

1. General

- 1.1 Name of grant recipient: Earth Innovation Institute**
1.2 Norad agreement number: QZA-0701 QZA-16/0162 -Forests, Farms and Finance Initiative
1.3 Agreement period: 2017-2020
1.4 Reporting year (year being reported on): 2017
1.5 Country/countries of implementation and geographic area within the(se) country/countries if relevant: Brazil (Acre, AC, Mato Grosso, MT, and Lower Amazon, LA, Pará), Colombia, Indonesia (Central Kalimantan and West Papua), and Peru

2. Results - Project status

Outcome 1: Public and private sector deliver funds for low-emission rural development (LED-R) strategies to local governments, smallholders and communities in Brazil (BR), Indonesia (IN), Peru (PE) and Colombia (CO).					
Indicator		Short Description	Baseline	Target Y2	Source¹
Funding pledged by targeted agricultural companies and businesses (million USD) ²		<i>Description of pledges</i>	0	1	1, 2
Progress in 2017	Target achieved (USD 1.38 million). In Colombia, FINAGRO pledged to the ITPS (Instrumento para la Transformación Productiva Sostenible) pilot in Caquetá and Guaviare: USD 1.285M (US\$ 714.000 in funding to support the credits and US\$ 571.000 in the Warranty Fund) (A1). In Indonesia, Unilever pledged USD 100,000 (confidential agreement) to support smallholders participating in the RSPO jurisdictional certification pilot in Central Kalimantan (CKal). INOBU is currently negotiating with Unilever to secure additional financial support (between USD 0.5-1M) to assist smallholders seeking to implement sustainable practices in the district of Seruyan and support transition to jurisdictional sustainability.				
Funding pledged by targeted donor countries/states (million USD)		<i>Description of pledges</i>	0	2	3
Progress in 2017	Target surpassed. In 2017 the German government pledged ~USD20 million to support MT LED-R strategies (A2). UK committed 30 million BSP. EII and local partners (e.g. IPAM, ICV, Amaggi, Agroicone) continued to support the implementation of the <u>PCI Strategy</u> and MT's REDD System (SISREDD) throughout 2017 (A3). EII team was contracted by KfW to determine viability of REM strategy and to provide design recommendations on how they could optimize the USD 20 million committed to support MT LED-R strategies.				
Funding received in target jurisdictions from capped California (CA) companies (million USD)		<i>Description of funding received.</i>	0	0	4

¹**Data source:**

1. Meeting notes	17. Meeting notes	29. Documentation of benefit sharing for funds delivered. Documentation of FPIC.
2. Design documents	18. EII reports	30. Meeting minutes of TPS dialogues to establish reference levels and performance targets
3. Official government communications	19. Article of Establishment	31. Relevant draft regulations and regulations
4. Company and / or California government communications	20. Meeting minutes	32. Indigenous People Councils
5. INPE Prodes, Hansen et al. 2013	21. Other documents	33. Ministry of Forestry and Environment; Provincial Government of West Papua
6. Hansen et al	22. Published report/analysis	34. EII/INOBU Reports
7. Official government docs and reports	23. Document or PPT slide deck	35. PPT slide decks
8. Reports from donors and/or from civil society	24. Workshop minutes establishing regional performance targets	36. Analysis Document
9. Meetings and exchange visit minutes	25. Meeting minutes of TPS governance structures	37. Departmental Plans
10. Field survey documents in reports	26. Interviews with key stakeholders and project partners regarding perception of transparency	38. Websites
11. Other reports	27. Meeting minutes of TPS dialogues	39. Media coverage
12. Documents with instruments designed	28. Participant lists of dialogues to track stakeholder representation and participation	40. Annual reports
13. Communications		41. Company & roundtables docs
14. Concept Notes		42. Draft plan(s), plan(s) vetted with local actors, reports from monit. implementation of the plan(s) (official documents)
15. EII and CA internal notes and documents		43. Reports from UFOPA monitoring center.
16. Online Platform		

² All the values that were in foreign currency different than US dollars were converted to US dollars using Oanda's exchange of 12.31.2017.

Progress in 2017	No funding to report. CA govt has not yet implemented the international offset provision of AB32. EII supported this process by advising ARB and other government officials (virtually and in-person meetings) (A4).				
Funding received by target sub-national jurisdictions (million USD)		<i>Description of funding received</i>	0	2	3
Progress in 2017	Target surpassed. The government of AC received USD 5 million from KfW in 2017 to support the implementation of AC's SISA program. This was the 1st payment, part of the 2 nd phase agreement with the German REM program, who committed a total of ~USD 12 million to AC in 2016 (source: direct communication with SEMA-AC officials).				
Deforestation declines in target jurisdictions (% reduction below historical average)		Mato Grosso	65	68	5
		Acre	72	72	5
Progress in 2017: Numbers revised using official national monitoring data. Real deforestation declines in target regions for Y2: MT: 82%; AC 59%, LA: 63%, CKal: 58%; WP: -158%; Colombia: 7%; PE-AM: -29%. Since data availability and quality have improved in recent years, we are in the process of revising the original baseline and estimate numbers for all years. We will follow-up separately with Norad within the next month with possible suggested revisions.		Lower Amazon	79	80	5
		Central Kalimantan	55	56	6
		West Papua	47	47	6
		Colombia	43	44	6
		Peruvian Amazon	-31	-29	6
Project-specific Outcome Indicator					
Local governments in target jurisdictions receiving incentives for slowing deforestation (number of municipalities or districts)		Green Counties Program / PA	1	7	8
Progress in 2017	Target surpassed. In AC, 10 municipalities are receiving support through the SISA program (via implementation of the REM program) to contain deforestation influenced in the margins of the Federal Roads 364 and 317 (see http://imc.ac.gov.br/programa-para-pioneiros-em-redd-rem/ and A5). EII is supporting AC's implementation of its SISA program through direct advice and has developed a tool for the government of AC to monitor the SISA performance (A6)				
Small-scale farmers and communities (f&c) supported to improve their production systems through Territorial Performance System (1000's of f&c receiving support)		3	6	3, 7, 8,	10
Progress in 2017	Target surpassed. In AC, EII is supporting the SISA Program, which is implemented with funds received from the REM program and is benefiting approximately 15,000 smallholders (see: http://imc.ac.gov.br/programa-para-pioneiros-em-redd-rem/ A5). In the LA, Sapopema has been working with 7 PAEs, 61 communities, 3,205 families and roughly 12,820 people. In CKal, IN, INOBU continued piloting a wall-to-wall sustainable palm oil program in the village of Palangkan Tiga, in Kotawaringin Barat District, part of District-wide certification under RSPO. INOBU and <u>Unilever</u> supported 600 independent oil palm growers towards RSPO certification (A7), including training on environmental protection and best practices to increase productivity				
Intermediary Outcome 1.1.i: Regionally-tailored mechanisms to attract climate finance for local governments, smallholders and communities in Brazil, Indonesia, Peru and Colombia are formally endorsed by governments of target jurisdictions					
Regionally tailored mechanisms developed		0	1	1, 2	
Progress in 2017	Target achieved. EII designed in partnership with Global Green Growth Institute (GGGI) and the Colombian Sustainable Cattle Ranching Program a new financial instrument, the ITPS, for FINAGRO. The ITPS will promote the transformation of extensive cattle ranching in Colombia to sylvopastoral systems and release areas for natural forest regeneration (A1&A9). The instrument was approved by FINAGRO's technical committee and its implementation in a pilot within the Amazon Vision Program is awaiting KFW non-objection for 2018 (EII response to KfW questions, A8).				
Output Level					
Indicators		Baseline	Target Y2	Source1	
Output 1.1.1: TP Fund and monitoring system designed and implemented in Mato Grosso (MT), Acre (AC) and Lower Amazon (LA), Pará (PA) (Brazil) to attract matching and performance-based finance and deliver to smallholders and local governments					
TP Funds designed (# of jurisdictions)		Draft /MT	0	2, 7, 13, 14	
Progress in 2017	No target to report. The TP Fund was designed, and a proposal to pilot the idea in MT was submitted to the Amazon Fund (AF) in 2016, with very good receptivity, as the project is considered innovative and highly relevant for addressing the issue of Rural Technical Assistance, which is not well covered by other AF projects. However, AF staff advised EII to re-submit the proposal under EII-Brazil. EII worked throughout 2017 to establish EII Brazil and expects to re-submit the proposal in 2018.				
Territorial monitoring platforms launched to support TP Fund (# of jurisdictions)		5	1	16	
Progress in 2017	Target surpassed. Two customized platforms for the jurisdictions of <u>MT</u> (A12 PCI Platform) and <u>AC</u> (A13) were launched in 2017, as well as the <u>GCF Impact Platform</u> , covering all 35 GCF state members located in the tropics. In addition, the <u>Produce and Protect platform</u> has been updated to include more details on the jurisdictions of the 5 nations it currently covers.				
Output 1.1.2: Green Forest Bond (GFB) designed and beginning implementation in Brazil					
GFB structure for BR progressed with World Bank (WB)/MIGA and Brazilian public banks		0	0	2	
Progress in 2017	No target to report. FT continued to work in collaboration with the WB to foster the potential of GFB to contribute to the Brazilian NDC goals through the report: "The Potential Role of Enhanced Bond Structures in Forest Climate Finance" (A10). FT also prepared a broader analysis of different financial mechanisms, including GFB, to support the protection of forests in the report: Toward a Financial Architecture to Protect Tropical Forests: the case of Brazil" (A11)				
Output 1.1.3: Financial Mechanism (e.g. an agricultural facility) designed for delivering climate finance to high-performing Districts in Central Kalimantan and West Papua, Indonesia)					

