current Value	Mid-term Target	Final Target
	1	2	4

**Remarks (including changes, if any)**

With MAG, they are working on a livestock GAP standard that includes deforestation-free production. There is a roadmap between MAG and MAAE to prepare the country definition on sustainable and deforestation-free production, which will be specified with the signing of an inter-ministerial agreement. MAP standards (AGROCALIDAD) count with the criterion of not expanding the agricultural frontier for new coffee and cocoa crops, protecting the forests on these farms, whose recognition will be granted by MAAE as the national environmental authority.

Note:  
 Baseline: Organic Coffee certificate.  
 Current value: 1 product has certification (Palm oil RSPO)  
 Final target: At least 4 products will have deforestation-free certification.

**Results Area Type**

Please select

**Outcome Name**

**Output Name (under the afore-mentioned outcome)**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non- forest areas.

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**

Existence of a national service for contracts (SERCOP) resolution that includes and prioritizes the procurement of deforestation-free products.

**Unit**

Baseline	Current Value	Mid-term Target	Final Target
	0	0	

**Remarks (including changes, if any)**

MAAE and SERCOP will sign an inter-institutional cooperation agreement to promote public, responsible, sustainable, and deforestation-free purchases, expected to start in 2021.

Note:  
 Baseline: SERCOP resolution does not exist.  
 Midterm target: 0 / Resolution draft will be agreed by SERCOP and MAAE.  
 Final target: Existence of a SERCOP resolution: "purchase volumes will be measured to know the impact of this measure".

**Results Area Type**

Please select

**Outcome Name**

**Output Name (under the afore-mentioned outcome)**

Output 2: Implementation of financial and economic incentives towards the transition to sustainable production systems in non- forest areas.

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**

Number of beneficiaries transiting successfully to sustainable production systems in deforested areas.

**Unit**

#

Baseline	Current Value	Mid-term Target	Final Target
0	5200	10000	60000

**Remarks (including changes, if any)**

There are 7,404 ECAS producers, in addition to the 5,200 ATPA producers. The total number of producers is multiplied by 4, considering that their family nucleus also benefits directly and contributes to the transition to sustainable production systems.

Note:  
Final target: 60,000 direct beneficiaries have transitioned to sustainable production.

**Results Area Type**  
Please select

**Outcome Name**

**Output Name (under the afore-mentioned outcome)**  
Output 3: Financial and non-financial mechanisms for restoration, conservation, and connectivity

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**  
Number of hectares under conservation incentives in priority areas with high threat of deforestation and potential to generate social and environmental co-benefits.

**Unit**  
ha

Baseline	Current Value	Mid-term Target	Final Target
1400000	159557.63	159557.63	140000

**Remarks (including changes, if any)**

The hectares are kept under conservation with the Socio Bosque Project.

Note:  
Baseline: SBP has 1.4 million ha under conservation.  
Final target: 140,000 additional hectares for conservation.

**Results Area Type**  
Please select

**Outcome Name**

**Output Name (under the afore-mentioned outcome)**  
Output 3: Financial and non-financial mechanisms for restoration, conservation, and connectivity

Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.

**Indicator Name**  
Number of hectares under restoration incentives in priority areas with high threat of deforestation and potential to generate water regulation co-benefits.

**Unit**  
ha

Baseline	Current Value	Mid-term Target	Final Target
4100000	37146	40000	140000

**Remarks (including changes, if any)**

In 2020, 11,207 ha were added under sustainable forest management, giving an accumulated total of 37,146.  
 In 2020, 8,601 hectares were added to restoration processes, giving a cumulative 11,023 ha.

Note:  
 Baseline: 4.1 million ha for sustainable forest management.  
 SBP has 120,000 ha under restoration agreements.

Current value: 37,146 hectares  
 11,023 hectares

Midterm target: 40,000 hectares  
 10,000 hectares

Final target: 140,000 additional hectares for sustainable forest management.  
 At least 15,000 additional hectares for restoration programs.

<b>Results Area Type</b>	<b>Outcome Name</b>		
Please select			
<b>Output Name (under the afore-mentioned outcome)</b>			
Output 4: Implementation of enabling instruments to reduce the drivers of deforestation and its associated emissions			
Please write 'Not Applicable' if the below-mentioned indicator is to be reported directly at the outcome level.			
<b>Indicator Name</b>			
Number of coordination mechanisms for managing instruments that include land-use planning and zoning guidelines in GAD and indigenous territories.			
<b>Unit</b>			
<b>Baseline</b>	<b>Current Value</b>	<b>Mid-term Target</b>	<b>Final Target</b>
<b>Remarks (including changes, if any)</b>			
<ul style="list-style-type: none"> <li>• Work has been done on a proposal for an interoperability document at the component level for the NFMS, for the exercise to be replicated for each of the technological platforms that are considered for REDD+. Work has also been done on the development of functionalities for the NFMS geo-viewer from a local development environment generated with information or references of the technology that the MAAE has implemented.</li> <li>• Regarding the SIS, in January 2020 the Second National Summary of Information on Environmental and Social Safeguards was presented, from the MAAE to the UNFCCC.</li> <li>• In January 2020, Ecuador's second Reference Level of Emissions from Deforestation was presented and is currently in the process of being reviewed by the experts of the UNFCCC.</li> <li>• The REDD+ Technical Annex has advanced in its updating; however, it is necessary to conclude the review process by the UNFCCC experts to complete it.</li> </ul> <p>Note:</p> <p>Baseline: • NFMS is operational but not yet institutional-ized.                  • SIS conceptu-alized and methodologi-cally designed.                  • FREL from deforestation constructed and present-ed to the UN-FCCC for the technical evaluation.                  • A technical REDD+ Annex to the BUR is being devel-oped.</p> <p>Current value: • The NFMS is in full development and is expected to be operational in 2021.                  • SIS conceptualized and methodologically designed .                  • Ecuador's Reference Level is under review by the UNFCCC experts.                  • The technical REDD+ Annex to the BUR is under review by the UNFCCC experts.</p> <p>Midterm target: • NFMS is institutional-ized and a second BUR with REDD+ annex is submitted to the UNFCCC in 2022.                  • SIS is opera-tional, and a second sum-mary of in-formation is submitted to the UNFCCC in 2019                  • Improved activity data for FREL.                  • The technical REDD+ Annex to the BUR is approved by the UNFCCC experts.</p> <p>Final target: • NFMS operational and institu-tionalized.                  • Information summary about corre-sponding safeguards presented to the Con-vention.                  • FREL and emission reduction results eval-uated by the Convention and pub-lished in the Information Hub.                  Technical REDD+ An-nex.</p>			

## 2.5 Report on changes during implementation (include actual and expected changes)

Changes related to the reporting of the Project:

Change #1:

There is a change in both final targets related to the indicator M4.0 Reduced emissions from land use, reforestation, reduced deforestation, and through sustainable forest management and conservation and enhancement of forest carbon stocks. These changes were shared with GCF in 2017 (Related document were sent to GCF in 2017 – FAA-UNDP-050417-5768 - 01 Revised CO2 emission reduction estimates). These changes were officialized through and amendment of the FAA for this project, that was signed by the GCF and UNDP as AE in October 2020.

According to these improved estimates, the expected reduction of emissions generated by the GCF project compared to the Forest Reference Emission Level Deforestation 2000-2008 (FREL 1) is 2,671,989 tCO<sub>2</sub>eq / year (or 13,359,945 over the Project lifetime). Therefore, the target of tCO<sub>2</sub>eq cumulative emissions reduced between 2016-2020 has been adjusted to 13,3 tCO<sub>2</sub> eq. Accordingly, the estimated average cost per tCO<sub>2</sub> eq has also been adjusted to 6,29 tCO<sub>2</sub> eq to be in line with the expected emission reductions.

Such adjustments are required to ensure this project supports and follows all the guidelines and decisions set out in the UNFCCC Warsaw Framework for REDD+. This adjustment to targets reflects a significant improvement in transparency and consistency of all REDD+ related reporting. This is a key strength of the REDD+ process in Ecuador which ensures that all current and future international financing sources, whether ex-ante investments or Results Based Payments (such as KfW and GCF), use the same transparent and up-to-date information thus guaranteeing respect for environmental integrity principles.

