



National Programme Document - Paraguay

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UN COLLABORATIVE PROGRAMME ON REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION IN DEVELOPING COUNTRIES NATIONAL JOINT PROGRAMME DOCUMENT

Cover Page

Country: Paraguay

Programme Title: Paraguay UN-REDD Programme

Joint Programme Outcome(s): UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development.

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Names and signatures of (sub) national counterparts and participating UN organizations

UN organizations	National Coordinating Authorities
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ACRONYMS

BGR	Hannover Institute of Geosciences
CAPI	Coordination for Self Determination of the Indigenous Peoples
CATIE	Tropical Agronomy Research Center
EAP	Economically Active Population
ECLAC	Economic Commission for Latin America and the Caribbean
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GTZ	German Technical Cooperation Agency
IADB	Inter-American Development Bank
INDERT	National Institute of Rural Development and Lands
INFONA	National Forest Institute
IPCC	Intergovernmental Panel on Climate Change
JICA	Japan International Cooperation Agency
MAG	Ministry of Agriculture and Livestock
NJP	National Joint Programme
OAS	Organization of American States
R-PIN	REDD Project Idea Note
SAS	Social Action Secretariat
SEAM	Environment Secretariat
TNC	The Nature Conservancy
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNPFII	United Nations Permanent Forum on Indigenous Issues
UN-REDD	United Nations Collaborative Programme on Reducing Emissions due to Deforestation and Degradation in Developing Countries
WWF	World Wide Fund

1. Executive Summary

Paraguay has experienced important changes in its forest cover over the last several decades mainly due to land use change. The forest cover of the Eastern Region has been reduced from 55% of the surface area in the 1940s to 24% in the 2000s, that is, some 6.7 million hectares. The Western Region or Chaco on the other hand has suffered a reduction of 7% of its forest cover or 1.15 million hectares between the 1990s and 2000s. These are factors that have increased Paraguay's status as a country vulnerable to the impacts of Climate Change.

Several causes underlie the deforestation and degradation of forests, among them those causes related with insufficiencies and weaknesses of the agricultural policies that promote extensive and intensive production for exportation, the lack of land zoning as well as the lack of compliance, superposition and gaps in the legal framework and institutional capacities. The Government of Paraguay has been making efforts to improve the reference frameworks by developing sector policies such as the environmental and forest policies, plans and strategies, and regulations. These frameworks will serve as the basis to implement the REDD National Joint Programme, which will support the Government of Paraguay in its efforts to overcome the drivers of deforestation and degradation of forests hence ensuring that the country is REDD-ready. To achieve the proposed objective the Joint Programme will pursue the following three Outcomes and respective Outputs:

Outcome 1: Improved institutional and technical capacity of Government and Civil Society organizations to manage REDD activities in Paraguay

Output 1.1: National Action Plan for Reduction of Emissions due to Deforestation and Degradation of Forests (REDD-Plan)

- National REDD Committee established and functioning;
- Participatory design of the REDD Plan, including the definition of concepts from a multicultural and socio-environmental perspective, and taking into account the indigenous peoples' cosmovision;
- Assessment and improvement of the environmental, forest and indigenous issues policy, legal and institutional frameworks, mainstreaming REDD into the sector policies;
- Assessment of:
 - Climate change as a cross-cutting issue and its impacts on key stakeholders;
 - Decentralization strategies for implementation of REDD;
 - Historical and future trends of deforestation and degradation including an analysis of the international demand of timber and other forest products;
 - Socio-economic drivers of deforestation and degradation of forests taking into account opportunity costs and costs of strategies to control deforestation.
- Prioritization of stakeholders and identification of beneficiaries. The assessment will place special emphasis in the engagement and inclusion of vulnerable groups and indigenous peoples within a context of respect for their rights;
- Identification of linkages and synergies with ongoing and planned relevant programs and projects;
- Participatory design of proposal for a mechanism for formalization of land tenure (at rural and indigenous peoples level)
- Training of selected government and NGO staff for implementation of the REDD plan.

Output 1.2: National Environmental (SEAM) and Forest (INFONA) Information System to measure and evaluate reduction of emissions from deforestation and degradation of forests

- Implementation of a national forest and carbon inventory (baseline);
- Development of a National Forest Information System, including a forest inventory and carbon monitoring system in line with standards and models for estimating carbon stocks and emissions levels;
- Strengthening of the National Environmental Information System and the National Climate Change Office;
- Collection and analysis of information and data on deforestation and degradation of forests;
- Development of reference emissions scenarios and reference emissions levels;

- Training of key government staff and other relevant stakeholders;
- Supply of computer equipment, GPS units and other elements necessary to strengthen the National REDD Technical Team (e.g. SEAM, INFONA, CAPI)

Output 1.3 National system of carbon accounting and data management

- Development of a protocol for collection of information and verification;
- Establishment of a technical unit in charge of the accounting system;
- Training of key government staff in charge of the accounting system;

Output 1.4 Equitable and transparent system of payments and benefit sharing

- Assessment of legal, political and institutional issues related to ownership of forest resources and carbon;
- Assessment of existing and proposed REDD-relevant payment systems;
- Assessment of land tenure issues – including indigenous peoples territories, natural resources - and requirements within a REDD payment system, and preparation of a proposal for delimitation, demarcation and titling as well as the environmental restoration of indigenous peoples' lands;
- Adaptation of the regulatory framework to establish the REDD payment and benefit-sharing system;
- Participatory design and implementation of a sustainable mechanism for the transfer of payments to beneficiaries and owners of forests;
- Training of government and non-government staff and other relevant stakeholders.

Outcome 2: Capacity established to implement REDD at local level

Output 2.1 REDD Demonstration project

- Selection of the demonstration site;
- Establishment of the Local REDD Committee;
- Training of Local REDD Working Group members on assessment, planning, REDD standards and methodologies;
- Assessment of REDD standards for the demonstration project;
- Assessment of other options for sustainable use of forest resources that are complementary to the REDD mechanism and contribute to reduction of deforestation and degradation of forests;
- Assessment of current and future trends of deforestation and degradation and identification of potential REDD projects;
- Assessment of the potential to combine REDD payments with payments for other ecosystem services;
- Stakeholder consultation and design of the local development plan;
- Validation of the plan by the Local REDD Committee and approval by the concerned municipal and departmental authorities, SEAM (environmental components) and INFONA (sustainable forest management components)
- Implementation of REDD components including the offer of carbon credits in the voluntary market.

Output 2.2: REDD project proposals designed for other forest areas

- Identification of new potential REDD sites in accordance with the local characteristics and selection criteria;
- Assessment of social, economic and environmental issues regarding the design and implementation of REDD projects;
- Participatory design of REDD projects that replicate the experience gained through the demonstration project.

Outcome 3: Increased knowledge and capacity building on REDD for forest dependent communities, especially indigenous peoples and other relevant stakeholders in the country

Output 3.1 National awareness campaign on REDD

- Identification of lessons learned at REDD level;
- Design of a national REDD awareness raising campaign addressing decision makers, indigenous peoples, local stakeholders and the general public;
- Preparation of information materials taking into account audience and languages (Spanish, Guaraní and other indigenous tongues)
- Organization of awareness raising events at national, departmental and local levels.

Output 3.2 Training and consultation on REDD with Indigenous Peoples

- Development of a consultation protocol for free, prior and informed consent for REDD;
- Strengthening of the INDI and other relevant local offices for implementation of REDD;
- Development of a plan for participation of indigenous peoples in the design of REDD activities;
- Implementation of consultation, training, awareness and information activities.

Output 3.3 Training and consultation on REDD with small, medium and large producers and other stakeholders

- Assessment of needs for consensus building and training according to different stakeholder categories;
- Development of protocols for each stakeholder category;
- Development of a stakeholder participation plan in the design of REDD activities;
- Implementation of training, awareness and information activities.

The selected intervention strategy will allow mainstreaming the REDD components into the plans, programmes and budgets of the concerned institutions while at the same time their capacities are strengthened to ensure that Paraguay is REDD ready within the expected time frame and the results are sustainable in time. The contribution that the Programme may make through its components to improve the implementation of policies in regard to human rights and poverty alleviation is of particular importance. During all its stages the Joint Programme will emphasize engagement and participation of all stakeholders, especially the forest dependent stakeholders, in order to ensure an adequate ownership and the sustainability of REDD as well as of the instruments to be developed within the framework of the programme.

2. Situation Analysis

General context

1. Paraguay is a landlocked country bordered by Argentina, Bolivia and Brazil. The population of Paraguay is 6,054,796 [1], mostly young, with 66% under the age of 30. The percentage of rural population in the country is still important with 43% of the total or more than 2.5 million inhabitants. The indigenous peoples represent 1.7% of the total population (87,099 individuals) distributed among 20 ethnic groups [2].

2. The country is divided by the Paraguay River in two very distinct and unique regions. The Eastern Region, where more than 98% of the total population is concentrated, occupies 39% of the country's surface area (159,827 km²). The Western Region or Chaco covers a surface area of 246,925 km² or 60.7% but sustains only 2% of the total population.

