

# PARAGUAY



GREEN  
CLIMATE  
FUND

GLOBAL  
PROGRAMMING  
CONFERENCE

## Project title

Paraguay REDD-plus RBP for period 2015-2017

### Result areas

[type from list in notes]

### Sector

Public/Private

### Total financing, USD

66.500.000

### GCF financing, USD

66.500.000

### Financial instrument

Grant/Loan  
/Guarantee/Equity

### Description of specific climate change problem and how the project will address it

It is necessary to strengthen the downward trend in deforestation reducing the pressure on existing forest areas to be cleared for agricultural and livestock development purposes, also improve livelihoods of forest dependent communities, strengthen land tenure rights, and increase the capacity of forest communities to manage forests and their ecosystem services, the conservation of biological corridors that are essential to maintain connectivity between protected natural areas; the reduction of water-induced soil erosion that could contribute to the loss of agricultural productivity and the production of hydroelectric power; and soil conservation by preventing wind erosion, The Government of Paraguay considered the National Determined Contributions (NDC) in the context of the National Development Plan 2030. A goal of 20% of reductions was established based on the behavior of the projected emissions by 2030, unilaterally the country has the goal of reducing projected emissions by 2030 by 10% and additionally the conditioned goals will reduce by 10% the projected emissions to 2030. The goal established by Paraguay's NDC is to avoid 83 Mt CO<sub>2</sub>eq during the period of implementation of the action plan (2020-2030). Payments for results will be invested in (i) the implementation of the National Strategy of Forest for Sustainable Growth (ENBCS) and (ii) the capitalization of the Climate Change Fund. In May 2019, MADES approved the proposal of ENBCS, this instrument is the result of a participatory process of socialization and consultation with key actors where 306 representatives (46% women) of the public sector have participated , private, indigenous peoples, peasant organizations, academia, the financial sector and civil society.

### Alignment with key country priorities and stakeholders engaged

The strategic objectives of the ENBCS are:

- Promote competitive agricultural and livestock production through the sustainable management of natural resources.
- Reduce the loss and degradation of forests by incorporating criteria and indicators of practices and sustainable management.
- Strengthen the sustainable use of the forest by strengthening the natural and cultural heritage of indigenous communities.
- Promote territorial planning at the municipal level to determine the use of land linked to forested areas.
- Improve planning for climate change mitigation in the UTCUTS sector. The transverse strategic objective of the ENBCS is to strengthen institutional capacities to articulate and coordinate forest governance by developing environmental and forestry information systems for monitoring, reporting and verification according to international standards to provide guarantees to national and international processes. In the process of building the ENBCS Implementation Plan, determined reduction targets will be established taking into consideration the potential for reduction, costs and feasibility of policies, actions and measures together with stakeholders. For this purpose, the differentiated conditions of each region of the country will be observed, considering their ecosystem diversity and their development potential.

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## Activities

- Capacity building and inter-institutional coordination to implement the ENBCS
- Facilitating actions for the implementation of the ENBCS
- Consolidation and updating of forest and environmental monitoring systems
- Implementation of monitoring and reporting systems of Safeguards
- Commissioning of the environmental compensation mechanism (Law 3001/06)
- Strengthening territorial governance in forestry and environmental fields
- Implementation and capitalization of the Climate Change Fund

## Expected outcomes

- Strengthen the implementation of the National Strategy for Forests for Sustainable Growth (ENBCS) through improvements in its governance structure and implementation, monitoring and reporting systems;
- The implementation of the climate change fund for incentives for conservation and sustainable rural development. These two products will contribute to the achievement of the general objective of ENBCS and the NDC of the country.

## Paradigm shift potential

- The potential for payments for results to generate a paradigm shift in Paraguay is very significant for two main reasons: the first is that payments for results confirm the idea that the environmental sector is capable of generating significant external resources in addition to the benefits that generates for the country the care of the environment. This is a strategic argument in the current political discussion in Paraguay where important actors still have problems with environmental investment as a cost instead of an investment.
- The second reason is that access to payments for results has the potential to generate a “before and after” in the environmental policy of Paraguay, the creation of “virtuous circles” where the fall in deforestation opens the possibility of accessing new payments which are invested in the environmental management system, which promotes additional drops in the deforestation rate, which allows access to payments in the future.