This process of continuous improvement will continue until the end of the Project. Indeed, once the UNFCCC experts have approved Ecuador's FREL-2 report, the FREL-2 methodology will be used as the basis to calculate future CO<sub>2</sub>-eq emissions reductions. This will allow Ecuador to maintain consistent information on REDD+ results and enable better monitoring and reporting on the impact of public policies implemented to reduce deforestation. This is fully aligned with UNFCCC decision 13/CP.19 and its annex which states that Developing country Parties implementing REDD+ can use a stepwise approach to construct reference levels, incorporating better data, improved methodologies and, where appropriate, additional pools. They should also update their reference level periodically, considering new knowledge, new trends and any modification of scope and methodologies. (see <https://redd.unfccc.int/fact-sheets/forest-reference-emission-levels.html>). Therefore, the proposed changes to M4.0 reflect significant progress towards the overall goal and achievement of project objectives.

Change #2:

A project extension has been requested to the GCF in Q4 2020. There are several factors that motivate the request to extend the Project for an additional period of 18 months. Further details can be found in the justification submitted to the GCF.

Change #3:

The Project is working with farmer associations and collection centers (aligned with the deforestation-free production strategy). To work on such strategy the Project needed to follow COVID-19 governmental procedures. New Agricultural Good Practices have been issued that define the activities to deliver safe and healthy food and agricultural products for consumers (Resolutions 0046 and 0039 issued by AGROCALIDAD). These resolutions require for the Project's member involved in the food value chains to follow a protocol and guarantee food safety and, of course, the prevention of COVID-19 infections. To follow new protocols the Project purchased a set of biosecurity kits for a total value of 75,000 USD. The main purpose of the kits is to protect the health of the Project team and the partner of the Projects. The kits are being used in the implementation of activities of the Project and its geographical area of intervention with no financial implications for the Project.

Change #4:

Regarding co-financing of the Project, the United Nations Environment Programme (UNEP) jointly with the United Nations Development Programme in Ecuador (UNDP) reported in October 2015 the amount of USD\$150,000. This co-financing was originally committed in the framework of the UN-REDD Targeted Support project under component 4: Implementation of enabling instruments to reduce the drivers of deforestation and its associated emissions. In 2019, UNEP reported a total amount of \$ 124,911 for the period 22nd May 2017 to 31st December 2018. For the next period, more co-financing was not reported given that UN-REDD Targeted Supported closed in 2018. In this sense, UNDP-Ecuador would make all necessary efforts to cover the remaining balance of USD\$ 25,089 under component 4 to comply with agreed co-financing reported to the donor during the implementation of the Project. A note to file will be submitted to GCF separately.

Changes at the political level:

During 2020, the merger process was carried out between the Ministry of the Environment and the National Secretariat of Water, now the institution is called the Ministry of the Environment and Water. And there were two changes of the Under-secretary of Climate Change who is the National Director for the GCF Project.

In 2021, Ecuador will have a new President, this is major political change that possible will affect the other political levels, because the new authorities will need to have people of their trust to occupy the different political positions, and probably will have a new National Director and also new members of the Board Committee that are the Ministers of MAAE and MAG.

Describe changes to the project during the reporting period. In particular, the report should cover elements such as change of beneficial ownership structure, management changes of the Accredited Entity, policies and other elements relevant for the project, and any other material change that could influence the overall outcome of the project.

## 2.6 Implementation challenges and lessons learned

**Challenge encountered**

A)  
 Implementing the planned activities in the provinces (platforms for territorial coordination, farmer field schools, restauration projects, meetings) in the current circumstances due to the pandemic generated by Covid-19 has been a challenge since mobilizations and meetings of people have been restricted, in addition the GAD, strategic partners and beneficiaries have prioritized other urgent activities related to issues of health, provision of food and basic services. In this sense, for the long-term sustainability and viability of these actions, it is important to count on the political will of the authorities and strengthen alternative mechanisms for communication and stakeholder engagement.

Describe the challenge faced during the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and final targets.

**Challenge type** **Impact on the project implementation**

Operational High

**Measures adopted**

A)  
 The pandemic generated by the Covid-19 and the consequent restrictions to carry out mobilizations and meetings of people, delayed the implementation of all the planned activities. However, this has allowed the generation of alternative communication mechanisms and capacity building, through of the use of technologies, especially the Internet, cell phones, and computers, which have been instruments that allowed monitoring the activities planned with the different beneficiaries, to meet the established goals.

In the case of Component 2, a strategy was developed for the implementation of activities in accordance with the Covid-19 emergency framework, which contained 3 pillars: 1) safeguarding production, 2) implementing measures to reduce the risk of contagion; and 3) fostering commercial partnerships. As a measure to reduce the risks of Covid-19 transmission, and in adherence to the application of a PPE practice in the collection centers, biosecurity kits were delivered to the partners of 12 coffee producing organizations, 6 cocoa producer organizations, and 20 livestock organizations.

**Lesson learned and other remarks**

A)  
 The pandemic generated by Covid-19 and the consequent restrictions to carry out mobilizations and meetings of people has allowed innovation in the generation and implementation of alternative communication mechanisms, capacity building and stakeholder engagement (virtual meetings and training, social networks).

**Challenge encountered**

B)  
 There were budget cuts and spending realignment in public sector institutions, including our implementing partners, to prioritize emerging actions to counter the effects of the pandemic.

Describe the challenge faced during the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and final targets.

**Challenge type** **Impact on the project implementation**

Operational High

**Measures adopted**

B)  
 The Project worked in cooperation with MAG-ATPA, UNDP, the San Francisco Global Foundation and the Inti Agricultural Association of the Napo province, in a project for the purchase and delivery of baskets of agricultural products through a virtual platform developed by UNDP and the San Francisco Global Foundation. The pilot project seeks to provide marketing alternatives and economic income to the organizations with which MAG works and that wish to venture into sales by electronic means.

**Lesson learned and other remarks**

B)  
 The budget cuts and reordering of public spending forced us to think about alternative measures to make more efficient use of economic resources while not neglecting the goals of sustainable production and forest conservation of the project and component C2. Alliances with companies from the public and private sectors allowed us to establish sustainability alternatives for the future of the activities that are carrying out.

**Challenge encountered**

C)  
 The implementation of the financial sustainability mechanisms of the Socio Bosque Project requires hard work to adjust the financial solutions identified and designed between 2019 and 2020 to respond to the context of the MAAE and its Carbon Neutrality Mechanism. In addition, the institutionalization of this mechanism is required through a Ministerial Agreement, and in itself, the construction of the compensation scheme of the Socio Bosque Project so that it is part of the MAAE project portfolio for companies and other organizations interested in financing the conservation of native forest areas.

Describe the challenge faced during the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and final targets.

**Challenge type** **Impact on the project implementation**

Operational High



**Measures adopted**

C)  
The proposed financial mechanisms are accompanied by a communication strategy, a manual for approaching actors and marketing, as well as the generation of communication material such as a dossier and a battery of messages for networks, together with a renewed image of the Project.

The hiring of a Technical Specialist in finance and marketing is planned to directly support the implementation of the financial sustainability mechanisms generated, as well as to accompany the Authorities in approaching companies interested in financing areas under conservation.

**Lesson learned and other remarks**

C)  
The financial sustainability of the Socio Bosque Project depends not only on the specific activities of the Project, but on an important and continuous political will, as well as the contribution and coordination of various areas of the MAAE that have a role and influence on the matter.

**Challenge encountered**

D)  
Good intersectoral coordination (MAG, MAAE, local governments) is required to advance the challenges posed by sustainable forest management in the Amazon region.

Describe the challenge faced during the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and final targets.

Challenge type	Impact on the project implementation
Operational	High

**Measures adopted**

D)  
Specific actions have been coordinated with components 1 and 2 of the Project, so that sustainable forest management is part of the Field School strategy with producers, as well as the ATPA-MAG farm management plans, and part of the development plans and land use planning.

**Lesson learned and other remarks**

D)  
The issues of conservation, restoration and sustainable forest management go hand in hand with sustainable production; therefore, a comprehensive intervention vision will contribute directly to the reduction of deforestation.

Development plans and land use planning are key instruments for the continuity and sustainability of The Project's actions; for example, conservation, restoration, and sustainable forest management.

**Challenge encountered**

E)  
The bioeconomy is in the process of strengthening and booming in the country. Now there is limited information, research, knowledge, production, and marketing, both in external beneficiaries of the Project and the technical staff of the MAAE itself. Something similar happens with sustainable forest management.

Describe the challenge faced during the last twelve (12) months of implementation that may result in a change to the scope and/or timing of the project; please provide a description and how they have impacted the implementation period and final targets.