On-granting mechanism design completed and institutional arrangement determined		0	0	2, 7, 13, 14	
Progress in 2017	No target to report. A policy paper on the on-granting mechanism for commodity production was completed and published (A14-15). However, the national government preferred using a different mechanism to channel international climate finance to local governments. The Ministry of Finance suggested INOBU to focus on unlocking the "Reforestation Fund", but this fund cannot be used at this time because of policy issues. INOBU then, in partnership with RSPO and UNEP, re-shifted its focus to establish an Agricultural Facility to serve as a mechanism to receive and distribute finance to assist smallholders to transition towards sustainable practices at the jurisdictional level (A16). The district of Seruyan was chosen as a pilot district, and reports were developed in 2017 to provide inputs for the design of the Facility.				
Output 1.1.4: Analysis and convening in support of the implementation of a package of incentives (e.g. with Colombian FINAGRO program) for low-emission rural development in the Colombian Amazon (relates to Intermediary Outcome 1.1.i)					
Package of Incentives design document completed with participation of Min of Ag.		0	1	2, 17	
Progress in 2017	Target achieved. A financial instrument was designed for FINAGRO, in partnership with GGGI and the Colombian Sustainable Cattle Ranching Program (A1&9). The ITPS will promote the transformation of extensive cattle ranching in Colombia into sylvopastoral systems to release areas for natural ecosystem regeneration. The instrument was approved by FINAGRO's and it will be implemented as a pilot within the Amazon Vision Program, pending only KFW non-objection letter.				
Output 1.1.5: Business Plan for Low-emission Rural Development for Peruvian Amazon regions to attract private investment					
Peruvian low-emissions rural development document completed		0	1	2, 7, 8 17, 18	
Progress in 2017	Target delayed. Our partner FT was supposed to lead this work in Peru, but due to internal difficulties with change of personnel working on the project, they were unable to prepare the business plan as agreed. To ensure this work is achieved more effectively, EII is partnering with a local Peruvian organization, MDA, in 2018 (A17).				
Output 1.1.6: GCF performance system (GCF PS) designed and implemented, attracting finance from new sources (GCF member states & provinces of BR, IN, PE)					
Number of GCF members with jurisdiction-wide performance platforms for monitoring deforestation, sustainable commodities, and GHG emissions reductions reported.		Draft GCF PS	2	16	
Progress in 2017	Target surpassed. EII has developed in collaboration with the GCF Secretariat the <u>GCF Impact platform</u> to monitor performance of all 35 GCF members located in the tropics. In addition, EII has worked closely with partners to develop tailored platforms in <u>AC</u> (A6) and <u>MT</u> (13); <u>San Martin</u> (A18) and <u>Ucayali</u> (A19). Finally, to further help companies find sustainable jurisdictions and products, EII continued to update and improve the " <u>Produceprotect.com</u> " platform (see 1.1.1).				
Output 1.1.7: Analysis, exchange visits, and convening to support California government completion and implementation of REDD offset system					
# of meetings and workshops with CA govt		Brazil, Indonesia	2	2	15
Progress in 2017	Target achieved. EII provided direct support to gov. officials designing and implementing CA's cap-and trade system throughout the year (Dr. Nepstad provided direct advice to ARB and the Governor's office). In addition, EII and partners (e.g. GCF, FT, EDF) increased IP support for offsets provision, addressing critical obstacle to its implementation We convened a week-long workshop/field-visit of indigenous peoples (IP) leaders from COICA, AMPB, AMAN, Metareilá (Surui organization), OPIAC (Colombia), Acre's Indigenous Professors Association, FEPOIMT (Federation of Indigenous Peoples of Mato Grosso) and government officials from Brazil (AC, MT, RO) Peru, Mexico, and Indonesia to CA to meet with IP leaders from the Yurok tribe (A20-21 & A104). The group saw first-hand how the Yurok people are benefiting from CA's jurisdictional program, and secured Yurok's support for the inclusion of REDD offsets under CA cap-and-trade. During the visit, they all shared experiences from different regions, and worked on a shared letter with principles to guide collaboration between subnational governments developing LED-R strategies and indigenous peoples (A22), which is under discussion by GCF members.				

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

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

Status of Implementation uses Scale from Standard Reporting indicators

Progress Name and Type of policy/measure	Location and Policy Level	Baseline	Target Y2	Source 1	Impact on Gender; Transparency; Sust; livelihoods; Red. Deforestation
Amazon Fund, Forest Code, Public Credit Programs (ABC & Pronaf) and state-level REDD+-related policies (AC SISA, MT REDD, PA Green Counties Program) integrated within state low-emission development strategy	MT	4	5	7, 8	Impacts on all the elements above
	LA, PA	1	2	7, 8	Id
	AC	4	4	7, 8	Id