3. Both regions contain samples of unique ecoregions, the Atlantic Forest and the Cerrado in the Eastern Region and the Humid Chaco, Chaco Woodland and Pantanal in the Chaco. With the exception of the Humid Chaco, the remaining ecoregions are globally and regionally important ecoregions which harbor significant diversity and endemism in its fauna and flora that define them as key areas for conservation of biodiversity [3]. The Paraguayan Chaco is part of the South American Gran Chaco, covering 25% of the more than 1 million km² of this biome, which is one of largest remaining tracts of dry forests in the world and the second largest forested ecosystem outside the Amazon in South America, with 3,400 plant species, 500 bird species and 150 species of mammals [4]. The Eastern Region contains the *Bosque Atlantico Alto Parana - BAAPA* (Alto Parana Atlantic Forest), a sub-tropical humid semi-deciduous forest, considered to be one of the most

biologically diverse containing almost 400 bird species and an estimated 7,851 plant species, many of them endemic and threatened [5].

4. Paraguay is a country with medium human development with an Human Development Index of 0.755 in 2008[6]. Although the HDI has increased favorably between 1975 (0.667) and 2008 (0.755), the country occupies one of the last positions in South America. Poverty currently affects 35.6% of the total population (2.2 million people) while 19.4% (1.2 million) are affected by extreme poverty [1], among them the whole of the indigenous population, which are the most impoverished and lacking in public services.

5. The Paraguayan economy is based on the primary sector (agriculture, livestock and forestry), which is responsible for 22% of the GDP, employs 37% of the EAP and contributes with 65% of the exports [7] [8]. The contribution of the forestry sector to the Paraguayan economy has decreased from 5% of the GDP in the 1970's to less than 4% in the current decade [9]. Exports of forest products have significantly increased between 2002 and 2007 from US\$55.7 million to US\$119.8 million, placing this sector as the third source of national income after soybean and beef. The main export products of the sector are charcoal, parquet flooring and sawn wood. The sector fulfills an important social role providing direct employment to 40,925 individuals and indirectly benefiting 200,000 people [10], and provides energy source (wood and charcoal) for more than 51% of rural households. Worth to mention is the fact that the participation of the forestry sector to the economy relies on the native forests since forest plantations occupy a mere 45,000 hectares.

State of Forests

6. According to estimations made in the last decade, the forests of Paraguay cover an approximate 11 million hectares, of which protected 6 million hectares are included within protected areas, or 15,04% of country's surface. In general, protected areas have proven to be effective in protecting the forests within their boundaries; however the buffer zones have suffered losses of 30% or more of their forest cover [11]. The country has experienced massive changes in forest cover over the last several decades mainly due to land use change. The Eastern Region and especially the BAAPA traditionally bore the pressure of development. The BAAPA forest cover was estimated to be of around 8.8 million hectares in the 1940s (55% of its total surface area). By the 1990s the forest cover had been reduced to 3.5 million hectares (40%) and by the 2000s the forest cover was estimated in 2.1 million hectares or 24% of its original surface area. The rate of deforestation between the 1990s and the 2000s was of 38.9% [11]. The Zero Deforestation Law passed in 2004 in force for the Eastern Region has contributed to decrease the rates of deforestation (20,000 hectares in 2005, 6,400 hectares in 2006, 5,600 hectares in 2007 and 9,503 hectares in 2008) [12]. Of the remaining BAAPA forest cover, between 0.8 and 1.2 million hectares are considered to be productive forests¹[13]

7. The Chaco forest cover considering the Humid Chaco and the Chaco Woodlands, which account for 99% of the Chaco forests was estimated in 16.4 million hectares in the 1990s with a forest cover loss of 1.15 million hectares between the 1990s and 2000s. The rates of deforestation have been of 9.8% for the Humid Chaco (289,357 hectares) and 6.4% for the Chaco Woodland (862,272 hectares) within the period of study [11]. The NGO Guyra Paraguay reported deforestation rates of 130,000 hectares in 2006 increasing to more than 200,000 hectares in 2008 mainly for agriculture and cultivation of pastures for livestock [5] [14]. Productive forests in the Chaco are estimated to occupy between 5 and 7 million hectares [13].

8. The surface area covered by sustainable forest management in line with Forest Law N°422/73 and INFONA's regulations represent only 1% of the total forest area [15]. Only 2,000 hectares within this area are currently certified by Forest Stewardship Council standards [5]. .

¹ Forest land that is capable of producing a merchantable stand within a defined period of time.

9. Degradation of forests is mainly related to the “mining” of secondary forests for commercial timber fuel-wood and charcoal production. Both are the main sources of energy supply for more than 51% of households in the rural sector and 87% of industries and an unquantified, but important, amount that goes into charcoal, traded legally or illegally, notably exported illegally to Brazil. Nevertheless, there is consensus that degradation is a phenomenon that requires more accurate assessment due to the lack of methodologies to quantify it [5].

10. According to the preliminary results of the 2008 Agricultural Census carried out by the MAG, present day land use at national level is distributed as follows: 54% pastures and grasslands, 28% forests, 10% cultivated lands, 6% other uses and 2% fallow land [17].

11. Among the main environmental impacts of the deforestation and degradation of forests are loss of carbon stocks, CO₂ emissions and loss of biodiversity. Paraguay’s First National Communication reported emissions for the LULUCF sector of 3,530.45 GgCO₂ for base year 1990 and 17,812.3 GgCO₂ for base year 1994. Preliminary results of the Second National Communication currently under review foresee a considerable increase for base year 2000 [5]. Some 137 species of flora and fauna are threatened [18]. Other consequences are related to loss of other ecosystem functions and services.

12. Future trends and scenarios of the forestry sector until the year 2020 were established by a FAO study. Three scenarios were established, a positive scenario, a negative scenario and a most probable scenario. Within the most probable scenario, trends until the year 2020 include an increase in the main cash crops (soybean, cotton, maize) of an estimated 472,220 hectares and 135,000 hectares for manioc, beans and sugar cane. Livestock production growth would require at least an additional 700,000 hectares until 2020. The surface area of forest covers would remain without major changes with an average annual deforestation rate until the year 2020 of 140,000 hectares/year on the basis of the growth needs of the agricultural and livestock sectors with an expectation that the future deforestation would be realized on non-productive forests due to their lack of commercial value [15].

Drivers of deforestation and degradation of forests

13. Several causes underly deforestation and degradation of forests in Paraguay. The country’s economy is based mainly on agriculture and livestock production and on a minor percentage on forest products. The development model promoted by successive governments since the 1960s privileged agriculture and livestock production and therefore land use policies and programmes have been biased toward agricultural and livestock productions, which generate the greater percentage of export earnings. Within the framework of the agrarian reform some 12 million hectares were distributed, mostly forested areas [5].

14. The lack of a forest inventory and limited knowledge and information on the value of forests have determined that forest land has traditionally been considered as unproductive or unused land, and together with the fact that the forest soils have been always considered the most suitable for agriculture by national standards, have been important drivers of deforestation at both small and large scale especially in the Eastern Region. In fact, technical assistance and credit programmes have promoted land clearing for agriculture and livestock production, therefore constituting “perverse” incentives and drivers of deforestation.

15. Increased worldwide demand and favorable prices of commodities in recent years have contributed to increase the area covered by agriculture and livestock expanding the agricultural frontier toward the Chaco thereby increasing deforestation rates in the Chaco.

16. The inequitable land distribution policy promoted the concentration of lands among people with great purchasing power, hence going against the spirit of the agrarian policy. At the same time the agrarian policy was inadequately applied with little technical assistance and addressing only land tenure; it was limited to the distribution of forestlands. The peasants had no other alternative but sell the timber after devastating the forest and lastly his property rights to the aforementioned owners of great purchasing power. In regard to indigenous peoples, although the National

Indigenous Peoples' Institute was established mainly to ensure land tenure, they have suffered forced displacements and have also been victims of the absence of public policies to integrate them into the economic and social development within a framework of respect to their cultures and their territories. Many of them have found themselves in the need to degrade the forest and lease their lands to big agricultural and livestock producers. Colonization processes prior to, and during the agrarian reform did not take into account the presence of indigenous peoples and their relationship with the forest and much of their ancestral lands were distributed. Although there is insufficient data on the surface of lands held by indigenous communities², the 2002 Indigenous Peoples Census was able to identify that, out of a total of 412 communities, 185 do not have their land tenure situation resolved (the land is owned by a third party and/or the land is untitled).

17. Both indigenous peoples and peasants are interested in restoring their scarce territory left but they neither have the conditions to do it nor are there incentives for that purpose. Application of Law 536/96 for Afforestation/Reforestation did not render the expected results and generated false expectations. The REDD mechanism could facilitate that this law and other laws provide the incentives needed for indigenous peoples and peasants to conserve and restore their forests.