Challenge type	Impact on the project implementation
Operational	High

**Measures adopted**

E)  
Training processes in sustainable forest management, technical advice and accompaniment are being promoted for the MAAE team as well as MAG and The Project. For example, in 2020, the material and internal training were generated for the component 3 team, enhancing, and taking advantage of the technical knowledge of the field technicians. This internal training has promoted the inclusion of sustainable forest management actions in Socio Bosque's investment plans

**Lesson learned and other remarks**

E)  
The spaces for exchange and training are opportunities to analyze, converse and even technically debate within the same component. In addition, there is feedback in every way, between the various points of view. These exchange spaces are expected to be activated throughout the year 2021.

**Confirmation and Acknowledgement of Information \***

\* This is a required question to submit section 2 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 2 is complete and ready for submission.

## Section3:FinancialInformation

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# Section 3: Financial Information

Please note that this is section 3 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

## 3.1 Approved Budget for entire project period as per FAA

Currency

USD

**GCF Funding (Equity)**

**GCF Funding (Grants)**

41,172,739

**GCF Funding (Guarantees)**

**GCF Funding (In-kind)**

**GCF Funding (Loans)**

**GCF Funding (Results-Based Payment)**

**3.1.1 Total GCF Funding**

41,172,739

Please confirm if the afore-mentioned values are different as per your knowledge.

No differences to be reported.

## 3.2 Co-financing

Currency

USD

**Co-financing (Equity)**

**Co-financing (Grants)**

**Co-financing (Guarantees)**

**Co-financing (In-kind)**

**Co-financing (Loans)**

**Co-financing (Results-Based Payment)**

**3.2.1 Total Co-financing**

42,835,907

Please confirm the afore-mentioned values are different as per your knowledge.

No differences to be reported.

**3.3 Disbursements Details (Cumulative to this reporting period)**

**3.3.1 Total GCF Disbursement**

29,783,479

**Currency**

USD

**GCF Equity Disbursement**

**GCF Grants Disbursement**

29,783,479

**GCF Guarantees Disbursement**

**GCF In-kind Disbursement**

**GCF Loans Disbursement**

**GCF Results-Based Payment Disbursement**

**Please confirm the afore-mentioned values are different as per your knowledge.**

No differences to be reported.

**3.3.2 Co-Financing Disbursement**

26,385,954.37

**Choose currency**

USD

Provide the cumulative amount of disbursements from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

**3.3.3 Total Project Disbursement**

56,169,433.37

**Choose currency**

USD

Provide the cumulative amount of disbursements from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

**Please provide comments on sub-section 3.3, if any.**

3.4 Expenditure details (Cumulative to this reporting period)

Choose currency

USD

GCF Equity Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Grants Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Guarantees Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

GCF Loans Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.1 GCF Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.2 Co-financing Expenditures

Provide the cumulative amount of expenditures from the start of implementation to the end of this reporting period. Indicate '0' if no amount is disbursed yet.

3.4.3 Total Project Expenditures

Please provide comments on sub-section 3.4, if any.

3.5 Investment & Other Income (Cumulative to this reporting period)

Reporting Level for investment

Please select the second option 'Accredited Entity Portfolio Level' only if AEs have more than one project where all GCF funds are held in a consolidated GCF Special Account.

- Project Level
- Accredited Entity Portfolio Level

Choose currency

Please select

Accredited Entity Portfolio Level Investment & Other Income

Please provide comments on sub-section 3.5, if any.

3.6 Report on AE fees (Cumulative to this reporting period)

Reporting Level for AE fees

Please select the second option 'Accredited Entity Portfolio Level' only if AEs have more than one project where all GCF funds are held in a consolidated GCF Special Account.

- Project Level
- Accredited Entity Portfolio Level

Choose currency

Please select

Accredited Entity Portfolio Level AE Fees

**Please provide comments on sub-section 3.6, if any.**

Please see AE portfolio report

### 3.7 Annual Financial Performance Report

**Please download the Financial Performance Report Template in Excel.**

[Financial Performance Report Template](#)

This sub-section 3.7 is not applicable for REDD+ Results-Based Payments Projects. Please provide a separate 'Financial Progress Details' in Section 6.

**Please attach the Annual Financial Performance Report here.**

Ecuador\_5768\_APR\_2020\_SECTION-3\_cleared by \_DP\_ MPESA 22Feb2021.xlsx

**Please provide comments on the attachment.**

#### **Confirmation and Acknowledgement of Information \***

\* This is a required question to submit section 3 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 3 is complete and ready for submission.

## Section 4: Environmental and Social Safeguards & Gender

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## Section 4: Environmental and Social Safeguards & Gender

Please note that this is section 4 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

### 4.1 Implementation of environmental and social safeguards and gender elements

Please provide information on the project or programme on the following: (1) key risks and impacts as identified; (ii) compliance with applicable laws and regulations including FAA conditions and covenants; and (3) progress in the implementation of environmental and social management plans and programs including monitoring activities undertaken during the implementation of the funded activity.

**4.1.1 The information includes description on any changes in the key environmental and social risks and impacts as identified and arising from the implementation including any unanticipated risks and impacts (ex. from changes in laws and regulations) and, based on these if any change in the project's environmental and social risk category. In case of a change in the E&S risk category for the project, please provide an explanation.**

The project carried out its Environmental and Social Impact Assessment in the period Oct 2019 - Nov 2020. The risks identified were consistent with the risks of the ESA (Environmental Social Assessment) and the SESP (Social and Environment Screening Procedures) reported at the beginning of the project.

**4.1.2 The information should include status of compliance with applicable laws and regulations of the country as well as the relevant conditions or covenants under the FAA. This can be captured in the table below:**



**Status of compliance with applicable laws and regulations and the conditions and covenants specifically addressing ESS & Gender under FAA**
**Compliance Type**

Covenant

**Compliance Title & Description**

FAA Clause 9.02

In addition to Clause 18.02 of the AMA, the Accredited Entity covenants that as from the Effective Date of this Agreement it shall:

[. . .]

(b) Within six (6) months from the start of the Funded Activity's implementation, undertake and provide to the Fund an impact assessment report of the results of the Agenda for Transforming Production in the Amazon (ATPA), the Socio Bosque Programme and the three water funds (FONAG, FORAGUA and FONAPA) described in the Funding Proposal, in terms of achieving the REDD+ targets;

(c) Ensure that, in addition to the requirements of the AMA, the APRs shall contain the following elements:

i. Evidence showing that GCF Proceeds for the implementation of output 1.1 as described in Schedule 1, have been disbursed by the Executing Entity for the implementation of activities directly related to REDD+ activities as defined in the National REDD+ Action Plan, and.

ii. A detailed portfolio report of approved projects and programmes for the three water funds (FONAG, FORAGUA and FONAPA) described in the Funding Proposal.

(d) Undertake and/or put in place any adequate measures in order to ensure that the management of the environmental and social risks and impacts arising from the Funded Activity complies at all times with the recommendations, requirements and procedures set forth in the Social and Environmental Screening Procedure (as contained in annex VI of the Funding Proposal) and in the Environmental and Social Framework (ESMF) for the Project which were provided by the Accredited Entity to the Fund before the Approval Decision; and

(e) Obtain, or ensure that the Executing Entity shall obtain, all land and rights in respect of land that are required to carry out the Funded Activity and shall promptly furnish to the GCF, upon its request, evidence that such land and rights in respect of the land are available for the purposes of the Funded Activity.

**Status of compliance**

FAA Clause 9.02

[. . .]

(b) An impact assessment report was submitted to the GCF Secretariat on November 22nd, 2017.

(c) This clause continues to be followed, specifically:

i. By the end of 2020, there were 24 completed PDOTs, (6 provincial, 13 cantonal and 5 parroquial PDOTs). From these, 15 were approved and the other 9 will be approved in 2021. This delay is a consequence of the Covid-19 pandemic. No actions within the PDOTs have been implemented during 2020. Therefore, evidence that the GCF proceeds will be used to finance only activities prioritized in these PDOTs will be reported in the upcoming APRs if applicable.

ii. The water funds annual reports are provided as attachment of the APR 2020.

(d) Adequate measures are being undertaken during the implementation of the Project in accordance with the Social and Environmental Screening Procedure and the Project's ESMF.

(e) MAAE is in the process of obtaining letters of consent from landowners and will ensure that all land-rights are respected prior building infrastructure in 2021. This measure is taken to avoid a physical and/or economic displacement, forced eviction, involuntary restrictions on land use and access to natural resources. Agreement for bailment was signed between the Ministry of Government and the Ministry of Environment and Water in 2019 to build the infrastructure for the forest control center in Mera. The construction will begin in 2021.