Progress in 2017	<p>In MT, the implementation target (5) was achieved. In 2017, the <u>PCI plan</u> was implemented with direct leadership from MT government and support from EII, IPAM and local partners (A3). In addition, EII supported SEMA to implement its REDD+ State System (SisREDD) (A27-A99-100,101,121) and PMS (Sustainable Municipality Program) (A24) by providing advice, financial support and coordination to strengthen connection with the PCI plan (A94).</p> <p>In PA, the implementation target was surpassed (2). The Program <u>Pará Sustentável</u> began its implementation and EII & Sapopema are working with SEDAP (Secretary of Agriculture and Fisheries Development, A25) and SEDEME (Sec. of Economy, Mining and Energy, A26) to support the state to develop its fisheries strategies with focus on the Lower Amazon region.</p> <p>In AC, the implementation target (4) was surpassed. EII continued to provide support to the implementation of the SISA, including by developing an online platform to monitor AC's performance towards LED-R (A6).</p>						
Intermediary Outcome 2.1.i: Existing state-level policies in MT, AC and LA, PA, respectively, are aligned with one another and with national government policies and laws (e.g., National REDD Strategy)							
Key State level policies aligned with national policies		MT	0	X	7, 8	Id	
		LA, PA	0	0	7, 8	Id	
		AC	0	0	7, 8	Id	
Progress in 2017	Target achieved. In MT, the state policies are aligned around the PCI strategy, and the state SisREDD is being designed in accordance with the Brazilian National REDD Strategy. In AC as well, the state policies, including the state carbon program, are aligned with the federal directives.						
Intermediary Outcome 2.1.ii: Strategy documents finalized for each target jurisdiction with endorsement of key sectors (e.g. governments, private sector, NGOs) in MT, AC, and LA, Pará							
Integrated landholder incentives created		MT	0	1	7, 8	Id	
		LA, PA	0	0	7, 8	Id	
		AC	0	0	7, 8	Id	
Progress in 2017	Target delayed. The TPS fund delayed due to the bureaucratic delays in launch of EII Brazil. Alternatively, EII is coordinating a working group (together with FEAC and Abiove) to develop a payment mechanism for carbon neutral soy (A28).						
Intermediary Outcome 2.1.iii: Multi-sector dialogues are launched and multi-sector governance structures are developed in support to public policy alignment in MT, AC, and PA							
Multi-stakeholder governance established		MT	X		19, 20, 21	Gender; Transparency; Sust. Livelihoods (G,T,SL)	
		LA, PA	0	0	Id	Id	
		AC	0	X	Id	Id	
Progress in 2017	Target achieved. In Acre, EII: a) continued to be part of Acre's SISA <u>Scientific Committee</u> (A29); b) supported multi-stakeholder meetings to refine and launch AC's TPS platform (A30&A115); and supported the creation of the State's SISA Committee on Socio-biodiversity, which will be officialized 2018. In MT, EII, IPAM and other local partners were actively engaged in the PCI Executive Committee. In the LA, Sapopema and EII carried out multi-stakeholder dialogues on fisheries and aquaculture through a series of multi-stakeholder meetings in all 13 LA municipalities and 2 regional meetings; a draft for a governance structure was prepared and will be refined and discussed in 2018 (A31&A33).						
Intermediary Outcome 2.1.iv: Fish based low carbon protein production strategy integrating aquaculture and managed fisheries established on a low emission rural development (LED-R) trajectory in the Lower Amazon, Pará							
Implementation of a reg. fish-based LED strategy for the LA. Level of Implementation range is 0-2.0=developing plan, 1=plan, & monitoring system in place, 2=co- management policies & incentives implemented		LA, PA	0	1	18, 21, 42	G,T, SL	
Progress in 2017	Target achieved. Sapopema and EII, in collaboration with local actors, developed a proposal for fish-based low-emission animal production strategy integrating managed fisheries and aquaculture (A32). Now, they are seeking funding to implement it.						
Number of várzea communities where families are shifting to sustainable aquaculture & managed fisheries.		LA, PA	0	0	18, 21, 43	G,T, SL	
Progress in 2017	No target to report. Communities were actively engaged in 2017 in mapping the status of their fisheries and to develop community management plans (A32). The implementation of these plans will begin in 2018. In addition, Sapopema trained members of 5 communities to perform fishery accounting and monitor fishery performance.						
Number of várzea (floodplain) communities where families are reducing cattle herds as shift to sustainable aquaculture & managed		LA, PA	0	0	18, 21, 43	G,T, SL	
Progress in 2017	No progress to report at this time.						
Output Level							
Indicators					Baseline	Target Y2	Source1
Output 2.1.1: Multi-sector dialogues supported for defining state-wide goals and strategies in each target state, compatible with national REDD							
# of states with published proposals for reconciling state-level reference levels (RELS) and natl. RELS					1	1	7, 16

Progress in 2017	Target achieved. EII advised REM and MT SisREDD Program to use the national reference level as basis for accounting payments for performance to be received by MT (in accordance with the national directive) (A98-99). The recommendation was taken into account in the agreement of payment for performance signed between MT and REM.			
Territorial multi-stakeholder governance structures supported (# of jurisdictions)		1	1	7, 19, 20
Progress in 2017	Target achieved. EII supported the SISA governance structure in AC through the development of the TPS Platform working group, the Scientific Committee and participation in the construction of SISA's Socio-biodiversity Program. In addition, EII continued to support 3 multi-stakeholder structures in MT (the PCI multi-stakeholder governance structure under the CEEPCI, the State Climate Change Forum – FMMC and the Sustainable Municipalities Program (PMS). In the LA, Sapopema supported multi-stakeholder dialogues on fisheries and aquaculture through meetings in all 13 LA municipalities and 2 regional meetings.			
Output 2.1.2: Analysis indicates minimum-cost pathway to full compliance with Forest Code				
Analysis document for each target jurisdiction		Stickler et. al 2013	1	22
Progress in 2017	Target delayed. The initial analysis was carried in 2017 (A35-38), but will be finalized in 2018. The reason for the delay is that the customized platforms requested by regional governments (output 1.1.7) consumed a lot more time/energy than originally expected, given all the capacity-building needs and data standardization.			
Output 2.1.3: Analysis indicates ways of aligning state strategies with national REDD regime, credit programs (e.g. ABC, PRONAF)				
Analysis document or powerpoint deck		0	1	23
Progress in 2017	Target achieved. EII produced 1 analysis of the Brazilian ENREDD as part of its recommendations to MT-SEMA and the REM to support the implementation of MT SisREDD (A98-99). The analysis made specific recommendations, such as on how to improve the cooperation between national and state govts to enhance the enforcement to halt illegal deforestation; and reduce the risk of non-permanence. EII also recommended the state to use the instruments established by the national government to implement the ENREDD (FREL, registry system, safeguards)			
Output 2.1.4: Technical support system for smallholders and communities designed and ready for implementation through the TP Fund				
Published analysis of technical support and rural extension needs and options for addressing needs		0	1	22
Progress in 2017	Target achieved. In MT, IPAM published a proposal for ATER tailored to the needs in Querência (A39). It also conducted a first round of sustainable demonstration units of cassava as a supply chain (A41-43), providing ATER to producers participating in the demonstration units. IPAM expects that other producers will start adopting sustainable production systems in 2018 based on the demonstration units experience. In the LA, Sapopema has supported local communities to develop the pirarucu supply chain (training, monitoring and a study of this supply chain) (A44)			
NICFI Standard Indicators		Your organization or partner(s)' contribution, see footnote³		
Safeguard category		Country case/process		Source¹
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NY Declaration on Forests (NYDF), Rio Branco Declaration (RBD), TPS processes (TPS Ps)		25
Progress in 2017	In MT and AC, 3FI partners, together with local actors, supported govts. to design and implement local strategies in accordance with national and international conventions and agreements. See examples under outputs 2.1.3 and 2.1.1 (i.e. support to the implementation of REM program in MT and AC			
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps		26, 27

³ 2 EII and partners' contributions to safeguards:

2.2.1: Create alignment and integration of national and jurisdictional reference levels (RLs) through bottom-up regional performance targets and RLs that are informed by external rules and market forces (CGF, NYDF, RBD)

2.2.2: Multi-stakeholder TPS governance structures builds broad support for effective governance policy that supports implementation of national policies. Monitoring platforms promote transparency of policy implementation at regional scales.

2.2.3: Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning (including implementation of FLIC) and value their contribution to forest protection through benefit sharing mechanisms

2.2.4: Multi-sector dialogues ensure participation of indigenous peoples and local communities in regional planning and design of benefit sharing frameworks for TPS incentive systems and supports implementation of FPIC.

2.2.5: Multi-sector dialogues builds broader support for existing or expanded networks of protected areas and indigenous territories. 2.2.6: TPS process builds political, business, and social case for low-deforestation & emissions rural development and improves enabling conditions for policy implementation, lowering risk reversals through flagging political or corporate will be reduced

2.2.7: Establishment of performance targets related to production at the scale of an entire jurisdiction through TPS lowers risk of leakage.