18. The lack of adequate land zoning facilitated the advance of the agricultural frontier at the expense of transforming ecosystems, hence contributing to deforestation, degradation of the environment and of the water producing territories. Additionally, this phenomenon contributed to the loss of productivity and soil impoverishment, thus forcing many peasants to migrate to new settlements and continuously repeating the cycle. On the other hand, an estimated 7.8 million hectares were distributed to non-beneficiaries of the agrarian reform [15]. The inadequate distribution of land that was destined to the agrarian reform among people that did not meet the requirements to be benefited by such reform lead to the concentration of lands in the hands of few. This in turn lead to a process of invasions of private properties by peasants as a means of claiming their rights to lands, which began slowly during the 1980s and significantly increased in the 1990s. Due to the invasions large landowners deforested their lands as a means to protect their property rights. As a reaction peasants and indigenous peoples began to request a greater presence of the State in their territories, demanding food sovereignty and security, water sovereignty, energy sovereignty and territorial sovereignty especially in the frontiers.

19. The lack of application and compliance of environmental and forest management regulations, the lack of incentives as well as the lack of adequate monitoring and control mechanisms by the enforcement authorities are factors that allow the processes of deforestation and degradation of forests. Within this context it is necessary to prioritize initiatives to update, harmonize and identify the existing gaps in the existing legal framework.

20. Traditional forestry has an extractive nature and overexploits the forests for timber, wood or charcoal, with few or no practices favoring regeneration of the native forest. Paraguayan forests contain significant numbers of forest species according to field studies, namely some 300 tree species of which only 15 to 20 species are known and widely used [15]. The Eastern Region and more specifically the BAAPA is rich in those forest species most demanded by the industry and therefore the region has been the main supplier of raw material for export products and energy sources. The Chaco forests have been traditionally exploited for *quebracho* hardwood to produce tannin for industrial applications, *palo santo* to produce essential oils and more recently other species for construction, posts and fences, wood and charcoal. Illegal logging and smuggling of timber into Brazil is another problem derived from lack of implementation of planning, management and control.

21. The limited capacity to control wildfires and to implement fire management practices in agricultural and livestock production also contribute to deforestation and degradation of forests. The lack of technical alternatives to replace the use of fire in agricultural and livestock production

² The EU Prodechao Project had estimated in 2000 a surface area of 1.5 million hectares in the Chaco

adds up the previous factors. In 2007 more than 15,000 fire spots were detected in the Chaco originated in land clearing activities and burning of pastures.

Institutional, policy and sectoral context

22. The National Constitution recognized the right of the inhabitants of Paraguay to life in a healthy and ecologically balanced environment. The Constitution also declares as of "social interest" the preservation, conservation and improvement of the environment, and its reconciliation with human development; it also recognizes the equal rights and opportunities of all the inhabitants.

23. Law 1561/2000 established the National Environmental System (SISNAM). The SISNAM provides an organizational framework comprising two levels. The National Environmental Council (CONAM) provides the platform for consultation, debate and definition of the national environmental policy and the Environment Secretariat (SEAM) which main purpose is to regulate functioning of the institutions in charge of elaboration, normalization, coordination, execution and control of the environment.

24. The National Environmental Policy (PAN) was approved in May 2005. The objective of the PAN is to conserve and manage the use of Paraguay's natural and cultural heritage in order to guarantee the sustainability of development, equal benefit-sharing, environmental justice and livelihoods of the population. The PAN also establishes its operational instruments: strategic environmental assessment, environmental audit, quality norms, control and surveillance system, citizenship, and economic-financial and promotion instruments.

25. The National Forest Board is a multi-stakeholder forum integrated by government and non-government institutions that was established with the objective of building consensus toward the formulation of a National Forest Policy. The proposal for the National Forest Policy was agreed in 2002;

26. As a result of the process that resulted in the proposal of the National Forest Policy, in May 2008 the National Forest Institute (INFONA) was established through Law 3464/08 as an autonomous institution and replacing the former National Forest Service as the institution charged with the responsibility of implementing the Forest Law. INFONA's Advisory Board has recently approved the National Forest Policy, which overall objective is to improve the contribution of the forestry sector to the sustainable economic growth of Paraguay by increasing the economic, social and environmental benefits of goods and services provided by the forests of the country, harmonizing and coordinating the forest policy with the environmental policy through continuous adjustment and with the participation of the public and private sectors. The strategic components of the forest policy include institutional strengthening, improvement of the legal framework, sustainable forest management, afforestation and reforestation, financing and incentives, industry competitiveness, control, research, capacity building and awareness raising.

27. Among its main strategic advances, Paraguay has prepared its National Biodiversity Strategy and Action Plan and has established its National Climate Change Program and formulated a 2008-2012 Climate Change Plan which comprises – *inter alia* – the promotion of natural regeneration of forest cover with a national goal of 10% of the total surface area of the country. The National Action Plan to Combat Desertification is currently in the stage of being validated with key stakeholders. Likewise, Paraguay has prepared a National Forest Action Plan within the framework of the National Forest Policy. Other initiatives include the establishment of the Eastern Regional Environmental System, the Chaco Environmental System, debt for nature swaps, land zoning plans in the Chaco and a 5-Year Plan for the Bali Road Map. However the lack of follow-up and implementation of these strategies is an important weakness.

28. There are also regulatory laws and decrees relating to the environment, indigenous communities, gender, education and the creation of executive institutions and organisms, and other issues, among them *Ley 422 Forestal* (Forest Law), *Ley 294/93 de Evaluación de Impacto Ambiental* (Environmental Impact Assessment Law), *Ley 536 de Forestación y Reforestación* (Afforestation and Reforestation Law), *Ley 751/95 de combate al tráfico ilícito de la Madera* (Illegal timber traffic Law),

Ley 352 de Areas Protegidas (Protected Areas Law), *Ley 756 de Delito Ecológico* (Ecological Crimes Law), *Ley 2524/04 de Deforestacion Cero* (Zero Deforestation Law), *Ley 3001 del Regimen de Servicios Ambientales* (Environmental Services Law), *Ley 904/81 Estatuto de las Comunidades Indigenas* (Indigenous Peoples Statute), *Ley 1863/02 Estatuto Agrario* (Agrarian Code). Paraguay has ratified international environmental and human rights conventions. See Annex D for a more comprehensive list of relevant laws.

29. Although the legal framework is profuse, there are weaknesses and insufficiencies of the regulatory and institutional frameworks since many of the environmental laws do not have their respective ruling and procedures for implementation. There is also a lack of adequate coordination and harmonization among the existing laws, as well as lack of clarity in the implementation of the legal framework regarding the use of forest products by indigenous communities. Likewise, there is a weak implementation of international environmental and forest agreements.

30. Responsibilities for issuing regulations and procedures in the environment sector is the responsibility of the SEAM. Regulations issued by the SEAM should be mainstreamed in the relevant procedures of other institutions such as the Ministry of Agriculture (MAG), the Ministry of Public Health (MSPyBS), National Environmental Health Service, Departmental and Municipal governments.

31. Institutional capacities are weak due to insufficient allocation of qualified human resources and funding and there is a general lack of coordination among the institutions charged with implementation of the policy and legal framework, mainly the MAG, the National Rural Development and Land Institute (INDERT), the National Indigenous Peoples' Institute (INDI), INFONA, SEAM and MSPyBS. The weaknesses at national level repeat themselves at departmental and municipal levels and also at the level of grassroots organizations (peasants and indigenous peoples organizations).

32. Despite the limitations and barriers confronted, the Paraguayan Government is making efforts to overcome such barriers and create an enabling environment. Since its inception in 2008, INFONA has begun a process of revision of forestry sector regulations aimed at improving institutional and sector performance. Likewise, both INFONA and SEAM have jointly begun the revision of those regulations that are relevant to both institutions with the objectives of improving such regulations and the effectiveness of their implementation. Within the Government sector, both institutions have pioneered the establishment of strong collaboration relations with environmental NGOs to enhance implementation of their activities.

33. The SEAM has been a pioneer in signing cooperation agreements with indigenous peoples' organizations such as the *Unión de Nativos Ayoreo del Paraguay* (Union of Ayoreo Natives of Paraguay) and the *Organización Payipie Ichadie Totobiegosode – OPIT* for the defense and protection of their territories. Agreements have also been signed with the Mbya Guarani people, specifically with the *Asociacion de Comunidades Indigenas de Itapua – ACIDI* (Association of Indigenous Communities of Itapua) and the *Asociacion Teko Yma Jehe'a Pavee* of Caazapa which have the objective of joining efforts toward the implementation of common projects for the protection of the environmental, natural and cultural heritage of the *Tekoha Guasu* in accordance with their traditional and customary use practices. The territory of these people has been designated as Reserved Area for the San Rafael National Park.