**Compliance Type**

Law / Regulation

**Compliance Title & Description**

Law or Regulation 1: Organic Code of the Environment (COA) R.O. 983 12-Apr-2017

Related laws (national level):

- State Policy Adaptation and Mitigation to Climate Change, R.O. 636 de 17-Jul.-2009
- Constitution of the Republic of Ecuador, R.O. 449 20-oct.-2008, last modification: 01-Aug.-2018
- National Plan for Good Living 2017-2021
- Unified Text of Secondary Legislation on the Environment, R.O. 2 31-Mar.-2003, last modification Nov. 2018

Related laws (international level)

- United Nations Framework Convention on Climate Change Kyoto, R.O. 562, 07-Nov.-1994
- National Biodiversity Strategy and its Action Plan. R.O. 41, 19-Jul.-2017
- REDD+ Action Plan - Forests for Good Living, 985, 29-Mar.-2017
- State Policy the National Climate Change Strategy. R.O 9, 17-Jun.-2013

#### Status of compliance

The project is implemented by MAAE in compliance with this law. The Project supports the Decentralized National System for Environmental Management (created in the COA) through the update and inclusion of Climate Change criteria within the Territorial Planning Documents like Development Plans and Territorial Planning and Land Use Plans updated with local governments. The project collaborated with SENPLADES on the updating of the Guidelines (formal documents issued by the secretariat) for Land Use Plans and Territorial Planning, based on which the local governments used to renovate their plans. A technical study carried out by an independent evaluator has been done with the objective of identifying and proposing the best forestry practices and management models for Sustainable Forest Management. The results of this study were delivered in July 2020, including recommendations to the MAAE and a SFM management model. This is essential to implement the article 109 of the COA related to Sustainable Forest Management, and as inputs to operate the article 107 of the COA. The instruments signed between MAAE and MAG to promote sustainable production free of deforestation are a contribution to implementing article 106 of the COA. Support for the Socio Bosque Project is an important contribution to incentives for local populations for forest conservation, as well as studies to strengthen the sustainability of the Project.

#### Compliance Type

Law / Regulation

#### Compliance Title & Description

Law or Regulation 2: Law for Planning of the Amazon Territorial Circumscription, R.O. 245, 21-May. -2018

- Organic code of Territorial Organization, COOTAD, R.O. 303, 19-Oct.-2010, last modification: 23-Oct.-2018 and related laws:

- Constitution of the Republic of Ecuador, R.O. 449 de 20-Oct.-2008, last modification: 01-Aug.-2018
- Organic Law of Territorial Ordering and Soil Management, R.O. 790 05-Jul.-2016. Last modification: 23-Oct.-2018
- Organic Law of Rural Lands and Ancestral Territories, 711 of 14-mar. -2016, last modification: 21-Aug.-2018
- Integral Plan for the Ecuadorian Amazon, R.O. 759 12-Nov.-2016
- Protocol that regulates Rural Land award processes,

Resolution No. 0005-CTUGS-2020 issued by the Technical Council for Land Use and Management on February 28, 2020, which establishes the "Technical standard of minimum contents, basic approval procedure and formal registration process of the Land Use and Management Plans and, the Complementary Urban Plans of the Municipal and Metropolitan Decentralized Autonomous Governments".

#### Status of compliance

The project is implemented by the MAAE in compliance with this law. This law contains basic provisions that establish the competencies of each level of government in the country: Provincial, municipal, and parochial Autonomous Decentralized Governments. It includes environmental-level competencies that are related to local mechanisms of adaptation and mitigation to climate change. This law can be used to reconcile local competencies with those of the Central Government to optimize the protection of forests and sustainable production within the process of updating of the Land Management Plans (PDOT), with emphasis on the territory of the Amazonian provinces. The project supported the National Planning Secretariat to update of the national Guidelines for Territorial Planning for all tree local government levels, including in them climate change considerations. Currently the project is working with the Technical Secretariat of the Amazon Region on the updating of the Land Use Plans and Territorial Planning Documents, based on the guidelines. In addition, STCTEA has been supported to optimize its internal organization and create a governance and articulation space with other key actors at the local level.

#### Compliance Type

Law / Regulation

#### Compliance Title & Description

Law or Regulation 3: Organic Law of Citizen Participation, R.O. 175, 20-Apr.-2010, last modification: 11-May. -2011

- Law for Planning of the Amazon Territorial Circumscription, R.O. 245 de 21-May. -2018 and related laws:
- Constitution of the Republic of Ecuador, R.O. 449 de 20-Oct.-2008, last modification: 01-Aug.-2018
- National Plan for Good Living 2017-2021
- Organic Law of the Comptroller General of State, 595 of 12-Jun.-2002, last modification: 07-Jul.-2017
- Regulation Integration of Council Planning and Development, Amazon. R.O. 311 de 23-Aug.-2018

#### Status of compliance

The project is implemented by the MAAE in compliance with this law. The participation of indigenous communities, peoples and nationalities in the Ecuadorian Amazon is important for territorial planning within their jurisdictions. Their needs are reflected in the Life Plans designed by the project and articulated within the PDOTs, and provincial and local priorities. Furthermore, indigenous communities participate in the REDD+ Round table, the main participatory space regarding REDD+ in Ecuador. The project will translate the life plans to local languages to make their contents accessible for everyone in the community. The Life Plans also represent the required Territorial Planning Instruments to access the funding outlined in the Law for Planning of the Amazon Territorial Circumscription. The project has supported the communities in tackling this instrument's issue by coordinating actions to ensure their access to funding from the STCTEA. A proposal has been supported to justify the need for such Life Plans to be mandatory, in combination with the other planning tools at the local level.

#### Compliance Type

Law / Regulation

<p><b>Compliance Title &amp; Description</b></p> <p>Law or Regulation 4: Organic Law of Water Resources Uses and Use of Water, R.O. 305 06-Aug.-2014</p> <ul style="list-style-type: none"> <li>• Constitution of the Republic of Ecuador, R.O. 449 de 20-Oct.-2008, last modification: 01-Aug.-2018</li> <li>• Organic Law of Territorial Ordering and Soil Management, R.O. 790 of 05-Jul.-2016</li> </ul> <p>Last modification: 23-Oct.-2018</p> <ul style="list-style-type: none"> <li>• Law for Planning of the Amazon Territorial Circumscription, R.O. 245 de 21-May. -2018</li> </ul>
<p><b>Status of compliance</b></p> <p>The project is implemented by the MAAE in compliance with this law. The application of this legal framework seeks to improve the coordination between local actors responsible for the management and governance of water resources. As such, priority will be given to water bodies that must be protected by local regulations in accordance with the territorial planning framework. The implementation of the agreements with water funds and the Dry Forest Commonwealth strengthens the water sources protection. The project has supported the water funds and the Dry Forest Commonwealth in advising local governments to issue local regulations designed to protect watersheds and important hydric regions.</p>

<p><b>Compliance Type</b></p> <p>Law / Regulation</p>
<p><b>Compliance Title &amp; Description</b></p> <p>Law or Regulation 5: Organic Criminal Code, COIP R.O. 180 10 Feb 2010 - last modification: 14-Feb.-2018</p>
<p><b>Status of compliance</b></p> <p>The project is implemented by the MAAE in compliance with this law. The project worked with the MAAE in the implementation of the country's forest control strategy. The project has supported the training of MAAE personnel to identify forest species and helped the improvement of two forest and wildlife control posts located in the main roads of the Santa Cecilia canton, in Sucumbíos, and those of the canton of Coca in Orellana.</p> <p>The improvement of these control posts took place thanks to a technical analysis carried out by the MAAE with the support of the project in the period 2018 - 2020. This study determined needs such as the purchase and installation of fully equipped campers (to replace the existing ones) in the Northern Amazon, and the adaptation of another four in the Southern and Central Amazon. Construction of the two first campers began in December 2019 and was completed successfully in February 2020. It is hoped to complement with MAAE a forest traceability system to promote prevention mechanisms and conservation incentives, to complement strengthened forest control at strategic sites.</p>

4.1.3 Provide a report on the progress made in implementing environmental and social management plans (ESMPs) and frameworks (ESMFs) describing achievements, and specifying details outlined in the tables below.