Progress in 2017	Our project is mainly focused in supporting subnational governments. The TPS approach fostered by the project in the target regions is based on transparent, multi-stakeholder governance structures and monitoring platforms (see more under outcome 2.1.iii and outputs 1.1.6 and 2.1.1).				
	2.2.3. Respect the knowledge and rights of IPs and local communities	REDD+ SES, RBD, TPS Ps			7, 28, 29
Progress in 2017	EII and the GCF organized the 1st meeting of the GCF Indigenous Peoples (IP) and Local Communities (LC) Working Group August 21-24, 2017, bringing together subnational government representatives, indigenous and community leaders (A20-21). A key outcome of the meeting was a joint strategy and vision to integrate respect and recognition of indigenous rights and knowledge into regional LED-R strategies across GCF member jurisdictions, summarized in the Guiding Principles of Collaboration (A103). The Principles were then presented at the 2017 Annual GCF meeting (A107) and discussed during a workshop at the COP23 (A105-106). In the LA, Sapopema worked with "Pastoral da Pesca" and the "Colônia de Pescadores of Santarém" on the production of a Protocol for Fishers and Fishery Communities", detailing principles and procedures for consultation with the artisanal fisheries sector (A34), which was distributed to fishers in meeting and through local fishers' unions.				
	2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities	REDD+ SES, RBD, TPS Ps			27, 28, 29
Progress in 2017	In MT, EII recommended the establishment of a participatory consultation process with IP and local communities on benefit sharing as part of the State Forum on Climate Change and the SisREDD, following the Cancun Safeguards (A102). In AC, we sponsored IP leaders' participation in CA Cap and Trade Program dialogue on climate change and tropical forest, a learning exchange with CA Yurok tribe (see 1.1.7), and their participation in the GCF annual meeting and COP 23.				
	2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits	TPS Ps			27
Progress in 2017	In MT, EII, IPAM and local partners supported the implementation of the PCI (A45) and the SisREDD, both of which aim to protect forests and reduce deforestation, as well as forest restoration and reforestation. FT worked toward a proposal of a financial architecture to protect tropical forests with focus in the Brazil case (A11). In the LA, Sapopema is supporting strengthening fisheries government and management of floodplain fisheries to reduce pressure on aquatic biodiversity and floodplain vegetation.				
	2.2.6. Actions to address the risks of reversals	TPS Ps			7, 27
Progress in 2017	In BR, the "ruralista" farm lobby and mining interests grew more powerful and radical, as BR sought to overcome economic crisis, and the promises of economic growth provided by these sectors. This is already causing pressure to weaken environmental protection and halt demarcation of IP lands. In MT and AC, we continued to support the creation of incentives for performance to ensure sustainability overtime (1.1.1, 3.1.1) and to advance low emission production industries through analysis and technical advice. EII is one of a very small number of NGOs in Brazil that maintains formal partnership with farm sector organizations.				
	2.2.7. Actions to reduce the displacement of emissions	TPS Ps			30
Progress in 2017	The project's core strategy emphasizes greater food/fuel/feed production on existing cleared lands, a shift to food that is less dependent on deforestation (fish vs. beef, for example) and complementary measures to prevent forest loss. When production is rising, the risk of deforestation leakage declines. In AC, we conducted an analysis of their Green Industries (A46).				

Outcome 2.2: Integrated province-wide LED-R strategies are designed and implemented in Central Kalimantan (CKal) and West Papua (WP), IN						
2.1 Level of implementation of REDD+ related policy/measure (standardized reporting indicator 2.1)						
Status of Implementation uses Scale from Standard Reporting indicators						
Progress Name and Type of policy/measure	Location and Policy Level	Baseline	Target Y2	Source1	Impact on Gender; Transparency; Sustainable livelihoods; Red. Deforestation	
National policies on REDD, customary land acknowledgment and agriculture master plan are aligned/harmonized at the provincial and district level to achieve LED-R	Subnational (lesson-learned can be used to advocate for changes at the natl level)	3	4	7, 8	Gender; Transparency; Sustainable livelihoods; Red. Def.	
Progress in 2017	Target achieved. INOBU supported the realization of the GCF annual meeting in Balikpapan and helped to amplify the subnational government voices at the national level, especially regarding: 1) the importance of comprehensive mapping of indigenous land; 2) protection mechanisms of indigenous land through laws at any level (federal/state/province/district); 3) funding mechanisms or incentives for indigenous people who manage their forests or conserve their land. In addition, INOBU carried out an assessment for FREL for 7 GCF provinces (A96).					
Relevant policies proposed and /or enacted recognizing customary land rights	Ckal and WP	2	3	31, 32	Id.	

Progress in 2017	Target delayed. The focus has shifted to mapping the land use or right to use the land. The maps are expected to be used as the basis to relinquish the areas from state forests							
Hectares of land (std. reporting indicator 2.3.a) to which IPs and forest dependent communities gain rights over and have access								
Country and Location	Name of indigenous groups/ forest dependent community	Type of rights and access to land	Baseline	Hectares gained (Y) Target	Source1	Gender		
Indonesia, (CKal)	Primarily Dayak and independent smallholders	Mapping of indigenous community lands as the first step to relinquish the lands from the state forest area. The maps will be submitted to initiate the process of formal removal of indigenous lands from state forests	0	0	32	Given the collective nature of Dayak customary tenure, women will likely gain informal access to land (rather than individual titles) when territories are formally recognized by the state. The case may be different for smallholders. Methods for evaluating women's access to land will be defined in first year of project.		
Progress in 2017	INOBU mapped indigenous community lands in Ckal in 7 villages : Bahaur, Derangga, Parang Batang, Paring Raya, Pembuang Hulu 1, Pembuang Hulu II and Tanjung Hanau. Those villages are located around the Tanjung Puting National Park (A95&A97), approximately 3,100 ha of land including forests and peatlands.							
Indonesia, (WP)	Diversity of ethnicities	Formal removal of community territory from state forest areas controlled by the Ministry of Forestry	0	0	33			
Intermediary Outcome 2.2.i: In CKal and WP, provincial REDD programs aligned with provincial LED-R strategies and Natl. policies								
Provincial REDD programs aligned with relevant national policies			Location	Baseline	Target for 2017	Source1		
			Ckal	0	0	7, 8		
INOBU supported the assessment of FREL for REDD+ in 7 GCF provinces, including West Papua and Central Kalimantan (A96)			WP	0	0	7, 8		
			Output			Frequency of Reporting: Annual		
Indicators						Baseline	Target Y2	Source1
Output 2.2.1: Evidence-based value proposition for policy alignment and integration developed for target jurisdictions in IN								
Document describing results of analysis of value proposition for individual Provinces						0	1	34
Progress in 2017	Target surpassed: INOBU produced four research papers related to policy alignment and integration developed for target jurisdictions in Central Kalimantan. These include: a) market and supply chain analysis of palm oil, b) legal analysis of oil palm production, c) supporting smallholder transitions to sustainability, and d) mitigating the environmental risks of the palm oil industry (A47-50).							
Output 2.2.2: Proposal for implementation of customary land rights regulation in WP								
Document and/or ppt slide decks summarizing results of analysis of MK35 implementation for each province.						1	0	34
Progress in 2017	Target partially achieved. INOBU prepared some draft regulations to be discussed in WP (A65-66), but it was advised by the new government to re-schedule discussions until 2018, and meanwhile focus on re-engagement with new govt.							
Output 2.2.3: Analysis and convening to incorporate C. Kalimantan Road Map into District Development Plans								
District-level meetings and presentations to discuss inclusion of C Kal Roadmap targets into Development Plans						1	1	17, 35
Progress in 2017	Target surpassed. In 2017 INOBU facilitated 8 district level meetings (A59-63) producing the following achievements: a) development of Seruyan's District Plan to Manage and protect the Environment based on HCV and high C stock assessment b) development of a proposed system to manage and monitor social conflicts related to land use rights c) facilitation of participatory mapping for community managed (smallholder) oil palm plantations, leading to ISPO and RSPO certification for smallholder in the village cooperative unit of Tani Subur.							
Output 2.2.4: Strategy developed and convening to support villages as they adopt LED-R performance targets								
Village-level meetings and presentations to discuss inclusion of C Kal Roadmap targets into Development						0	3	17, 35
Progress in 2017	Target achieved: INOBU has been testing methods to strategically support villages as they adopt LED-R performance targets. In 2017, INOBU worked directly with Lada Mandala Jaya Village in C. Kalimantan, where agreements were reached to integrate smallholder sustainability certification into their annual activity plan. Agreements were established in a multistakeholder forum using participatory processes A52-58.							
Output 2.2.5: Proposal for WP Provincial LED-R strategy developed using WP's Special Autonomy Status law								

Documents and powerpoint slide decks providing input to LED-R design for W Papua.		0	1	17, 21,35
Progress in 2017	Target partially achieved. The proposal was developed, but Provincial elections in West Papua have delayed the finalization of the customary land rights regulation. Meetings with the new government are planned for 2018 (A65-66). At the district level, mapping of indigenous lands has proceeded by mapping indigenous land uses and land use rights rather than ownership, which is very sensitive for local communities.			
NICFI Standard Indicators		Your organization or partner(s)' contribution, see footnote3		
Safeguard		Country case/process		Source1
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NYDF, RBD), TPS Ps		25
Progress in	INOBU supported the assessment of FREL for REDD+ in 7 GCF provinces, including West Papua and CKal (A96).			
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps		26, 27
Progress in 2017	Nothing to report at this time.			
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29
Progress in 2017	INOBU's work, particularly in West Papua, has been focusing on promoting the acknowledgement of IP lands (A64).			
2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29
Progress in 2017	The LED-R process in WP is targeted at IP nutmeg farmers, and INOBU has worked directly with smallholders to facilitate their legal recognition and RSPO certification in Seruyan District in C. Kal. INOBU and EII also supported AMAN and WP's vice-governor to participate in the GCF IP working group, which aims to create principles for collaborations between sub. govts and IPs (see more under 1.1.7).			
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps		27
Progress in 2017	RSPO certification for smallholders is producing environmental benefits through the use of best management practices for sustainable palm oil production, and economic benefits including price premiums for certified products.			
2.2.6. Actions to address the risks of reversals		TPS Ps		7, 27
Progress in 2017	Nothing to report at this time.			
2.2.7. Actions to reduce the displacement of emissions		TPS Ps		30
Progress in	To address this risk, INOBU and EII work at the national, province, and district levels through jurisdictional-wide interventions across entire regions.			