34. Solution of the underlying causes of deforestation and degradation of forests is constrained by a number of barriers, which need to be tackled, namely:

Policy/Legal barriers:

- Environmental and forest policies are not sufficiently known and are not mainstreamed into the public policies of other sectors, especially in regard to forests, biodiversity and climate change;
- Weaknesses in the legal framework: a) insufficient mainstreaming of environmental and forest criteria in the regulations of public sectors relevant to land use (i.e. agriculture, livestock mining, etc.), b) lack of harmonization of forest, environmental and human rights (i.e. indigenous peoples and peasants) laws and their rulings, c) gaps and contradictions between laws;

- Forestry activities are not integrated in rural development programmes as a complementary activity to agriculture and livestock production and therefore producers are not sufficiently aware of the benefits of sustainable forest management and the economic value of forests;
- Lack of implementation of existing forest and environmental incentives (Forest Fund, tax deductions, payment for environmental services, etc).

Institutional/Capacity barriers:

- Insufficient capacity for socio-environmental zoning, land zoning and planning at national, departmental and municipal levels;
- Lack of: a) updated baseline information, b) coordination, and c) systematization of information at national, departmental and municipal levels;
- Limited capacity of institutions and human resources at national, departmental and municipal levels, as well as centralized and complex bureaucratic procedures;
- Insufficient resources (financial, technical and human) allocated to sustainable forest, land and protected areas management.
- Lack of participation of rural communities and especially indigenous peoples in national sustainable development processes due to weak implementation of participation and consultation processes and insufficient strengthening of grassroots/indigenous organizations. Some public institutions do not have sufficient consideration of the social and political structures of indigenous peoples through their genuinely representative organizations. Forest-related traditional knowledge is not taken into account.
- Lack of capacity of the Directorate of Cadastre and the INDERT to effectively support the resolution of land tenure problems.
- Lack of efficient early warning systems and fire control systems and capacity for a rapid response to fires.

Stakeholder mapping

31. A number of REDD-relevant stakeholders – Government Agencies, NGOs, private sector, grassroots and indigenous peoples’ organizations – have been identified during the programme formulation and are summarized below. A detailed list and analysis of each stakeholder and their possible participation in the programme is included in the Stakeholder Matrix in Annex C.

- Government institutions:
 - National level: SEAM, INFONA, MAG, Social Action Secretariat (SAS), INDI, INDERT), Ministry of Industry and Commerce (MIC), Technical Planning Secretariat (STP), National Emergency Secretariat, Ministry of Health, Womens’ Secretariat, Ministry of Education, Ministry of Foreign Affairs, Vice Ministry of Mines and Energy (VMME), Ministry of Finance (MH), National Tourism Secretariat (SENATUR), National Culture Secretariat, Itaipu and Yacyreta Administrations, National University/Colleges of Forestry and Environmental Engineering, mainly
 - Departmental Level: Departmental Governments
 - Local level: Municipalities
- NGOs and GOs: POJOAJU – Paraguayan NGO Network, Network of Environmental NGOs (ROAM), Rural Network of Private Development Organizations, Network of NGOs supporting Indigenous Peoples, *Tekokatu* National Federation of NGOs for Peasant Development, Alliance of Leaders for Sustainable Development – ALIDES, Paraguayan Network for Conservation in Private Properties, Peasants’ Organizations Coordinating Board (MCNOC), National Peasant Federation (FNC), National Peasant Organization (ONAC).
- Private sector: Paraguayan Lumberers’ Federation (FEPAMA), Federation of Lumberers of the Interior of Paraguay (FEPAMI), Paraguayan Rural Association (ARP), Paraguayan Agricultural Coordinating Board (CAP), Association of Forestry Sciences Graduates, Mennonite Cooperatives of the Chaco, Federation of Production Cooperatives (FECOPROD), Chamber of Exporters of Cereals and Oilseeds (CAPECO).

The 2008 Agricultural Census registered more than 246,000 small producers throughout the country, who are in different degrees owners of forests. They organize themselves in several types of organizations and associations. The MCNOC, the FNC and the ONAC have a national scope and are the main peasant organizations. Farmers are associated to cooperatives as well as associations such as the CAP whilst the ranchers are represented by the ARP and its Regional Offices nationwide. Lumberers' associations are the FEPAMA and FEPAMI.

- Indigenous peoples organizations: the Coordination for Self Determination of the Indigenous Peoples – CAPI, a second tier organization with 13 member organizations from both the Eastern and Chaco Regions, the Federation of Associations of the Guaraní People of Paraguay, another second tier organization with 9 member associations.

3. Guidelines of the Coordination for Self Determination of the Indigenous Peoples (CAPI) for implementation of the National Joint Programme in Indigenous Peoples' Territories

- All initiatives and/or programmes of the Central, Departmental and Municipal Governments, the public and private loan and financial institutions, the private sector, the national and international NGOs, and the intergovernmental organizations or agencies (herein known as "the Government and Others") that aim at implementing a development, research or investment activity or project that is related to preparation for the programme titled "UN Collaborative Programme on Reduction of Emissions due to Deforestation and Degradation of Forests in Developing Countries" (herein known as "UN-REDD") or the implementation of REDD programmes (herein known as "REDD Activities") shall recognize, respect and apply the human rights of the indigenous peoples and communities as affirmed in the international instruments including the international declarations to which Paraguay has adhered to, among them the UN Declaration on the Rights of Indigenous Peoples (herein known as "the UN").
- The principles and guidelines of the "UN-REDD Programme Operational Guidance: Engagement of Indigenous Peoples & other Forest Dependent Communities (October 2009-UN-REDD/PB3/SP)" shall be recognized and respected by the Government and Others and shall be incorporated in practical terms in the design and implementation of REDD Activities.
- The Government and Others, when implementing activities within the framework of UN-REDD shall recognize the legal, social and environmental need to engage the indigenous peoples and communities of Paraguay. Therefore it is indispensable to apply consultations of good faith, negotiation and consentment processes and governmental and inter-institutional decision making regarding initiatives that may affect the lands, territories and resources, and the natural and cultural goods contained in them. In this regard, issuance or denial of the free, prior and informed consent is indispensable in all decision making processes by the Government and Others.
- The Government and Others shall promote REDD Activities with a high degree of understanding and coordination, taking into account that a responsible, respectful and culturally appropriate relationship with the indigenous peoples and communities may maximize the success of the REDD Activities and the benefits to peoples and communities in regard to environmental sustainability, consolidation of forests and minimizing the risks of violating the rights of indigenous peoples and communities.
- The Government and Others, within their REDD actions and activities, shall recognize, in accordance with the international law and the human rights instruments – including the UN Declaration on the Rights of Indigenous Peoples – that the indigenous peoples and communities are the rightful owners of the lands, territories, natural and cultural resources and goods, that are possessed or occupied by them and are of ancestral use, in accordance with their customary rules, regardless if they have or not a property title issued and registered by the Paraguayan State.
- Prior to commencement of any REDD Activity in an area under claim or under traditional or current possession by an indigenous people or community, the Government shall in the first

place carry out a rapid process to effect the rights of such peoples or community in accordance with the international and national legal framework, that is, demarcating and titling such traditional/current lands and territories according to their own values, customs and customary rules. Until such legitimization actions – demarcation and titling – are carried out, no REDD Activity will be initiated without the free, prior and informed consent of such peoples or community.

- If the area that may be affected by a REDD Activity or initiative is part of a traditional territory of an indigenous people or community, the Government and Others that try to promote such REDD actions in the said geographical area, shall recognize and respect the fact that the said peoples and communities have the right to possess, control, manage, participate and consent any activity to be implemented that may affect the lands and resources of such area, including REDD actions. This includes the right of the affected peoples and communities to grant or deny their free, prior and informed consentment to the proposed activity as well as to decide if they desire to participate in the negotiations and terminate them at any time if deemed necessary.
- The indigenous peoples and communities living in isolation will be considered as exercising their territorial right and as such they are not issuing their consentment by choosing not to enter into any type of consultation or contact with the surrounding society. The Government and Others shall not to force contact with theses peoples in voluntary isolation with the purpose of implementing REDD activities or initiatives in their territories.
- Prior to implementation of REDD Activities in indigenous territories the Government and Others – in consultation with the indigenous peoples and communities – shall elaborate an inclusive, respectful, comprehensive and realistic plan with the purpose of guaranteeing the effective engagement of such groups (peoples and communities) in all activities, and achieving consultations of good faith and consentment processes.
- Prior to implementation of any REDD Activity in a indigenous territory and/or community, the community shall be recongnized in their full right of obtaining their legal status as a collective,, in accordance with the national legal framework.
- In the initiative, design, implementation and closing of REDD Activities, the Government and Others shall respect and recognize that all peoples and communities have the right to participate in the negotiations through their genuinely representative organizations and/or their freely chosen representatives.
- Prior to implementation of REDD actions or initiatives that may affect the lands, territories or resources and the natural and cultural goods – totally or partially – or any fundamental right of the indigenous peoples and/or communities the Government and Others shall carry out a highly participatory process of respectul, transparent and open discussion with them and shall try to reach written agreements on the following issues: (i) intellectual property (avoid that REDD Activities do not result in appropriation of intellectual property of the indigenous peoples and communities affected or that it be included in any documentation without their consent), (ii) active and effective engagement in benefit sharing, (iii) demarcation and titling of indigenous lands, where applicable, (iv) allocation of funds or services outside the participation plan, that are necessary for the communities to carry out the consultation process, (v) restitution, compensation and/or recovery of the lands in the event of an interference caused by a REDD Activity; (vi) environmental recovery and mitigation measures, (vii) conflict resolution, (viii) joint monitoring and implementation modalities involving all parties; (ix) the role of independent and impartial entities to audit and follow the project; (x) mechanisms for continuous negotiations and consensus processes among the parties until the termination of the Activity; and (xi) clear safeguards to promote and protect the rights and interests of the peoples and communities and others, including the compliance of the legislation and internal customs of the affected peoples and communities.
- Prior to implementation of REDD Activities the Government and Others shall reach a reasonable agreement with the indigenous peoples or communities affected in regard to benefit sharing. The agreement should include a clear disbursement schedule and if necessary, it should establish links of the stages of the project with frameworks and commitments for benefit-

sharing. Any participation in the subject should include in detail the mechanisms for a transparent distribution and management of the funds or services to be received by the community as a result of their participation in, and consentment to, the proposed REDD Activity. These mechanisms should also include stipulations that take into account the adjustments in the benefit sharing agreement in the event of a significant change in the value of the benefits originally negotiated and/or the resources and services provided by the lands, territories and resources of the peoples and communities.