## Implementation of ESMPs and ESMFs

### Activities implemented during the reporting period, including monitoring

During 2020, the Project implemented a variety of activities in order to comply with the recommendations of the ESMF: (i) the carrying on of the FPIC process in three Indigenous territories in order to initiate the restoration efforts; (ii) officialization of technical committees with the participation of CONFENIAE to coordinate the project activities in territories that belong to indigenous people; (iii) the continuation of the REDD+ Roundtable formalizing its third period, with the participation of many sectors including indigenous organizations, also having an important participation of women as representatives of different organizations all over Ecuador; (iv) the completion of the environmental and social impacts assessment and the corresponding plans to address the risks of the project; (v) the implementation of workshops and capacity building programs on gender, territorial planning and safeguards for local governments, indigenous women of the Amazon and the ministries staff; (vi) the creation of safeguards radiophonic material in three local languages including wao, Shuar and Kichwa that will be present in all of the 6 provinces in the Amazon region; (vii) the hiring of an Indigenous People specialist; (viii) and the incorporation of gender criteria in the Land Use Plans.

Implementation of the National REDD+ Guide for Free, Prior and Informed Consultation in collective territories

### Outputs during the reporting period

Letters of Intent signed with 3 communes to carry out forest restoration:

- Pueblo Kichwa Rukullacta
- Pueblo Ancestral Kichwa Canelos
- San Jacinto del Pindo

FPIC implemented with 5 communities for the Life Plans process:

- \*Yamanunka
- \*Santiago Association
- \*Sevilla Association \*Chikta
- \*El Pangui

Empowered and trained MAAE staff

### Key environmental, social and gender issues, risks and impacts addressed during implementation

Collective rights of peoples and nationalities (self-determination)

### Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

NA

### Activities implemented during the reporting period, including monitoring

Safeguards radiophonic material created and translated to Wao, Shuar and Kichwa

### Outputs during the reporting period

7 microprograms  
3 radio slots translated to Wao, Shuar and Kichwa

### Key environmental, social and gender issues, risks and impacts addressed during implementation

Very complex and technical information too difficult to be comprehended by the desired public

### Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention

NA

### Activities implemented during the reporting period, including monitoring

Strengthening the capacities of indigenous leaders in the Amazon

### Outputs during the reporting period

Modules developed  
80 beneficiaries

**Key environmental, social and gender issues, risks and impacts addressed during implementation**

Lack of involvement of key stakeholders in the implementation of REDD+.

**Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention**

NA

**Activities implemented during the reporting period, including monitoring**

Strengthening of the capacities of indigenous leaders in land management

**Outputs during the reporting period**

Modules developed  
36 beneficiaries

**Key environmental, social and gender issues, risks and impacts addressed during implementation**

Lack of involvement of key stakeholders in the implementation of REDD+.

**Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention**

NA

**Activities implemented during the reporting period, including monitoring**

Design and implementation of a post Covid-19 participation strategy.

**Outputs during the reporting period**

Designed health and safety protocols related to COVID-19 (PPE)

**Key environmental, social and gender issues, risks and impacts addressed during implementation**

Lack of involvement of key stakeholders in the implementation of REDD+.

**Any pending key environmental, social and gender issues needing accredited entity's actions and GCF attention**

NA

4.1.4 Provide information on how the GCF Independent Redress Mechanism, as well as the AE's GRM (e.g. contact details, accessibility, and basic procedures of such mechanisms), is brought to the attention of executing entities, people, and beneficiaries in the project target area and the public in accordance with the relevant ESMS/ESIA.

See below.

4.1.5 Include a description of the actions undertaken towards increasing the relevant stakeholders' engagement in the project environmental, social and gender elements.

The information in this subsection should be provided for all projects regardless of the E&S risk category for the project.

**Implementation of the stakeholder engagement plan**

**Activities implemented during the reporting period**

REDD+ roundtable

**Dates and venues of engagement activities**

Quito, January 16 – 2020  
 Quito, February 5 – 2020  
 November 21 -2020

**Information shared with stakeholders**

ESIA scope and information required for the consultancy

**Outputs including issues addressed during the reporting period**

NA

**Activities implemented during the reporting period**

Producer associations and unions

**Dates and venues of engagement activities**

Lago Agrio, February 28 - 2020

**Information shared with stakeholders**

ESIA scope and information required for the consultancy

**Outputs including issues addressed during the reporting period**

NA

**Activities implemented during the reporting period**

GADs, Water Funds, Mancomunidad Bosque Seco, UTPL.

**Dates and venues of engagement activities**

Loja, March 6 - 2020

**Information shared with stakeholders**

ESIA scope and information required for the consultancy

**Outputs including issues addressed during the reporting period**

NA

**Activities implemented during the reporting period**

Government entities (MAAE, MAG, STCTEA, Planifica Ecuador), FONAG, CONFENIAE.

**Dates and venues of engagement activities**

Quito, March 10 - 2020

**Information shared with stakeholders**

ESIA scope and information required for the consultancy

**Outputs including issues addressed during the reporting period**

NA

**Activities implemented during the reporting period**

Formation of the third period of the REDD+ Working Table

**Dates and venues of engagement activities**

45 organizations linked to the Working Table

Roadmap and work plan of the Working Table

**Information shared with stakeholders**

Lack of involvement of key stakeholders in the implementation of REDD+.

**Outputs including issues addressed during the reporting period**

Lack of involvement of key stakeholders in the implementation of REDD+.

Problems related to the exploitation of balsa

Sustainability of the SBP

**Activities implemented during the reporting period**

First regular meeting of the REDD+ Working Table

**Dates and venues of engagement activities**

September 7, 2020

**Information shared with stakeholders**

REDD+ context in Ecuador

**Outputs including issues addressed during the reporting period**

Construction of the work agenda of the REDD+ Working Table, third period

**Activities implemented during the reporting period**

First extraordinary meeting of the REDD+ Working Table

**Dates and venues of engagement activities**

November 13, 2020

**Information shared with stakeholders**

Balsa logging in the Amazon  
Context and financing of the SBP

**Outputs including issues addressed during the reporting period**

Agreements on a public event on the balsa logging problem  
Extended meeting to analyze the sustainability of the SBP  
AAA

**Activities implemented during the reporting period**

Second exchange of experiences of the REDD+ Working Table

**Dates and venues of engagement activities**

November 9, 2020

**Information shared with stakeholders**

Activities and actions carried out by the different organizations belonging to the REDD+ Working Table

**Outputs including issues addressed during the reporting period**

Exchange workshop minutes

**Activities implemented during the reporting period**

Meeting exhibition of restoration projects in Rukullacta communes (PKR)

**Dates and venues of engagement activities**

July 24, 2020

**Information shared with stakeholders**

Scope of restoration projects in the PKR commune prior to signing letters of intent

**Outputs including issues addressed during the reporting period**

Agreements records  
Signing of the Letter of Intent

**Activities implemented during the reporting period**

Meeting exhibition of San Jacinto commune (SJP) restoration projects

**Dates and venues of engagement activities**

July 9  
July 22, 2020.  
July 23, 2020  
July 25, 2020

**Information shared with stakeholders**

Scope of restoration projects in the SJP commune prior to signing of the letters of intent



**Outputs including issues addressed during the reporting period**

Agreements records  
Signing of the Letter of Intent

**Activities implemented during the reporting period**

Canelos (CAKC) restoration project exhibition meeting

**Dates and venues of engagement activities**

April 1, 2020  
May 21, 2020  
May 24, 2020  
May 25, 2020  
June 1, 2020  
July 27, 2020.

**Information shared with stakeholders**

Transfer of information from the restoration project to the new leadership of Canelos and socialization of the project to the community

**Outputs including issues addressed during the reporting period**

Agreements records  
Signing of the Letter of Intent

**Activities implemented during the reporting period**

CONFENIAE coordination meeting

**Dates and venues of engagement activities**

September 9  
  
October 14  
  
November 26 and 27, 2020

**Information shared with stakeholders**

Monitoring and follow-up of the progress of the MAAE-MAG-CONFENIAE agreement  
  
Meeting with the CONFENIAE Governing Council to transfer information to new authorities  
  
Meeting to prioritize actions of the PDI CONFENIAE

**Outputs including issues addressed during the reporting period**

Work roadmap with CONFENIAE

**Activities implemented during the reporting period**

Restoration project socialization meeting with the Cascales GAD

**Dates and venues of engagement activities**

September 18  
September 21 - 26

<b>Information shared with stakeholders</b> Training in the application of the national REDD+ Consultation guide to the Cascales GAD Application of the National Consultation Guide in 6 indigenous communities of Cascales
<b>Outputs including issues addressed during the reporting period</b> FPIC application flow Agreement records

<b>Activities implemented during the reporting period</b> Participatory NTFP Inventory Workshops UTPL – Setush, Antuash, Shakai, Wisui, Mashumaretza
<b>Dates and venues of engagement activities</b> July 21 – 24 August 31 to September 4, 2020 September 28 to October 1 September 25 – 27 October 23 – 25 November 15 – 17 November 30 to December 1
<b>Information shared with stakeholders</b> Regulations for the management and use of NTFPs Methodology for the NTFP inventory
<b>Outputs including issues addressed during the reporting period</b> Strengthen the capacities of community participants and technicians through practice in quantification methods that support the development of local non-timber forest product management programs.