Outcome 2.3: REDD+ related initiatives implemented in Colombia (CO) as part of integrated LED-R strategy through linkages with national zero-deforestation sectoral programs and Departmental Development Plans

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

Status of Implementation uses Scale from Standard Reporting indicators.

Progress Name and Type of policy/measure		Location and Policy Level	Baseline	Target Y2	Source 1	Impact on Gender; Transparency; Sust. livelihoods; Red. Deforestation	
National and local instruments (e.g. Amazon Vision (AV) 2020 Program, agricultural credit programs and public- private partnerships) are linked to support low-emission rural development in the Amazon		Colombia National	3	3	7, 21, 22	Gender; Transparency; Sust. livelihoods; Red. Def.	
Progress in 2017	Target surpassed (5). The new financial instrument (ITPS) was designed and approved to support reduction in deforestation and net zero deforestation in the Amazon Region, aligned with the Amazon Vision Program. It will promote the commitment with conservation agreements by credit beneficiaries and also will motivate the liberation of areas for forest natural regeneration in line with a landscape level planning, done with the support of the technical assistance.						
2.3.i: Existing instruments related to low-emission rural development and deforestation reduction are aligned with one another in target jurisdiction(s)							
Progress in 2017	No progress to report. This activity is included in the 2018 work plan and will be implemented in Caquetá Department (Dept).						
Policies affecting deforestation aligned in one target jurisdiction		Dept	0	0	7, 21, 22	Id	
Progress in 2017	No progress to report. This activity is included in the 2018 work plan and will be implemented in Caquetá Dept.						
Output Level							
Indicators					Baseline	Target Y2	Source1
Output 2.3.1: Evidence-based value proposition for policy alignment and integration of existing policies to promote LED-R in CO							

Document describing results of analysis of value proposition targeted to relevant government sectors (peace process, agriculture sector) or jurisdictions.		0	1	36
Progress in 2017	Target surpassed. Two policy papers on incentives and financial mechanisms with value proposition are ready and in press: a) policy paper on incentives and financial mechanisms for Indigenous People (A67); and b) policy paper on incentives and financial mechanisms to support national and jurisdictional LED-R strategies (A68). In addition to one paper with recommendations for sustainable production in Colombia (A72)			
Output 2.3.2: National/jurisdictional agendas (at least one jurisdiction) for sustainable agriculture aligned to national INDCs and existing LED-R and sustainable development policies				
# of jurisdictions committed to implement sustainability agendas		0	0	7, 13
# of sectors committed to the implementation of sustainability agendas		0	1	7, 13
Progress in 2017	Target surpassed. One jurisdiction and 8 sectors committed. The government of Caquetá is committed to implement sustainability agendas and to develop a LED-R strategy, also supported by the GCF. Also, 8 producers' federations (Fedecafé, Fedecacao, Asocolflores, Augura, Fedegán, Fedearroz, Fedepalma and SAC) are committed to implementing sustainability agendas in selected jurisdictions according to the Sustainable Territories Roundtable agreements (A69-71).			
Output 2.3.3: Proposals of jurisdictional programs for Departments to adopt targets for reducing deforestation				
Progress in 2017	Target achieved. The ITPS instrument was completed in collaboration with FINAGRO, and it will be piloted in Caquetá in 2018, supported by the Amazon Vision program (A1&9).	0	1	14, 37
NICFI Standard Indicators		Your organization or partner(s)' contribution, see footnote3		
Safeguard category		Country case/process		Source1
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NYDF, RBD), TPS Ps		25
Progress in 2017	EII is working at the national level to support the effective implementation of the AV Strategy (with the ITPS, see 1.1.4). The AV implementation is supported by international cooperation (Germany, Norway, and UK)			
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps		26, 27
Progress in 2017	EII is monitoring Caquetá's progress towards LED-R through the GCFImpact and the ProduceProtect platforms (1.1.6)			
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29
Progress in 2017	Nothing to report at this time			
2.2.4. The full and effective participation of relevant stakeholders, in particular IPs and local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29
Progress in 2017	EII supported OPIAC and the gov. of Caquetá to work with other GCF members to design principles to guide collaboration between IP and subnational governments developing LED-R strategies (see more at 1.1.7).			
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps		27
Progress in 2017	Reduced pressure on forests is expected through the implementation of the ITPS (1.1.4) mechanism			
2.2.6. Actions to address the risks of reversals		TPS Ps		7, 27
Progress in 2017	Nothing to report at this time.			
2.2.7. Actions to reduce the displacement of emissions		TPS Ps		30
Progress in 2017	Nothing to report at this time.			

Outcome 2.4: Integrated LED-R strategy implemented in the Peruvian Amazon (PE Am)

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

Status of Implementation uses Scale from Standard Reporting indicators

Progress Name and Type of policy/measure	Location and Policy Level	Baseline	Target Y2	Source1	Impact on Gender; Transparency; Sust. livelihoods; Red. Deforestation
Regional Amazon LED-R strategy connects national REDD and agricultural finance to support zero-net deforestation	Peru, national and subnational	3	3	7, 8, 13	Gender; Transparency; Sustainable livelihoods; Red. Def.
Progress in 2017	Target achieved (4). Jurisdictional strategies for LED-R were advanced in San Martin and Ucayali regions in 2017, aligned with the national REDD strategy and agricultural incentives to support zero net-deforestation. To initiate the process, executive resolutions were approved by both regional governments declaring the regional importance of developing a jurisdictional strategy, and technical groups were formed to develop strategies using a participatory process (A73&A117). These groups published the first proposals of regional LED-R goals that were presented at the UNFCCC COP23 (A75&A118).				