- During the time-period to achieve REDD readiness the Government of Paraguay shall examine the national legal framework regarding the rights of the indigenous peoples and communities, the environment, etc. to determine if it is consistent and it is harmonized with the international law, as well as implementing the legislative and administrative actions to achieve this end. This comprehensive revision will be carried out with the full engagement of the indigenous peoples and communities. The Government shall also commit to implement the recommendations of such revision before adopting a national decision to accept the implementation of REDD actions and before implementing or approving REDD Activities that may affect the lands, territories and resources, and the rights of these peoples.

4. Strategies, including lessons learned and the proposed joint programme

Background/Context

36. Paraguay has had an active participation in the international REDD negotiating process and is one of the nine selected pilot countries for country programming under the UN-REDD Programme as per request by the Government of Paraguay of August 2008. The Government of Paraguay has submitted an R-PIN to the World Bank. Nevertheless, this process is currently on hold conclusion of negotiations between the GoP and the Bank regarding a forest development project. Paraguay has relied on the experience acquired throughout the preparation of the R-PIN to justify its involvement in the UN REDD process.

37. The Government of Paraguay has taken a series of steps to mainstream the socio-environmental issues into the development policies and reduce deforestation and degradation of forests within a context of social and environmental justice and equity (e.g. rights focus). These initiatives include the National Environmental Policy, the NBSAP, 2008-2012 Climate Change Plan, the National Forest Policy, the National Forest Action Plan, the National Protected Area System and the National Wildlife System, Eastern Region Environmental System, Chaco Environmental System, debt for nature swap, a proposal for land zoning in the Chaco, the National Forest Board. In this sense it is worth to mention the enforcement of the Zero Deforestation Law since 2005 and the establishment of the Biosphere Reserve. The GoP has recognized the importance of the UN-REDD process, the SEAM has included this issue in the guidelines of the 5-year plan and the CONAM has recognized the need to establish a Technical REDD Group. At the institutional level SEAM and INFONA have established cooperation agreements with indigenous peoples' organizations and NGOs in regard to socio-environmental issues.

38. The donor community has played and continues playing an important role by contributing to the development of the environment, forestry and rural development sectors. FAO, JICA and GTZ have been primary donors to the forestry sector while UNDP-GEF, UNEP, GTZ, IADB, AECID and USAID have lead the assistance in conservation of biodiversity. The German Institute of Geosciences (BGR) provides capacity building on GIS and remote sensing tools for environmental management and monitoring. The GTZ supports natural resources management. Although no specific REDD technical assistance is currently being received by the country, several donors and international partners have expressed an interest to support REDD related activities. These include the WWF, UNDP, IADB, TNC and Bird Life as well as other international organizations such as OAS, CATIE and ECLAC. JICA on its part has offered a technical cooperation for data processing as well as training on management of information systems, which includes the installation of the necessary infrastructure in 4 locations of the country.

Lessons Learned

39. A number of lessons learned have been indentified regarding issues that need to be strengthened, namely:

- Participation processes to ensure ownership by all concerned stakeholders: large and medium sized producers, rural communities and peasants, and the full engagement of the indigenous peoples taking into account their cosmovision. This is guaranteed by current national and international legislation.
- Inter-institutional coordination and complementarity among development initiatives to ensure efficient use of human, technical and financial resources;
- Mainstreaming of cross-cutting issues – mainly gender and human rights - across development initiatives;
- Forest management by traditional dwellers and their relationship with the other ecosystems.
- Capacity building and training of the different stakeholders for implementation of the REDD mechanism.

The Proposed Joint Programme

40. In order to achieve REDD-readiness, the Government of Paraguay will address with the support of the Joint Programme the following barriers that impede the adequate solution of the underlying causes of deforestation and degradation of forests:

Policy level	Legal level	Institutional level
• Lack of mainstreaming and application of the environmental and forest policies in the development policies • Weak coordination of sector policies (environmental, forestry, rural development, social, economic) • Lack of public policies on indigenous peoples and forests. • Lack of application and adjustment of public polices to the local context	• Lack of implementation, harmonization and coordination of the environmental and forest regulatory frameworks; • Gaps in rulings and procedures that hinder effective implementation of the environmental and forest regulations and the international agreements. • Lack of financial incentives and mechanisms as well as transparent follow-up and monitoring mechanisms to promote sustainable forest management.	• Insufficient capacity building and training of Government and CSOs • Lack of research and information on traditional knowledge, ecosystem services and forests; • Lack of insfrastructure and methodologies for monitoring forest cover, estimation and monitoring of carbon stocks; • Insufficient participation of forest-related stakeholders (large and medium producers, peasants, indigenous peoples) in policy design and implementation; • Weak inter-institutional coordination among the relevant sectors and with the local organizations.

41. To overcome these barriers the Joint Programme will assist the Government of Paraguay through capacity building at two levels. At national level the programme will contribute to develop national capacity to design and implement the necessary measures to establish a national REDD programme mainstreamed into the relevant environmental, forest, social, rural development and economic policies and capable of generating and monitoring measurable and sustainable reductions in: a) the rates of deforestation and forest degradation, b) incentives in regard to the REDD

mechanism, and c) receiving payments and distributing such payments at local level in such a manner that the programme be an instrument to support the country's sustainable development as well as to comply with the international environmental, social and human rights agreements (outcome 1).

42. At local level the programme will contribute to develop local capacity to: a) design and implement REDD activities; b) demonstrate approaches to reduce current land use trends and deforestation and forest degradation through a demonstration project that mainstreams REDD into local development priorities; and c) strengthen management capacities of local authorities and the empowerment of local stakeholders (outcome 2).

43. Indigenous peoples are important stakeholders in REDD to the extent that they depend on forests for their livelihoods and may make contributions to more sustainable forest management from a multicultural and socio-environmental perspective, taking into account their cosmovision. Likewise, rural communities have a strong dependency on forests for energy sources and income and small, medium and large producers own forested lands and are users of forest and forest products. A third outcome of the Joint Programme will aim at training and consultation at all levels as well as a process of consensus building with these relevant stakeholders regarding the REDD mechanism to achieve: a) increased knowledge of stakeholders on REDD and depending on their interests, on issues such as the regulatory framework, the value of forests, sustainable management, traditional knowledge, among others, b) improved mainstreaming of stakeholder concerns and needs in the development of policies and regulations and implementation of programmes and projects. An enhanced collaboration between Government and stakeholders should lead to a more effective implementation of the regulatory framework and sustainable management of forests thus contributing to the reduction of deforestation and degradation of forests, fulfillment of government commitments in socio-environmental and human rights issues and the national and international agreements on the rights of indigenous peoples, including:

- Law 904/81 Indigenous Peoples Statute, which establishes the INDI and the regulations regarding the rights of indigenous peoples.
- The UN Declaration on the Rights of Indigenous Peoples.
- Convention 169 of the International Labor Organization.
- UNDG Guidelines on Indigenous Peoples' issues.
- UN-REDD Operational Guidance on: a) Engagement of Indigenous Peoples and other Forest Dependent Communities, and b) Free, Prior and Informed Consent of Indigenous Peoples for REDD activities.

44. The Joint Programme is consistent and coherent with the agreed elements of the National Environmental Policy and the National Forest Policy. The programme is also consistent with the guidelines of the 2008-2012 Climate Change Action Plan which sets as one of its priorities conservation, sequestration and prevention of emissions in the forestry sector as well as with the NBSAP and the NAPCCD. The programme will link REDD activities with the sustainable socio-environmental and economic policies and programmes in support of the country's efforts in poverty reduction and achievement of the Millennium Goals. The programme will contribute to UNDAF Outcome 3 that seeks to strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development and indirectly to UNDAF Outcome 2 that seeks the improvement of the livelihoods of the poorest, vulnerable and excluded groups.