**4.1.6 Implementation of the grievance redress mechanism - list on the grievances received in the reporting period with the description of the grievance, the date the grievance was received, and the resolution of the grievance.**

<b>Description of issues/complaints received during the reporting period</b> ASOSUMACO, needed more information about the strengthening process of the collection center. The project received a complaint through its Temporary Grievance Mechanism, related to one of the key stakeholders regarding the enhancement of collection centers in the Napo province. The problem was related to the lack of information about the process.	<b>Date of receipt</b> 
<b>Description of resolution</b> 	<b>Status of addressing issues/complaints</b> The complaint was successfully resolved between the stakeholders. This was addressed with several meetings and an agreement act between the ASOSUMACO producer association and the CEFA organization, in charge of carrying out the enhancement of collection centers. The feedback on the complaint registered during 2020 was positive.

**4.2 Gender Action Plan**

The Project seeks to link national efforts to reduce deforestation with the national priority agendas and policies of the economic sectors of the country. The Project is working to address the causes of deforestation while promoting sustainable and integrated management of natural resources to reduce poverty and support sustainable development in the Amazon region. With a gender and intercultural approach, the Project seeks to generate opportunities for full and effective participation of women and men, youth, indigenous peoples and nationalities and rural communities in decision-making about their resources. As such, there is support for the integration of these approaches across the entire the Project planning cycles and within all project components.

Advances:

Incorporation of the gender approach in cantonal and provincial diagnoses, proposal phase and management model in Land Use and Development Plans (PDOT): The Project supported the updating process of 18 provincial and cantonal PDOTs with the incorporation of conservation, climate change, sustainable production and cross-cutting gender and interculturality approaches in technical and programmatic areas. This work was led by Component 1 (Policies and Institutional) through the North, Center and South consortia that were contracted for this process.

Regarding the adequate integration of gender and intercultural approaches, the starting point was the construction of guidelines, a phase that took around 5 months for joint work with consortium teams, as well as participatory construction. In this work, the UN Women team accompanied the North and South Consortium, and from The Project they accompanied all intervention areas. With the guidelines, the PDOT diagnosis was made and the Proposal phases and management model in PDOT were reviewed, including the conservation, climate change, sustainable production, gender and intercultural approaches with the design of tools for their inclusion at the provincial and cantonal level. For Land Use and Management Plans (LUMP), the guidelines for the inclusion of the gender approach were built at the cantonal level (12 cantonal GADs) and in synergy with the C1 (Policies and Institutional) of The Project, which were operationalized by the consortia. This activity is novel in terms of incorporating these approaches.

Antisuyu Warmikuna School: As part of the activities related to gender equality, the Antisuyu Warmikuna School project is implemented, in which a network of Amazonian women has been established with the interest of strengthening the leadership of Amazonian indigenous women in their own community and organizational contexts. The Antisuyu Warmikuna School is a project that was born from the need to visualize, participate and generate decision-making spaces at the organizational level of Amazonian women within CONFENIAE. It began its activities in October 2019, with approximately 80 young women and leaders of the 11 peoples and nationalities of the Ecuadorian Amazon, participating in trainings on human rights, women's rights, climate change and the transition to sustainable production and REDD+ related topics. Currently the participants in this training process have received two modules in person. An institutional image has been collectively built and a process focused on giving continuity to the school is being prepared, with training for trainers and the search for key alliances that allow its continuity and replication in new cohorts of students.

The main beneficiaries of this training are women who are part of The Project's central actions: women from the Confederation of Indigenous Nationalities of the Ecuadorian Amazon (CONFENIAE), women producers who are part of The Project's intervention process in cocoa, coffee, livestock and palm; and, women linked to bio-entrepreneurships supported by The Project. This training proposal has a curriculum of 6 modules. Each module has its contents and a guide for the facilitators of the process. The modules address the following topics:

1. Gender equality
2. Women's rights
3. Climate change
4. Territory and natural resources
5. Organization and leadership
6. Sustainable development with a landscape approach

For the execution of the School, two training processes were designed, one aimed at women from CONFENIAE and the other aimed at women producers and bio-entrepreneurships. This distribution was made to guarantee the greatest possible participation of each of the Project target groups (in total, 380 women were foreseen, 100 from CONFENIAE and 280 women producers and bio-entrepreneurs).

This first class has 80 students who are distributed in the three cities in which classes are taught simultaneously: in the north of the Amazon (Coca), in the center (Puyo) and in the south (Zamora). The women are registered according to their place of residence and belong to the Amazonian nationalities: Achuar, Shuar, Kichwa, Siekopai, Waorani and Andwa. To contribute to the sustainability of the School, a parallel process of training for trainers was started so that, once the cycle with the first promotion ends, the School has a capital of facilitators with knowledge and the necessary skills to give it continuity.

The third module was scheduled for the week of March 24 of 2020. In addition, the study of administrative and financial sustainability of the School began, as well as the approaches to public universities interested in endorsing its operation to guarantee the certification of the six modules. Regarding women producers and bio-entrepreneurs, the training process had to start in April 2020. Due to the health emergency caused by Covid-19, the School stopped its activities and therefore the planned processes were suspended.

The proposal as designed may not be resumed in the medium term, due to the health emergency. As an alternative to give continuity to what was planned, it is proposed to develop the training process (both for indigenous women -School- and for women producers of commodities and bio-entrepreneurs) with a new modality.

Due to the lack of connectivity in the Amazon, a virtual process is ruled out and the modality of remote training is proposed through radio. This proposal is based on the extensive experience that Ecuador and several Latin American countries have in the design and implementation of remote teaching-learning schools. Key activities undertaken and completed in 2020 include:

- The capacity building process for the incorporation of the gender approach with an intersectional perspective, aimed at water funds and their constituents, was completed during the month of May (FONAPA) in virtual workshops, with follow-up to activities proposed by the Fund, reporting formats for compliance with social and environmental safeguards, 23 people participated in this workshop.
- Virtual workshop aimed at the FORAGUA technical team and its constituents, held on October 2, with the participation of 20 people to work on basic concepts of gender, national and international regulations, climate change and REDD+. Of the 20 people, 13 men, 7 women were trained. In May 2020, the same training was also carried out with the technical staff and constituents of FONAPA, in which 17 people participated, 5 women, 12 men.
- Training program and gender awareness for the technical teams of The Project, MAG, MAE, GAD and implementing partners: One of The Project's strategies is to strengthen technical teams to leave local and institutional capacities installed as an essential mechanism for the sustainability of the process. One of the knowledge factors that contributes to the objectives and principles of The Project is gender equality. The Program is designed in three training workshops with four modules taught, the first module was done in person, one in the city of Quito and three in the Amazon with The Project teams in the provinces. Due to the health crisis, the two remaining modules were delivered virtually. A total of 54 people finished the process, 18 were men and 36 women. The number of people enrolled in the first course was 175 but due to the new demands of teleworking due to the COVID19 crisis, the number was reduced throughout the module's implementation.
- For the implementation of the training program, work was coordinated with the provincial teams of The Project and coordination from the central office with District Directorates and Provincial Directorates of the Ministries, GAD for delegation of officials to training sessions. Between January and December 2020, the Financing Component and REDD+ The Project worked jointly with the UN Women Project- The Project, GEF budget implementer, in the implementation of the capacity-building strategy. However,

this included participants from GCF cantons, technical teams as well as attendees of the training program.

• Additionally, during this last semester, a gender action plan for The Project and a supplemental gender action plan for the results-based payment project were developed. With this instrument, the annual planning and budget necessary for the development of activities will be better organized. Likewise, it is planned to guide and optimize actions over time to achieve greater impact and better results with beneficiaries. The gender action plans have been developed within the framework of the Environmental and Social Impact Study consultancy.

Now there is a Gender Action Plan for the Project, which establishes the following measures:

- M1. Increase the percentage of women's family income from non-timber forest products (NTFP) and SFM.
- M2. Generate statistics on gaps between men and women in the Project intervention areas.
- M3. Strengthen local leaders and actors for greater empowerment of women in the Project's area of influence.
- M4. Effectively mainstream the gender approach in planning activities supported by the Project.