Intermediary Outcome 2.4.i: PE Am. LED-R strategy designed in alignment with the National Strategy for Forests and Climate (ENBCC)						
PE. Am. LED-R strategy designed		Peru, subnational	0	0	7, 8, 13	Id
Progress in 2017	No target to report. Regional executive resolutions approved in 2017 mandate the development of regional LED-R strategies that prioritize necessary actions at regional scale to implement the ENBCC. This includes identifying regional actions to support NDCs associated LULUC, and align national, regional and local priorities on climate mitigation. The mandate for regional strategies can form the basis for Amazon-wide LED-R policies.					
Output Level			Frequency of Reporting: Annual			
Indicators			Baseline	Target Y2	Source1	
Output 2.4.1: Evidence-based value proposition for policy alignment (including regional-national alignment) and integration is developed for target jurisdictions in Peru						
Report summarizing results of analysis and convening to assess costs and benefits of 2 or 3 low-emission development options for the Peruvian Amazon region			0	1	8, 11, 18, 35	
Progress in 2017	Target delayed. EII has analyzed the regional development plans of San Martín and Ucayali and their alignment with the ENBCC (A74). In addition, the goals of the different regional management instruments have been analyzed in detail to determine if there was complementarity and synergy with the LED-R approach. The cost-benefit analysis of 2 or 3 LED-R alternatives at the Amazon scale is still pending and will be prepared as part of the business plan indicated in product 1.1.5 in 2018, by MDA (FT was supposed to carry this activity in 2017, but it was unable to do it).					
Output 2.4.2: Proposal to include targets for reducing deforestation to Peruvian Regional Governments is developed						
# of Number of regional government for which proposals are completed			0	1	8, 18, 35	
Progress in 2017	Target surpassed (2). An analysis of public management tools (regional development plans, regional strategies for climate change, forest and agriculture management plans, etc.) was completed for Ucayali and San Martin to determine how existing plans aligned with emerging LED-R strategies and national goals (A74). Three workshops were held with regional technical teams to determine if existing plans and policies align with international commitments and LED-R goals. In both regions, existing goals were modified to adopt LED-R concepts (A75&A118).					
Output 2.4.3: Proposals for Regional Strategies for Forest and Climate to support the implementation of the National Strategy for Forest and Climate (ENBCC) and to allow the compliance of the signers of the Under2MoU and the RBD						
# of regional government for which reports (proposals) are completed			0	1	8, 18, 35	
Progress in 2017	Target surpassed (2). Proposals defining LED-R goals were developed for Ucayali (A118) and San Martin (A75) in alignment with the ENBCC. Two executive resolutions were signed by the respective governors and approved by their regional governments to prioritize the development of LED-R roadmaps for their respective regions. These included the design and implementation of policies and incentives using participatory processes.					
NICFI Standard Indicators		Your organization or partner(s)' contribution, see footnote3				
Safeguard category		Country case/process		Source1		
2.2.1. Consistency between national forests programmes and international conventions and agreements		UNFCCC REDD, GCF REDD+, SES, NYDF, RBD), TPS Ps		25		
Progress in 2017	The proposals described under outcome 2.4 (Regional LED-R strategies) analyze the alignment and complementarity of the regional plans with the international agreements and the national instruments in Peru on REDD+.					
2.2.2. Transparent and effective national forest governance structures		Natl. laws and regional TPS Ps		26, 27		
Progress in 2017	Under executive resolutions, participatory processes are mandatory to develop regional LED-R strategies in San Martin and Ucayali. LED-R development must include relevant public and private institutions, associations of agriculture, livestock, forestry, and fishery producers, to reach agreements at the regional level. It is expected that the governance structure for developing regional LED-R strategies will allow implementation of proposed goals in collaboration with all key actors.					
2.2.3. Respect for the knowledge and rights of indigenous peoples and members of local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29		
Progress in 2017	The LED-R goals and strategy proposals will be communicated to representative organizations of regional indigenous peoples to adequately incorporate their interests and proposals for LED-R. This stage of dialogue will begin at the end of 2018, after providing capacity building to these organizations regarding the LED-R approach.					
2.2.4. The full and effective participation of relevant stakeholders, in particular indigenous peoples and local communities		REDD+ SES, RBD, TPS Ps		27, 28, 29		
Progress in 2017	The two approved executive resolutions mandate the inclusion of key actors, including indigenous groups, local communities and small producers in the design of regional LED-R strategies A73-A117.					
2.2.5. Conservation of natural forests and biological diversity and enhancement of other social and environmental benefits		TPS Ps		27		
Progress in 2017	Proposed LED-R goals for each region consider biodiversity and the conservation and management of primary forests. Goals related to businesses based on biological resources and forest products and services are included.					
2.2.6. Actions to address the risks of reversals		TPS Ps		7, 27		
Progress in 2017	Nothing to report at this time. The risk of reversals has not yet been analyzed. Analysis will be completed when activities are proposed to reach regional LED-R goals in 2018 and 2019.					

2.2.7. Actions to reduce the displacement of emissions	TPS Ps	30
Progress in 2017	Analysis to assess potential for leakage will be completed when activities to achieve regional LED-R goals are developed. However, working at regional (jurisdictional) scales reduces leakage risks. Alignment of LED-R strategies of 5 Amazonian regions will further ensure displacement of emissions are avoided.	

Outcome 3.1: Supply chain actors including the Norwegian soy-dependent industries and Chinese government (palm oil, soy, beef) preferentially source agricultural commodities from high-performing states and provinces.						
Indicator			Baseline	Target Y2	Data Source1	
# of private-public partnerships created to support jurisdictional sourcing (std. reporting indicator 2.3.1)			1	2	38, 39, 40	
Progress in 2017	Target surpassed (3). EII supported the launching of the Balikpapan Challenge (BC) to foster public-private partnerships to support jurisdictional sourcing (A108-109). EII collaborated with the GCF to create a steering committee formed by Denofa, FEFAC, RTRS, AMaggi, GTPS, SEMA-MT, Accountability Framework, Unilever, GCF TF member representatives (A76). In addition, EII worked directly with FEFAC to provide inputs for the revision of their buying guidelines to accommodate preferential jurisdictional sourcing of carbon neutral soy from Brazil (A77). Solidaridad China fostered partnerships between China and MT for soy and livestock, in collaboration with EII; and EII between MT and European buyers of soy.					
# of govts (natl, state) committed to sourcing soy, beef and/or palm oil from sustainable jurisdictions			0	0	3	
Progress in 2017	No target to report. Within the BC, there are initiatives to support these commitments such as a partnership with FFEAC to develop the concept of jurisdictional carbon neutral. The first (and large) issue that the BC is trying to address is to develop shared metrics between governments and private sector. Currently, the private sector is focused on zero deforestation commitments, while the government is focused on illegal deforestation.					
% of imports of soy, beef and palm oil procured in compliance with governmental sustainable sourcing commitments			Soy	0	0	7, 8
			Palm	0	0	7, 8
Progress in 2017	No target to report. EII and partners' actions to secure jurisdictional sourcing of ag. commodities were mainly focused in the private sector, once these agreements are consolidated we will seek gov support. At the same time, we work with the govts on activities such as PCI in MT and NDC at the national level in BR. We will seek convergence when both are more advanced. However, some preliminary concepts have been developed and shared with California and Chinese governments (A78).					
# of private sector commitments to source commodities from sustainable jurisdictions (# of businesses)			5	2	41	
Progress in 2017	Target delayed. EII has invested efforts in sourcing agreements with producer and buyer associations that represent multiple private actors, such as Aprosoja, Famato, Abiove, FEFAC, and CSIA, where we were able to advance more effectively (eg. through MoU between Aprosoja/ABIOVE and CSIA and between Abiove/Aprosoja and FEFAC/FEDIOL). Also, as mentioned above EII is supporting the advancement of the BC, which includes multiple private and public actors. Solidaridad China is coordinating development of sustainable soy sourcing guidelines with stakeholders including COFCO, JIUSAN, Sinograin, China National Vegetable Oils Association, Heilongjiang Soy Association, Ministry of Environmental Protection, and China Feed Industry Association (also, EII, TNC, WWF).					
Intermediary Outcome 3.1.i: Draft agreements between supply chain actors (including Norwegian and Chinese soy-dependent industries) designed to support the sourcing of agricultural commodities from high-performing states and provinces						
Draft agreement designed. Note: current plan is to achieve global consensus among companies, GCF Task Force members, farm sectors and nations on how to define "success" in addressing deforestation (via Balikpapan Challenge process)			0	1	7, 41	
Progress in 2017	Target delayed. In 2017 the presidency of Aprosoja changed, with new Director, and this has set back some of the discussions that EII and Solidaridad China have advanced regarding the draft agreement for the sourcing of sustainable soy in MT.					
Status of Implementation uses scale from standard reporting indicator (Standard reporting indicator 3.1.1)						
Type of policy/practice change/transparency measure	Company; Commodity; Location	Baseline	Target Y2	Data Source 1	Stakeholders involved	
Jurisdictional Sourcing Strategies / Policies	Denofa, Grupo Amaggi Unilever, Cargill, etc.; Soy; MT, BR	2	3	41	Private sector, Sub-ntl. Govs, Producers	
	JBS, Mafrig, McDonalds; Beef; MT, BR	1	3	41	Id	
	Wilmar, Sinar Mas, Unilever, Nestle Oil and National Commitments on Sustainable Palm Oil such as FONAP (Germany), MVO (The Netherlands)	2	3	41	Id	