Sustainability of Results

45. The Joint Programme will not establish new structures that require additional resources, on the contrary, it will mainstream REDD and its components into the concerned institutions' plans, programmes and budgets while strengthening at the same time their capacities to ensure that Paraguay achieves REDD-readiness within the foreseen timeframe and sustains REDD in the long term. REDD will be mainstreamed into the relevant sector policy and legal frameworks, including the social and rural development sectors as a means to support the implementation of pro-poor and human rights policies. The Joint Programme will give special emphasis to stakeholder engagement

and participation to ensure adequate buy-in and ownership, thus ensuring sustainability of REDD and the instruments to be developed under the programme.

5. Results Framework

46. The Objective of the UN-REDD Paraguay programme is to assist the Government of Paraguay in the establishment of a National UN-REDD Programme by facilitating the development of capacities for integrated environmental management including the promotion and management of sustainable and equitable development. Implementation of the REDD Programme will allow the National Government to mainstream into its development agenda the actions aiming at an effective reduction of deforestation and degradation of forests with the overall purpose of fighting poverty in the most vulnerable forest dependent sectors.

47. To achieve the stated objective the NJP will pursue the following three Outcomes and respective Outputs.

Outcome 1: Improved institutional and technical capacity of Government and Civil Society organizations to manage REDD activities in Paraguay

48. This outcome will contribute to develop national capacity to design and implement the necessary measures to establish a national REDD programme mainstreamed into the relevant environmental, forest, social, rural development and economic policies and which is capable of generating and monitoring measurable and sustainable reductions in: a) the rates of deforestation and forest degradation, b) incentives associated with the REDD mechanism, and c) receiving payments and distributing such payments at local level.

Output 1.1: National Action Plan for Reduction of Emissions due to Deforestation and Degradation of Forests (REDD-Plan)

49. Core components of the process will be the production of baseline information, stakeholder engagement, consultation and consensus building, training, and design of a REDD-Plan that is consistent with the national environmental, forest and sustainable development policies.. Implementation of this output will run in parallel with the other outputs since its achievement depends on the generation of baseline information – forest and carbon inventory – as well as the construction of emissions scenarios and reference levels, and the information systems.

50. Indicative activities contributing to this output are:

- National REDD Committee established and functioning;
- Participatory design of the REDD Plan, including the definition of concepts from a multicultural and socio-environmental perspective, and taking into account the indigenous peoples' cosmovision;
- Assessment and improvement of the environmental, forest and indigenous issues policy, legal and institutional frameworks, mainstreaming REDD into the sector policies;
- Assessment of:
 - Climate change as a cross-cutting issue and its impacts on key stakeholders;
 - Decentralization strategies for implementation of REDD;
 - Historical and future trends of deforestation and degradation including an analysis of the international demand of timber and other forest products;
 - Socio-economic drivers of deforestation and degradation of forests taking into account opportunity costs and costs of strategies to control deforestation.

- Prioritization of stakeholders and identification of beneficiaries. The assessment will place special emphasis in the engagement and inclusion of vulnerable groups and indigenous peoples within a context of respect for their rights;
- Identification of linkages and synergies with ongoing and planned relevant programs and projects;
- Participatory design of proposal for a mechanism for formalization of land tenure (at rural and indigenous peoples level)
- Training of selected government and NGO staff for implementation of the REDD plan.

Output 1.2: National Environmental (SEAM) and Forest (INFONA) Information System to measure and evaluate reduction of emissions from deforestation and degradation of forests

51. Availability of accurate and reliable baseline information is an important barrier in Paraguay. The National Forest Information System (SNIF) will allow measuring and monitoring land use changes, forest cover, forest condition and carbon stocks. Currently only partial information is available from different sources on forest cover and use of the forest resources. This output will also seek the strengthening of the National Environmental Information System and will allow monitoring, filling in information and knowledge gaps, hence contributing to policy design, sustainable environmental and forest planning to achieve REDD-readiness.

52. INFONA will carry out the National Forest Inventory (INF) utilizing a methodology to be jointly defined with SEAM and the assistance of FAO and that will be adapted to REDD including economic and socio-environmental criteria.

53. A methodology to assess carbon stocks will be developed in accordance with IPCC guidance on the subject. In order to carry out the INF, INFONA foresees strategic alliances with the SEAM, the Colleges of Forestry and Environmental Engineering of the National University and will coordinate with key stakeholders such as cooperatives, GOs, indigenous peoples associations, the Rural Association and NGOs among others.

54. The information produced will also serve to develop technical capacities aiming at the establishment of reference emissions scenarios and levels, which are necessary to measure and demonstrate progress in the efforts that Paraguay will be making in the future to reduce deforestation and degradation of forests. Likewise, a forest carbon monitoring system based on remote sensing/GIS applications and field work at both national and local levels will be developed and linked to the National Forest Information System (SNIF)..

55. The SNIF will be implemented with the objective of providing timely and accurate data that will aid in implementation of the relevant sector policies and the REDD-Plan. The information system will be linked to the National Environmental Information System hence contributing to monitoring of forests (REDD) and land use changes, the carbon accounting system as well as other relevant information systems and databases, namely those of the MAG, the DGEEC and the SAS³ to aid in establishing adequate linkages and synergies of REDD activities with pro-poor policies and social and rural development initiatives.

56. Indicative activities contributing to this output are:

- Implementation of a national forest and carbon inventory (baseline);
- Development of a National Forest Information System, including a forest inventory and carbon monitoring system in line with standards and models for estimating carbon stocks and emissions levels;
- Strengthening of the National Environmental Information System and the National Climate Change Office;
- Collection and analysis of information and data on deforestation and degradation of forests;

³ The DGEEC is in charge of demographic, social and economic statistics, data and information. The SAS manages the SIGPA (Paraguay Information and Management System) and the MAG manages the RENAF (National Registry of Small Farmers) and the National Agricultural Census.

- Development of reference emissions scenarios and reference emissions levels;
- Training of key government staff and other relevant stakeholders;
- Supply of computer equipment, GPS units and other elements necessary to strengthen the National REDD Technical Team (e.g. SEAM, INFONA, CAPI)

Output 1.3 National system of carbon accounting and data management

57. This output will contribute to develop a system to report carbon stocks and stock changes in accordance with international reporting requirements. A carbon accounting unit will be established within the SEAM and will be linked with the SNIF as this information system will produce the baseline information for calculation of carbon stocks and their annual variations.

58. Indicative activities contributing to this output are:

- Development of a protocol for collection of information and verification;
- Establishment of a technical unit in charge of the accounting system;
- Training of key government staff in charge of the accounting system;

Output 1.4 Equitable and transparent system of payments and benefit sharing

59. Several instruments have been created within the Paraguayan forestry and environmental legal frameworks, which include payment mechanisms, namely the Forest Fund (Forest Law), the Environmental Fund (SEAM Law), the Protected Areas Fund (Protected Areas Law). However, these funds have not been implemented due to lack of detailed design and operational mechanisms for implementation, and lack of financial sustainability strategies. Under the recent Environmental Services Law, which foresees payment for environmental services, an National Environmental Services Office has been established as well as a general operational procedure and its regulations are being currently reviewed. INFONA manages a payment system within the framework of the Afforestation/Reforestation Law Nº536 by which the institution approves afforestation/reforestation and native forest enrichment activities and the Ministry of Finance makes the disbursements to the beneficiary upon certification by INFONA. Within the framework of its social development programmes the SAS⁴ has in place a payment system, which transfers funds to local beneficiaries in the 66 poorest districts of the country. A system established by MAG⁵ also facilitates the transfer of agricultural subsidies to small farmers. Through this output and building upon the existing instruments, potential synergies and the lessons learned, a system of payments and benefit sharing suitable to REDD needs will be designed with high level of engagement of forest dependent populations.

60. The payment system will consider, at least, the following elements: a) a mechanism for registry of areas with carbon stocks and data on the property of such areas (linked to the SNIF), b) assessment of opportunity costs and forest management and monitoring costs, c) a mechanism for receiving and transferring payments, d) a mechanism for control of compliance of the commitments to maintain sequestered stocks.

61. Indicative activities contributing to this output are:

- Assessment of legal, political and institutional issues related to ownership of forest resources and carbon;
- Assessment of existing and proposed REDD-relevant payment systems;
- Assessment of land tenure issues – including indigenous peoples territories, natural resources - and requirements within a REDD payment system, and preparation of a proposal for delimitation, demarcation and titling as well as the environmental restoration of indigenous peoples' lands;

⁴ The SAS has been operating transfers of funds for several years reaching some 12,000 families/year. The payment system is currently being re-structured and plans to reach a target of 100,000 beneficiaries in 2009.

⁵ The MAG manages the RENA (National Small Farmers Registry) with more than 90,000 registered farmers. Both MAG and SAS have initiated preliminary contacts to establish linkages between both systems.