A table detailing the progress in implementing the Gender Action Plan is included and can be found in Annex 3.

Activities in 2020:

Time-period Activity Updated status

Q1: January -March Training program on gender and inter-culturality aimed at technical teams from The Project, MAG, MAAE, GAD

First face-to-face module in Quito, El Coca, Puyo and Zamora.

Due to the pandemic, the remaining modules are being developed virtually, the third module is being completed with the third group of participants.

End date and delivery of training report: 07/12/2020

People who have completed the training: 36 women, 18 men.

Q2: April - June Development of gender action plans The Project and RBP.

Definition of strategy for the implementation of modules 3-6 of the Antisuyu Warmikuna School for a re-mote education modality

Construction of a strategy to systematize progress in the incorporation of the gender perspective in The Project.

Training workshops for the FONAPA technical team and its constituents.

Support in the revision of PDOT up-date documents including gender and intercultural approaches. • Adjusted action plans in process of completion.

• Roadmap designed and reported in management matrix.

• Workshop completed, follow-up roadmap for support and follow-up to report sent to FONAPA.

• PDOT update documents in the process of formal delivery to GAD.

Q3: July - September Awareness and training workshop on gender for FORAGUA and its constituents.

Preparation of a matrix to systematize progress in incorporating the gender approach.

Preparation of a booklet on gender, climate change and REDD+.

• Workshop completed; it is expected to set up spaces for the exchange of women in conservation of water funds for the next period.

• Systematization matrix adjusted and finalized.

• Booklet under review by the communication team to be diagrammed and published in digital format, as part of the REDD+ training booklets.

Q4: October - December • Adjustments and finalization of gender action plans for The Project and RBP. • Gender action plans in the process of being finalized.

--Please see attached word APR for formatted table--

Provide a progress report on the gender action plan developed during project preparation stage for the reporting period. This will primarily be a report on activities undertaken and results achieved as a result of completion of an activity. Further it should also indicate if the project is on track to achieving the intended outcome(s). The reporting should be done for activities, targets and indicators already set in the action plan including on vulnerable groups (youth, poor, female heads of households, etc.) as would have been identified in the gender analysis and action plan. If activities or targets are not achieved as per plan, reasons should be provided, and recourse action should be proposed. Please include a reporting on any changes or deviations. Include a Report on implementation challenges and lessons learnt and how these will inform on-going actions and what action will be taken by when to address the challenges faced. Incorporate both quantitative data and qualitative report of the performance of such actions, and on progress on actions identified.

**4.2.1 Progress on implementing the project-level gender action plan submitted with the funding proposal**

<b>Activity / Action</b>	
<p>RESULT 1.                  Incorporated technical staff in charge of gender, re-sources in the Budget to sustain the gender activities and executed the development proposal of capacities in gender in the scope of the REDD+ PN.                  1.1. Incorporated at least one expert person in charge of gender issues, environment, interculturality and change.</p>	
<b>Indicator</b>	
Expert in gender, environment, interculturality and climate change hired.	
<b>Baseline</b>	<b>Target, including sex-disaggregation</b>
	The Project staff, Indigenous communities, Youth.
<b>Budget</b>	<b>Currency</b>
	Please select
<b>Report on annual progress</b>	
100%	

<b>Activity / Action</b>	
<p>RESULT 2                  1.2. Proposal for capacity building and gender training for management and technical staff of the REDD+ PN and state entities (national and decentralized) or the private, community and cooperation sectors associated with implementation executed.</p>	
<b>Indicator</b>	
<p>(i). Tools for gender were strengthen to female leadership as well as political and technical capacities.                  (ii). During 2020, the Project designed three training workshops with four modules taught, the first module was done in person, one in the city of Quito and three in the Amazon with the Project's teams in the provinces. Due to the health crisis, the two remaining modules were delivered virtually. A total of 54 people finished the process, 18 were men and 36 women.</p>	
<b>Baseline</b>	<b>Target, including sex-disaggregation</b>
	The technical teams of The Project, MAG, MAE, GAD and implementing partners
<b>Budget</b>	<b>Currency</b>
	Please select
<b>Report on annual progress</b>	
100%	

**4.3 Planned activities on environmental and social safeguards for the next reporting period**

#### ESIA/ESMP

Implementation of the Environmental and Social Management Plan and its attached plans: Gender Plan, Stakeholder Involvement Plan, Peoples and Nationalities Plan, Capacity Building Plan. For more detail:

Activities to complete the Safeguards requirements.

- ☑ Mapping of traditional knowledge related to the activities carried out by the project and, if possible (this depends on each community), the voluntary registration of them in the National Registry under the Intellectual Property National Service.
- ☑ Inclusion of gender and indigenous people considerations in "ECAs".
- ☑ Evaluation of the participatory spaces promoted by the project and the issue of recommendations to improve stakeholder participation.
- ☑ Establishment of a Safeguards Working Group with MAAE and the REDD+ Roundtable.
- ☑ Training of local governments in Local Information Systems implementation to monitor the land use and its effects on deforestation.
- ☑ Implementation of the FPIC process in 5 communities located in Cascales, in the northern part of the Amazon region.
- ☑ Implementation of the recommendations of the ESIA study carried by the consultancy company and the Management plans designed. Institutionalization of the Grievance Mechanism in MAAE through Ministerial Agreement and strengthening of the SUIA Help Desk with the hiring of a specialist in Grievance Mechanism.
- ☑ Training and dissemination of the MAAE REDD+ Grievance Mechanism at the level of the Ecuadorian Amazon and establishment of institutional arrangements with implementing partners.
- ☑ PLR update for the period 2018 – 2020.
- ☑ Preparation of the 3 Summary of Information on Safeguards of Ecuador for the period 2018 – 2020.

Provide a list of activities in the ESMP to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning ESS (including other potential vulnerable groups and indigenous people) for the next annual reporting period.

#### 4.4 Planned activities on gender elements for the next reporting period

**Planned activities:**

**Component 1:**

Prepare a manual for the formulation of budgets and projects sensitive to gender, which determines the actions of the budget or lines of execution, to serve as a guide to the GAD.

Train potential beneficiaries (public officials from GADs) in the implementation and use of the manual.

**Component 2:**

Develop a manual for Sustainable Forest Management with a gender approach and follow up for the implementation of the Gender Approach Guide in Associative Processes (MAG).

In the Project area, carry out a survey of information and analysis on women, production, income generation capacity, financing, and credit subject. Information can be taken from the DIO system (MAG).

Through the Farmer field schools the gender approach will be integrated and actions will be implemented to ensure that this approach is assimilated by producers and organizations in the best way possible.

**Component 3:**

Develop a training space for Bio-entrepreneurships, this space will allow women to be part of the development of these initiatives, because some of the beneficiaries of these bio business are women. As part of proposed activities in the Project, it is expected to give continuity to the processes that began during 2020 with bio-enterprises and competitive funds, such as the strengthening of the gender approach in the winning projects of the two phases through training for executors (associations and allies). The training began during 2020 through the Bio entrepreneurship Table, aimed at all the members that make it up.

Also, based on the consultancy carried out by the ISEGORIA consortium, strengths and needs for incorporating the gender approach in projects are being identified, with a proposal of affirmative actions and also to create or strengthen "non-traditional" capacities for women in bio-enterprises in order to promote the improvement of their income level and their families.

Expand the training program for women including technical modules on sustainable forest management.

**Component 4:**

- Workshops and spaces for awareness and capacity building on gender and interculturality aimed at community actors.
- Implementation of gender action plans for the Project.
- Edu-communication products prepared and designed including a gender and climate change booklet, manual for the prevention of discrimination and gender violence in associative spaces/ organizations.
- Training for women on empowerment that allows them to self-identify as women managers of change, leadership, self-esteem, ethnic groups with an intercultural approach.
- Design a cooperation agenda for the implementation of the Gender Guide for climate finance as an example of equitable and gender-sensitive sustainable finance that financial entities can apply. The first step is to develop a roadmap with the most interested financial organizations to establish some guidelines to define the Gender Guide for climate finance, and after that designing a specific plan that is the cooperation agenda.
- Identify local regulations that facilitate access to credit for women and incorporate them into the processes that the Project has available.
- Propose a management model prototype for access to credit for women in rural areas (ONUM). Prepare an instruction manual that allows projects and undertakings to be evaluated, highlighting the affirmative actions that will be implemented to provide opportunities for women and improve their access to credit. It is necessary to mainstream in all the processes in charge of the Project to improve women's access to credit and financing for entrepreneurship.