Progress in 2017	Target not achieved. INOBU completed first sale of RSPO-certified, smallholder palm oil to Unilever in 2017. Otherwise, we were not able to advance on commitments from individual companies as anticipated. The problem, as we see it, is that many companies are still very concerned with risk management, and specific pledges related to their own supply chain. We shifted our focus to larger sourcing agreements with associations (eg. Aprosoja, Abiove, Fefac, CSIA) as described above. In the case of soy, these institutions represent 100s of companies, which is much more significant than stimulating unilateral declarations of companies. However, because of the size of the volume involved in these negotiations, this process evolves more slowly and requires well planned actions from the 3FI partners (eg. EII and Solidaridad) and others involved.					
Output Level						
Indicator				Baseline	Target Y2	Source1
Output 3.1.1: Analysis of potential climate change mitigation impacts, cost implications, and procurement options for sourcing, by China, of commodities from sustainable, low-deforestation jurisdictions						
Analyses and meetings summarized in reports describing options for jurisdictional procurement of soy, beef and palm oil by China (1 report per commodity)				0	1	34, 36
Progress in 2017	Target partially achieved. 2017 was a very dynamic time for the Chinese government and its potential interest in national government endorsement of sustainable sourcing agreements, with 19 th Party Congress. EII developed a concept for supporting China-Brazil sourcing agreement that incorporates changes made in China constitution (e.g. Ecological Civilization concept) (A78). Solidaridad China prepared a report on China's role in Sustainable Agriculture, Responsible Commodity Trade and Climate Change Mitigation (A79). In addition, Solidaridad was invited by the Ministry of Environmental to speak at public events to raise awareness about deforestation (A80). Soy crushing plants are now measuring their plant emissions, a sign that CO2 emissions is becoming more ingrained into China's development agenda.					
# Meetings with Chinese gov and corporate rep. to discuss jurisdictional procurement options				0	2	8, 17, 18
Progress in 2017	Target achieved. First, Solidaridad China supported a delegation of gov. Pedro Taques from MT to meet with soy and feed companies in China (A84). Also, Solidaridad China, EII and others co-organized a Chinese Pork Delegation to Brazil. (A81-83).					
Output 3.1.2: Support for workshops, road shows, and exchange visits to develop procurement agreements between states that produce soy (MT, PA), beef (MT, PA, AC) and palm oil (CKal) and Chinese government						
Progress in 2017	Target achieved. First, Solidaridad China supported a delegation of gov. Pedro Taques from MT to meet with soy and feed companies in China (A84). Also, Solidaridad China, EII and others co-organized a Chinese Pork Delegation to Brazil (A81-83), both reported above. Solidaridad also organized a palm oil roundtable in June of 2017, with participation of China's Ministry of Environment (MEP). Solidaridad attempted to convince MEP to launch pilot projects abroad for soy and palm, but this is still premature given Xi Jinping's new mandate and changes to constitution (e.g. Ecological Civilization concept).					
Output 3.1.3: Support for meetings between CA and Chinese governments to discuss possible incl. of sust. sourcing in China-CA MOU						
Number of exchange visits & meetings between leading oilseed processing provinces & national government stakeholders and target producer jurisdictions				0	2	8,18, 39, 9
Progress in 2017	Target delayed. Meetings planned to be held in 2018, around the California Climate Summit. EII and Solidaridad China opted to focus their efforts into meetings between Chinese, Brazilian, European and Indonesian parties in 2017 to respond to opportunities to advance jurisdictional sourcing agreements.					
Output 3.1.4: Jurisdictional Sustainability Working Group and Forests, Farms and Finance Initiative (3FI) develop and disseminate unifying definitions, concepts, and best practices						
Published report summarizing findings of JWG and 3FI consultations and discussion				0	1	22
Progress in 2017	Target achieved. The first jurisdictional primer, a guide for practitioners was published early in 2017 in 5 languages (A85-90).					
Output 3.1.5: Annual jurisdictional sustainability guidebook published and disseminated						
Progress in 2017	Target achieved. This was included as part of the jurisdictional primer launched in 2017. In addition, EII and CIFOR established a partnership to review the progress of all GCF Task Force members towards LED-R. This will generate a report that will be updated every two years. The studies began in 2017 and a 1st report will be released in 2018 at the REDD Oslo Exchange.					
Output 3.1.6: Report with case studies on procurement strategies and the costs and benefits of conventional (farm-by-farm) sourcing versus jurisdictional/territorial sourcing published and disseminated						
Jurisdictional Sourcing Report (one per beef, soy, palm oil)				0	1	22
Progress in 2017	Target partially achieved. The consortium published 3 regional case studies (summarized) (A85-90, Annex 3) as an appendix to the jurisdictional sourcing primer (3.1.4). These reports are preliminary. In 2018, options for sustainable sourcing of palm oil (C Kalimantan) and soy (Mato Grosso) will be completed.					
Output 3.1.7: Options assessment for jurisdictional certification is conducted, published and discussed with Boards of RSPO, RTRS						
Options Assessment Reports				0	1	
Progress in 2017	Target partially achieved. EII and INOBU began to prepare three options assessments for soy, beef, palm (A91), and they will be finalized and published in 2018.					
Output 3.1.8: Analysis and convening in support of jurisdictional certification pilots for RSPO and RTRS in CKal and MT						
# of meetings involving at least 3 roundtables to discuss jurisdictional certification				0	1	

Progress in 2017	Target surpassed (3). In 2017, we held 3 successful meetings with 3FI partners (all around other events) to support the jurisdictional approach (including certification, sourcing, incentives) in target regions. First, at the annual TFA Conference in Brasilia, Brazil (A92). Second, at the GCF annual meeting in Balikpapan, Indonesia (A110) when the Balikpapan Challenge (BC) was launched (the BC aims to foster public-private partnerships to support jurisdictional strategies). Third, in Bonn, Germany, during the COP 23 to discuss the BC's execution and the creation of a Steering Committee to advance its implementation (A111).			
Output 3.1.9: Analysis and convening in support of jurisdictional certification pilots for RSPO and RTRS in CKal and MT				
	PCI translated into a set of jurisdictional rules	0	X	
Progress in 2017	Target partially achieved: Draft concept document prepared and will be completed in 2018 as basis of multi-stakeholder dialogue, with special attention to potential role in being implemented through the FEFAC/FEDIOL partnership with Aprosoja/Abiove. This process has been delayed because of Aprosoja's elections of new leadership that is not convinced that the sustainable sourcing work should be a priority.			
	PCI targets incorporated into Sustainable Municipality Program (PMS Govt program) action plans of 30 municipalities with highest deforestation or highest recent deforestation, either creating new action plans or re-activating existing plans	0	15	
Progress in 2017	Target delayed. EII is supporting the "PMS Circuit" to publicize the PCI strategy (A94), but due to the conflicting agenda of government officials to visit the target regions, the "PMS Circuit" began only in 2018.			
	Climate change case of soy agreement developed for, and discussed with relevant actors in China, Brazil	0	0	
Progress in 2017	No target to report at this time. In 2017, EII and Solidaridad China collaborated with producers/processors associations (eg. Aprosoja, Abiove), governments (MT, BR, China), and buyers (CSIA, COFCO, FEFAC) and others to discuss the possibility of an agreement to support carbon neutral soy. This work will be partially fulfilled through science assessments made in anticipation of the CA Global Climate Action Summit.			
	Climate change incentive for sustainable soy trade designed and beginning implementation	0	1	
Progress in 2017	No target to report at this time. This activity is planned for 2018 and beyond.			
	# of subnational governments where the PCI model is introduced beyond Mato Grosso	0	1	
Progress in 2017	No target to report at this time. This activity is planned for 2018 and beyond.			
Output 3.1.10: Business case for low carbon, poverty-alleviating protein from aquaculture in MT and wild fisheries in PA				
	Sustainability/GHG assessments of Peixe da Amazonia (PdA, Acre) public-private-community model and Mato Grosso aquaculture under consideration by SEDEC (for new IPEIXE--Fish Institute in Mato Grosso) finalized and published	0	1	
Progress in 2017	Target delayed. Assessment of PdA completed in 2018 (but is still under revision and should not be publicized yet) (A93). Report for IPEIXE suspended for now, since this initiative is being re-structured by the state agency responsible for economic development. EII is currently discussing with gov. officials how it can best support this agenda in MT.			
	Aquaculture included in Mato Grosso's state- wide PCI	0	0	
Progress in 2017	No target to report at this time. EII is discussing with local actors since the IPEIXE option is being re-structured.			
	Segregated fish from wild fisheries included in "Pará Sustentavel" plan.	0	0	
Progress in 2017	No target to report at this time. This activity is planned for 2018 and beyond.			
	Marketing and business plans for aquaculture developed in consultation with andgreen.com fund, private sector, state governments, and potential investors/markets focused on Mato Grosso	0	0	
Progress in 2017	No target to report at this time. Preliminary assessment of PdA, AC conducted by FT, with general recommendations. (Note: this document is still under internal review)			
	Supply chain, marketing and business plan for pirarucu wild fishery completed and discussed with	0	0	
Progress in 2017	No target to report at this time. Sapopema finished a preliminary supply chain mapping of pirarucu for the LA (A122).			
	Market and sustainability assessment of intervention impacts	0	0	
Progress in 2017	No target to report at this time. This activity is planned for 2019-2020.			
Output 3.1.11: Feasibility study of pork and poultry as low-carbon protein industries that could alleviate poverty and reduce greenhouse gas emissions				
	Study of the two industries (pork, chicken) completed for Mato Grosso	0	0	
Progress in 2017	No target to report at this time. This activity is planned for 2018.			