- Adaptation of the regulatory framework to establish the REDD payment and benefit-sharing system;
- Participatory design and implementation of a sustainable mechanism for the transfer of payments to beneficiaries and owners of forests;
- Training of government and non-government staff and other relevant stakeholders.

Outcome 2: Capacity established to implement REDD at local level

62. This outcome will contribute to develop local capacity to design and implement REDD activities and demonstrate approaches to reduce deforestation and forest degradation through a demonstration project that mainstreams REDD into local development priorities. At the same time this outcome will seek to strengthen management capacities of local authorities and the empowerment of local stakeholders. A Local REDD Committee will be established and will serve as a local steering committee for the demonstration project. The Local REDD Committee will be conformed by representatives of the Departmental Government, the Municipality, the REDD Technical Team, relevant Government institutions, NGOs and GOs working in the area, and representatives of regional/local private sector organizations.

Output 2.1 REDD Demonstration project

63. The objective of the demonstration project will be to prove the feasibility of the REDD mechanism under national and local conditions to achieve the reduction of deforestation and degradation of forests. The REDD demonstration project and all its components (e.g., a) reference scenarios and levels, b) MARV, c) carbon accounting, and d) payment systems and benefit sharing) will be mainstreamed into a local development plan. This plan will be developed in a participatory manner and will streamline the forest, environment, rural and social development/pro-poor policies at local level. Development of the plan will also strengthen local stakeholders and empower and facilitate inter-institutional coordination.

64. The demonstration site will be selected following a consultation process and on the basis of the following minimum criteria: a) surface area and forest cover/carbon stock potential, b) existence of forest deforestation and degradation drivers, c) local support, d) population dynamics and socio-economic situation (poverty level and vulnerable groups) and e) potential for conservation of biodiversity in the area. Information contained in maps of forest cover, of the National System of Protected Areas and indigenous communities, of deforestation and other relevant maps will be cross-referenced to identify potential demonstration sites. Final selection of the demonstration site will be subject to the consultation process with key stakeholders.

65. Indicative activities contributing to this output are:

- Selection of the demonstration site;
- Establishment of the Local REDD Committee;
- Training of Local REDD Working Group members on assessment, planning, REDD standards and methodologies;
- Assessment of REDD standards for the demonstration project;
- Assessment of other options for sustainable use of forest resources that are complementary to the REDD mechanism and contribute to reduction of deforestation and degradation of forests;
- Assessment of current and future trends of deforestation and degradation and identification of potential REDD projects;
- Assessment of the potential to combine REDD payments with payments for other ecosystem services;
- Stakeholder consultation and design of the local development plan;
- Validation of the plan by the Local REDD Committee and approval by the concerned municipal and departmental authorities, SEAM (environmental components) and INFONA (sustainable forest management components)
- Implementation of REDD components including the offer of carbon credits in the voluntary market.

Output 2.2: REDD project proposals designed for other forest areas

66. Through this output the experience gained in the implementation of the demonstration project will serve to identify and design REDD projects addressing peasant and/or indigenous communities located in other areas of the country that have forest cover.

67. Indicative activities contributing to this output are:

- Identification of new potential REDD sites in accordance with the local characteristics and selection criteria;
- Assessment of social, economic and environmental issues regarding the design and implementation of REDD projects;
- Participatory design of REDD projects that replicate the experience gained through the demonstration project.

Outcome 3: Increased knowledge and capacity building on REDD for forest dependent communities, especially indigenous peoples and other relevant stakeholders in the country

68. INFONA, SEAM and CAPI have taken initial steps aiming at raising awareness and consensus building by means of several presentations on REDD to diverse stakeholders. The process will be strengthened through this outcome which will aim at building support to REDD through awareness raising at all levels by means of a national awareness raising campaign and a process of consensus building with the relevant stakeholders (indigenous peoples, producers and NGOs), and training of such stakeholders.

Output 3.1 National awareness campaign on REDD

69. The national awareness campaign will target decision makers, government organizations, NGOs, GOs, and the general public. Considering the multilingual nature of the country, the awareness campaign will take into account implementation of activities and preparation of information and education materials in Spanish and Guaraní, and in close coordination with output 3.2 in other indigenous tongues as may be deemed and agreed necessary.

70. Indicative activities contributing to this output are:

- Identification of lessons learned at REDD level;
- Design of a national REDD awareness raising campaign addressing decision makers, indigenous peoples, local stakeholders and the general public;
- Preparation of information materials taking into account audience and languages (Spanish, Guaraní and other indigenous tongues)
- Organization of awareness raising events at national, departmental and local levels.

Output 3.2 Training and consultation on REDD with Indigenous Peoples

71. There are a number of local and national level indigenous peoples' organizations that have been established with the main objectives of protecting their culture, defending their constitutional rights, raising awareness among the general public and promoting improvement of the livelihoods of their communities. Most of these organizations have a local/regional character comprising several communities of a same ethnic group usually located in a certain geographical area, although there are some that unite more than one ethnic group. Likewise other support organizations have been established, namely the *Coordinadora de Autodeterminacion de los Pueblos Indigenas - CAPI* (Comission for the Self-determination of the Indigenous Peoples) and the *Federación de Asociaciones Guaranies* (Federation of Associations of the Guaraní People). Through this output an indigenous peoples' participation plan within the framework of the REDD process will be developed. Development of the plan will be based on the principles of representativity, free, prior and informed

consent, the UNDG Guidelines on Indigenous Peoples' Issues and the general guidance that may be issued on the subject by the UNPFII.

72. Indicative activities contributing to this output are:

- Development of a consultation protocol for free, prior and informed consent for REDD;
- Strengthening of the INDI and other relevant local institutions for implementation of REDD;
- Development of a plan for participation of indigenous peoples in the design of REDD activities;
- Implementation of consultation, training, awareness and information activities.

Output 3.3 Training and consultation on REDD with small, medium and large producers and other stakeholders

73. This output will seek to integrate these stakeholders in the national REDD process taking into account the specific and diverse social dimensions of each stakeholder category. On the other hand, several NGOs own private forest reserves.

74. Indicative activities contributing to this output are:

- Assessment of needs for consensus building and training according to different stakeholder categories;
- Development of protocols for each stakeholder category;
- Development of a stakeholder participation plan in the design of REDD activities;
- Implementation of training, awareness and information activities.

75. Tables 1 and 2 below include the Logical Framework Matrix and the Summary of Results Framework.

Table 1 – Logical Framework

Intervention Logic	Objectively Verifiable Indicators			Means of verification	Risks and assumptions
	Indicators	Baseline	Target		
Project Goal: By the year 2014 Paraguay is REDD-ready and contributes to the reduction of emissions due to deforestation and degradation of forests at national level					
Project Objective: To assist the Government of Paraguay in the establishment of a National UN-REDD Programme	National UN-REDD programme cross-cutting development policies	No National UN-REDD Programme	By April 2014 Paraguay has in place a REDD Programme capable of accounting and monitoring reduction in emissions due to deforestation	- REDD programme documents - Reports to the UNFCCC and other international organizations - Reports by governmental institutions and CSOs - National Accounts	No agreement on REDD reached in COP17 Lack of adequate coordination, collaboration and cooperation among the executing agencies delays progress toward achievement of NJP objective
Outcome 1: Improved institutional and technical capacity of Government and Civil Society organizations to manage REDD activities in Paraguay	National REDD Committee established and functioning	The Committee is being organized	By October 2010 the National REDD Committee established and its procedures approved	Agreement on the establishment of the Committee, its procedures and operations	Lack of political consensus for the establishment of the Committee Lack of adequate coordination, collaboration and cooperation among the executing agencies affects progress toward achievement of NJP objective
	REDD National Action Plan designed and approved	No REDD action plan	By April 2013 the REDD-Plan has been participatorily designed	REDD National Action Plan and technical studies	Frequent changes and rotation of staff in executing agencies affect availability of qualified staff and weaken development of the plan
	National Forest and Environmental Information Systems implemented and linked with other relevant sector data bases and information systems	SNIF designed and revised. The SIAM is partially designed and implemented	By March 2012 the SNIF installed and operational. The SIAM has been strengthened through design of other indicators and linkage with other information systems	Surveys and maps	Lack of political support for approval of reforms in the legal framework that are necessary for programme implementation (approval of modifications of laws, etc)
	Forest and carbon inventories designed and implemented A	No national level inventory. Some inventories in certain regions.	By December 2013 the forest and carbon inventories concluded.	Forest and carbon inventories	
	Reference scenarios and levels developed	No RES/REL	By December 2013 reference scenarios	Reference scenario/levels	Lack of buy-in and participation of key