Provide a list of activities in the gender action plan to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products including processes that will be involved to implement the activities effectively. Please include the monitoring schedule concerning gender activities for the next annual reporting period. Report on actions taken on any of the recommendations made by the secretariat (if applicable) to improve the level of integration of gender issues in the project.

**Confirmation and Acknowledgement of Information \***

\* This is a required question to submit section 4 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 4 is complete and ready for submission.



## Section5:Annexes

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## Section 5: Annexes

Please note that this is section 5 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

### Annex 1: Updated implementation timetable for the Funded Activity

Annex\_1\_Timetable\_APR\_2020.docx

Submit only if there are any changes from implementation plan submitted in the FAA.

### Annex 2: Accredited Entity compliance reports

Self-assessment reports, Report on Actions pursuant to Clause 18.02, if applicable. Self-assessment reports: In accordance with the AMA requirement in Clause 13.01 of the Accreditation Master Agreement, with the Fiduciary Principles and Standards, ESS and Gender Policy. Report on Actions pursuant to Clause 18.02: Only applicable to International Accredited Entities. In accordance with the Monitoring and Accountability Framework, a report on its actions carried out or planned to be carried out pursuant to Clause 18.02 of the Accreditation Master Agreement.

**Please provide comments on the annexes attached above if any.**

#### Confirmation and Acknowledgement of Information \*

\* This is a required question to submit section 5 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 5 is complete and ready for submission.

## Section6:Attachments

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## Section 6: Attachments

Please note that this is section 6 of the six Annual Performance Report (APR) sections. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

Click on '+ Add row' to attach more than one document.

Annual\_Report\_FONAG\_2020.pdf

Annual\_Report\_FORAGUA\_2020.pdf

Annual\_Report\_FONAPA\_2020.pdf

Annex 3\_ProAmazonia GAP 2020.docx

FP19 UNDP Ecuador 2020 APR.docx

Submit the Unaudited/Audited financial statement and Interim/Final evaluation report (as required by FAA). Submit a supporting document for Section 2.4. (Update Progress on the Logic Framework Indicators), describing the calculation methodology for the current values provided.

This sub-section 2.4 is not applicable for REDD+ Results-Based Payments Projects.

**Other Attachments (if any).** Such as additional budget-related information, loan repayment schedules to GCF (interest/principal), equity investment schedules, other related reports relevant to the Funded Activity, statements of capital account, valuation reports, credit guarantee agreements, investor reports, and others, as specified in the relevant legal agreements (e.g. Funded Activity Agreement, Shareholders Agreement)

For the Annual Performance Report of REDD+ Results-Based Payments projects, provide 'Implementation Timetable/Milestones for the next reporting period' and 'Financial Progress Details' as an attachment in this section.

Comments from AE (if any)

### Confirmation and Acknowledgement of Information \*

\* This is a required question to submit section 6 of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in section 6 is complete and ready for submission.

# AdditionalSection:COVID-19Impact

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## Additional Section: COVID-19 Impact

In this additional section of the Annual Performance Report (APR), please provide an update of COVID-19 impact on your project/programme. APR will be considered valid only after all the six sections and the additional section on COVID-19 are filled with relevant details.

**Please indicate if your project/programme is adversely impacted by the COVID-19 pandemic.**

Please select

**Please choose the severity of overall impact.**

Please select

Description of levels of severity:

1. On-track with no or minor impact: No or minor impact on project implementation and corresponding annual activities.
2. Facing delays: Implementation progress faced delays in the timeline but did not require any substantial changes in the implementation plan.
3. A minor change(s) required: Changes that are not classified as Major changes but requires intervention from GCF.
4. A major change(s) required: As per paragraph 16 of the Policy on Restructuring and Cancellation - Board Decision B.22/14 paragraph (a). Please find the link to the policy document below.

[GCF Policy on Restructuring and Cancellation](#)

**Please describe an overall impact on your project/programme by the COVID-19 pandemic (100-word limit).**

Provide a short description of the adverse impact on your project/programme and provide references or supporting materials in the Annexes and Attachments sections as relevant.

Please describe details of challenges encountered and corrective/mitigation measures taken.

Select a type of the challenges encountered.

Field Activities

Describe details of the challenge encountered.

Project implementation is being delayed due to travel restrictions and social distancing that has put on hold some of the activities. Component 1 - (i) Some of the meetings and approval processes with certain decentralized autonomous governments (GADs in Spanish) are delayed and the project is trying to coordinate online meetings to finalize these products; (ii) The same for the fifth and final Life Plan process that should have started in April, but has been delayed. Component 2 - (i) The strategy for supporting the cocoa and coffee collection centers through the agreement with European Committee for Training and Agriculture (CEFA) will likely be delayed until 2021 - instead the project is preparing a short-term plan to assist the collection centers during the post-harvest processing; (ii) The construction of the collection center in Morona Santiago province is still under review by the MAE and MAG authorities, so the final decision for this activity will take more time than expected. Component 3 - (i) The restoration strategy of with 3 indigenous communities is ready but the activities in the field will start later than the original timeline.

Sample challenges for Field Activities:

- Delays in travels, planned training, workshops, conferences, events, and awareness-raising events
- Limited access to project sites especially outer islands
- Postponed field missions for collecting/validating information, and conducting consultations with local stakeholders
- Measures required to ensure the security and safety of workers
- Delays in pilot projects, feasibility/baseline studies

Describe details of the corrective/mitigation measures taken as much as you can.

Select a type of the challenges encountered.

Project Costs

Describe details of the challenge encountered.

The project is working with farmer associations and collection centers (aligned with the deforestation-free production strategy). To work on such strategy the project needs to follow new governmental procedures. New Agricultural Good Practices have been issued that define the activities to deliver safe and healthy food and agricultural products for consumers (Resolutions 0046 and 0039 issued by AGROCALIDAD). These resolutions require for the Project's member involved in the food value chains to follow a protocol and guarantee food safety and, of course, the prevention of COVID-19 infections.

To follow new protocols the project purchased a set of biosecurity kits for a total value of 75,000 USD. The main purpose of the kits is to protect the health of the project team and the partner of the projects. The kits are being used in the implementation of activities of the project and its geographical area of intervention.

Sample challenges for Project Costs:

- Cost increases or budget reallocations due to personnel contract extension, security, safety, office rentals, shipping, travel as well as needs for sanitizers, workshops, communication modalities on the field, and remote-working arrangement
- Cost inflection due to delayed purchases and unstable markets

Describe details of the corrective/mitigation measures taken as much as you can.

Select a type of the challenges encountered.

Financing and Concessionality

**Describe details of the challenge encountered.**

The project is in itself an important contribution to the COVID-19 response.

Several activities that the project is implementing to achieve its main objectives can assist in COVID-19 efforts during the recovery phase. Component 2: works with medium and small-scale farmers, who are currently suffering economic losses due to the pandemic. The project has been giving technical support and non-monetary incentives to small and medium producers organizations to improve their agricultural practices and eventually increase their opportunities to access sustainable product markets. After the COVID-19, it will continue the work fostering that markets look for more sustainable, environmentally friendly goods as the global crisis has clearly showed the need to change our unsustainable ways of production and consumption. Component 3 the project works with indigenous communities that may be more adversely affected by COVID-19 than communities in the urban areas. The project is leading several strategies to support these communities, including provision of incentives for forest conservation. With these resources 10 indigenous communities in the Amazon that have agreements under the project framework will continue receiving the monetary incentive to implement their investment plans. Also, the project is working on the implementation of restoration agreements that were recently signed with three communities to start restoration processes in their lands.

Sample challenges for Financing and Concessionality:

- Possible amendments to co-financing availability, financing for project management costs, and disbursement schedules
- Contractors facing challenges in acquiring loans from financial institutions and commercial banks
- Increased risk aversion towards the agricultural and agroforestry sectors
- Increasing uncertainty causing postponement or cancellation of investment decisions
- Likely extension for the closing date and completion date

**Describe details of the corrective/mitigation measures taken as much as you can.**

**Please describe if any support is required from the GCF to address the COVID-19 impact on your project/programme.**

**Confirmation and Acknowledgement of Information \***

\* This is a required question to submit the additional section of the Annual Performance Report (APR).

The accredited entity hereby confirms that the information provided in the additional section on COVID-19 is complete and ready for submission.