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

The Outcomes and Outputs aimed by the project are very ambitious for the existing budget. Thus, we have to be extremely efficient and always seek to seize opportunities for strategic interventions, to collaborate with other meetings/processes, and to keep project partners aligned. When opportunities open up and demand a deeper level of support than we are able to provide with existing resources, we seek additional resources. This general strategy is working well, except for frequent delays in capturing necessary additional funding when major new opportunities appear. For some concrete examples of how we have effectively turned resources into outputs, see A114.

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

outcomes, please explain the reasons for this.

As said in the previous report, this project seeks to achieve large-scale systemic changes that cannot happen within one year, but instead are the results of multiple years of continued work and dedication. For example, it took over 6 years of work from strong political leadership and support from 3FI and local partners for the SISA program in Acre, Brazil to be running and benefiting local communities. On the other hand, some processes have moved faster than anticipated. For example, on November 2017, the Tani Subur Village Unit Cooperative (with 190 farmers), an independent smallholder cooperative from Kotawaringin Barat District, became the first farmer group in Kalimantan to receive certification from the Roundtable on Sustainable Palm Oil (RSPO). The following month, Tani Subur received certification from the Indonesian Sustainable Palm Oil (ISPO), only the second, independent smallholder cooperative unit that has received the ISPO certificate in Indonesia. This is an important milestone in our work towards jurisdictional sustainability (see more under Outcome 2.2). These farmers now also obtain a price premium from Unilever who is purchasing the certified production through the green palm system (<http://www.greenpalm.org>). However, we prefer to provide full chain of events when this or another success story comes to full fruition.

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

Internal (EII and Consortium): The project continued to have a very tight USD budget at the current NOK:USD rate of exchange. Also, some partners faced internal change of personnel that affected the project (eg. FT) *Mitigation:* The project's spending and USD continued to be monitored on a monthly basis, and the results are incorporated into regular project planning. In addition, we increased monitoring control of partners through quarterly reports and informal check-ins.

External: Political and economic crisis/instability: in BR, the changes in the federal government are still traumatic, and the economic crisis is elevated by continued corruption scandals and lack of definitions of who will be in charge. *Mitigation:* while things are resolved at the national level, we focused our efforts at the state level.

Alignment among different groups and initiatives in target regions: In Brazil NGOs and producers' associations are drifting apart due to polarization (conservation x production), making multi-stakeholder dialogues very challenging. Also, in Peru different NGOs were advancing REDD initiatives without coordination. *Mitigation:* EII and a few partners continue to dialogue and collaborate with all sides and to identify points of convergence among different groups and initiatives. In Peru, EII advised the gov. of San Martin to formalize the process to construct its LED-R strategy, including the need to align different initiatives, which they are now doing it.

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

Change of personnel: For example, as gov. officials (CKal Province Governor) and bureaucrats (eg. heads of plantation) in Indonesia, and the head of soy farmers' association in Brazil (Aprosoja) went through leadership transition, we sometimes lost leadership and momentum, since we were required to re-invest in capacity building to reintroduce the concepts to the newcomers to understand and become supportive of the project. *Mitigation:* we continue engagement throughout transition to support new personal to become acquainted with our project/activities.

2.5 Deviations: To what extent has the Project been implemented as planned (country, region, thematic area)? Please provide an account and assessment of deviations from the latest approved implementation plan and Project Document/Application and describe what has been done to deal with the deviations.³

In PE, outputs 1.1.6 and 2.4.1 were delayed due to internal problems with our partner FT, but to remediate this we sought a new local partner, MDA to accomplish these tasks effectively. In IN, the submission of a proposal for land regulation was delayed due to elections at the provincial level, but they are planned for 2018 (Output 2.2.5).

Under Outcome 3.1, since the beginning of the grant, it has become clear that there is potential for this project to support a process that culminates in a global framework for jurisdictional sourcing of sustainable, low-deforestation commodities that is adopted by major markets—the EU (FEFAC/FEDIOL) and China. This is the opportunity that the Balikpapan Challenge of the GCF Task Force, co-convened with EII, is designed to seize. Thus, we shifted our approach from single private company commitments to larger sourcing agreements with associations (eg. Aprosoja, Abiove, Fefac, CSIA) as described above. However, because of the size of the volume involved in these negotiations—for example, China and FEFAC are roughly 80% of global trade in soy--this process evolves more slowly and requires well planned actions from the 3FI partners. In MT, due to conflict in state officials' agendas, we were not able to take them to the target municipalities to introduce the PCI targets (output 3.1.9), but planned to do it in early 2018. Also, in MT, the IPEixes was suspended and the aquaculture strategy in the state is being restructured. EII discussing with state officials the best way to support them effectively (Output 3.1.10).

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

The jurisdictional approach assumes collective, multi-sectoral, consensual work. Therefore, EII and its partners are keeping permanent coordination with national organizations, national and local governments, NGOs, agriculture sector organizations and other relevant actors involved in the low-carbon development strategies. For example, the initial LED-R strategies developed in Peru (Output 2.4.2) for Ucayali and San Martin required the engagement of several organizations at the national and local levels, including Solidaridad Peru, MDA, AIDER, DAR, USAID, Ministry of Agriculture, Federations of Coffee and Cocoa, among others. For more concrete examples of collaborations in target regions, please see A113.

3. Cross-cutting issues

Anti-corruption: The project is contributing to reduced corruption in target regions through innovative mechanisms for participatory governance and transparent monitoring platforms (eg. Output 1.1.1 - 1.1.6) and by supporting national and regional

policies that improve environmental governance (Outcome 2). We are seeking to establish transparent, neutral mechanisms for channeling climate finance to actors making verifiable progress towards reducing deforestation, including producers and governments (eg. TP Fund, Output 1.1.1 and Jurisdictional Sourcing agreements, Outcome 3.1).

Human rights, including the rights of marginalized groups: Jurisdiction-wide dialogues that facilitate agreements among producers, communities, companies and local governments regarding environmental and social performance indicators are at the core of our approach. In West Papua the focus of our work has been advocating for the acknowledgement of indigenous people rights and also enabling them to participate in sustainable market to get economic benefits for nutmeg production. The project is also supporting local communities in the LA to better manage their fisheries, and we have supported multiple partnerships among IP leaders and subnational governments (see output 1.1.7). We have also advocated for stronger partnerships between GCF members and indigenous peoples and local communities (see Output 1.1.7 and Norad standard indicators 2.2.3).

Women's rights and gender equality: Social equity, which includes gender equality, is a key component of the sustainable development model advocated by our project. We are promoting gender equality by incentivizing direct participation of women, and inclusion of women's interests and concerns, in territorial planning processes (Output 2.1.1, 2.2.3, 2.2.4). Project implementing partners are being required to track participation of women in multi-stakeholder dialogues within jurisdictions (since 2016). In Indonesia, INOBU is embarking on the women empowerment program starting with the nutmeg farmers in West Papua. In San Martin, Peru, EII is encouraged the government to include specific targets to ensure that a percentage of the incentives, land-tenure recognition, and access to financing is focused on women due to the great inequalities for women in rural areas in Peru. Additionally, we are proposing a stronger participation of women, especially from rural areas and IP to validate the regional strategy.

4. Financial report

Submitted separately, and also annex A119.

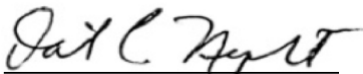
5. Results monitoring and evaluations

EII conducted a monitoring evaluation of INOBU in September of 2017. The results of evaluation will be reported to Norad by July 2018.

6. Date and attestation

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

Date:



Daniel Nepstad

Executive Director and President of Earth Innovation Institute

Attachments:

- Please see all attachments (122 total, including a table of acronyms as A120) at this link:
https://drive.google.com/drive/folders/1AicNCeuSqd1IzsOhwgNHPWj5zAP1_Isx?usp=sharing