Intervention Logic	Objectively Verifiable Indicators			Means of verification	Risks and assumptions
	Indicators	Baseline	Target		
	National Carbon Accounting Sytem linked with the National Environmental and Forest Information Systems Mechanism for REDD payment and benefit-sharing SEAM, INFONA and INDI staff, and other key government and non-government stakeholders trained and strengthened in REDD	No Carbon Accounting System in place No REDD mechanism. Legal framework includes several mechanisms (payment for environmental services, forest fund, environmental fund, protected areas fund) No specific REDD training programmes	and levels concluded By April 2014 the National Carbon Accounting System developed and the unit's staff trained By November 2012 a system of payments and benefit sharing is in place By June 2013 staff from at least 30 government and civil society organizations have received trained	Data bases/GIS Memoirs of participatory workshops and consultations Legal framework establishing the payment system Procedures for the payment mechanism Training plan Memoirs of training workshops/activities	stakeholders (peasant communities, indigenous peoples), delays implementation of NJP. Conflicts/differences between stakeholder groups Extreme weather conditions (prolonged droughts, floods), and forest fires delay mplementation. In the field
Outputs for Outcome 1: 1.1 REDD National Action Plan 1.2 National Environmental (SEAM) and Forest (INFONA) information systems to measure and evaluate reduction of emissions from deforestation and degradation of forests 1.3 National system of carbon accounting and data management 1.4 Equitable and transparent system of payments and benefit sharing					
Outcome 2: Capacity established to implement REDD at local level	Local REDD Committee established and functioning at the demonstration site REDD demonstration project consisting in a local development plan	The Committee does not exist but there are Regional Climate Change Committees in 4 Departments Existing local development plans do not include REDD initiatives	By December 2011 the Local REDD Committee established and functioning By April 2013 the demonstration project has been participatorily	Technical documents and studies Memoires of participatory workshops and consultations, minutes of meetings Demonstration project document that is consistent with the local	Lack of adequate coordination, collaboration and cooperation among the executing agencies delays achievement of programme objective Lack of installed capacity and political support at local level

Intervention Logic	Objectively Verifiable Indicators			Means of verification	Risks and assumptions
	Indicators	Baseline	Target		
	Staff of government, non-governmental and indigenous peoples' organizations trained to implement and monitor REDD demonstration projects REDD projects designed	No specific REDD training programme No REDD project documents	designed and approved by local and national authorities and is consistent with the local development plan By June 2013 staffs from at least 10 government, non-governmental and indigenous peoples' organizations have been trained 2 REDD project documents designed	development plan Demonstration project progress reports Local development plan document Training plan Memoires of training workshops/events CSO reports REDD project documents	Lack of buy-in and participation of key stakeholders (peasant communities, indigenous peoples), delays implementation of NJP. Conflicts/differences between stakeholder groups Extreme weather conditions (prolonged droughts, floods), and forest fires affect implementation in the demonstration site
Outputs for Outcome 2: 2.1 REDD demonstration project 2.2 REDD project proposals designed for other forest areas					
Outcome 3: Increased knowledge and capacity building on REDD for forest dependent communities, especially indigenous peoples and other relevant stakeholders in the country	National REDD information and communication campaign Indigenous peoples training and participation plan in REDD Training and participation plan for small, medium and large producers, and other stakeholders in Paraguay REDD programme	Non-existent Non-existent. UNDG Guidelines. SEAM-CAPI cooperation agreement. Non-existent. There are national efforts to promote forest management and to avoid deforestation	By March 2012 a REDD information, education and communication campaign implemented By December 2013 the participation plan has been agreed upon and implemented By December 2013 the training and participation plan has been agreed upon and implemented	Information, education and communication plan Memoires of participatory workshops and consultations Plan document Information materials Media and press materials Photographic registry Memoires of training/awareness events NJP Progress and M&E reports	Lack of buy-in and participation of key stakeholders (peasant communities, indigenous peoples), delays implementation of NJP. Conflicts/differences between stakeholder groups

Intervention Logic	Objectively Verifiable Indicators			Means of verification	Risks and assumptions
	Indicators	Baseline	Target		
Outputs for Outcome 3: 3.1 National awareness campaign on REDD 3.2 Training and consultation on REDD with Indigenous Peoples 3.3 Training and consultation on REDD with small, medium and large producers and other stakeholders					

Table 2 – Results Framework

UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development

JP Outputs	Outcomes/ Outputs	Responsible organization	UN	Reference Agency priority Country Programme	to or	Implementing Partner	Indicative Output	Resource Allocation		
								Y1	Y2	Y3
Outcome 1: Improved institutional and technical capacity of Government and Civil Society organizations to manage REDD activities in Paraguay										
1.1	REDD National Action Plan	FAO-UNDP-UNEP		- Development of policies and programmes for conservation of biological and cultural resources - Sustainable and equitable development model		REDD Technical Team	- Participatory design of the REDD Plan, including the definition of concepts from a multicultural and socio-environmental perspective, and taking into account the indigenous peoples' cosmovision; - Assessment and improvement of the environmental, forest and indigenous issues policy, legal and institutional frameworks, mainstreaming REDD into the sector policies; - Assessment of: - Climate change as a cross-cutting issue and its impacts on key stakeholders; - Decentralization strategies for implementation of REDD; - Historical and future trends of deforestation and degradation including an analysis of the international demand of timber and other forest products; - Socio-economic drivers of deforestation and degradation of forests taking into account opportunity costs and costs of strategies to control deforestation. - Prioritization of stakeholders and identification of beneficiaries. The assessment will place special emphasis in the engagement and inclusion of vulnerable groups and indigenous peoples within a context of respect for their rights; - Identification of linkages and synergies with ongoing and planned relevant programs and projects; - Participatory design of proposal for a mechanism for formalization of land tenure (at rural and	100,000	220,000	100,000

UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development

JP Outcomes/ Outputs	Responsible organization	UN	Reference Agency priority or Country Programme	Implementing Partner	Indicative Activities for each Output	Resource Allocation		
						Y1	Y2	Y3
					- indigenous peoples level) • Training of selected government and NGO staff for implementation of the REDD plan. •			
1.2 National Environmental (SEAM) and Forest (INFONA) Information System to measure and evaluate reduction of emissions from deforestation and degradation of forests	FAO-UNDP-UNEP		• Policies and programmes for conservation of biological and cultural resources • Sustainable and equitable development model	INFONA-SEAM	• Implementation of a national forest and carbon inventory (baseline); • Development of a National Forest Information System, including a forest inventory and carbon monitoring system in line with standards and models for estimating carbon stocks and emissions levels; • Strengthening of the National Environmental Information System and the National Climate Change Office; • Collection and analysis of information and data on deforestation and degradation of forests; • Development of reference emissions scenarios and reference emissions levels; • Training of key government staff and other relevant stakeholders; • Supply of computer equipment, GPS units and other elements necessary to strengthen the National REDD Technical Team (e.g. SEAM, INFONA, CAPI)	600,000	900,000	800,000
1.3 National system of carbon accounting and data management	FAO-UNEP		• Policies and programmes for conservation of biological and cultural resources • Sustainable and equitable development model	SEAM	• Development of a protocol for collection of information and verification • Establishment of a technical unit in charge of the accounting system • Training of key government staff in charge of the accounting system	50,000	100,000	50,000

UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development								
JP Outcomes/ Outputs	Responsible organization	UN	Reference Agency priority or Country Programme	Implementing Partner	Indicative Activities for each Output	Resource Allocation		
						Y1	Y2	Y3
1.4 Equitable and transparent system of payments and benefit sharing	UNDP-UNEP		• Policies and programmes for conservation of biological and cultural resources • Sustainable and equitable development model	INFONA-SEAM	• Assessment of legal, political and institutional issues related to ownership of forest resources and carbon; • Assessment of existing and proposed REDD-relevant payment systems; • Assessment of land tenure issues – including indigenous peoples territories, natural resources - and requirements within a REDD payment system, and preparation of a proposal for delimitation, demarcation and titling as well as the environmental restoration of indigenous peoples’ lands; • Adaptation of the regulatory framework to establish the REDD payment and benefit-sharing system; • Participatory design and implementation of a sustainable mechanism for the transfer of payments to beneficiaries and owners of forests; • Training of government and non-government staff and other relevant stakeholders.	100,000	50,000	50,000
Outcome 2: Capacity established to implement REDD at local level								
2.1 REDD Demonstration project	UNDP-UNEP-FAO		• Policies and programmes for conservation of biological and cultural resources • Sustainable and equitable development model	INFONA-SEAM	• Selection of the demonstration site; • Establishment of the Local REDD Committee; • Training of Local REDD Working Group members on assessment, planning, REDD standards and methodologies; • Assessment of REDD standards for the demonstration project; • Assessment of other options for sustainable use of forest resources that are	100,000	300,000	200,000

UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development									
JP Outputs	Outcomes/	Responsible organization	UN	Reference to Agency priority or Country Programme	Implementing Partner	Indicative Activities for each Output	Resource Allocation		
							Y1	Y2	Y3
						complementary to the REDD mechanism and contribute to reduction of deforestation and degradation of forests; - Assessment of current and future trends of deforestation and degradation and identification of potential REDD projects; - Assessment of the potential to combine REDD payments with payments for other ecosystem services; - Stakeholder consultation and design of the local development plan; - Validation of the plan by the Local REDD Committee and approval by the concerned municipal and departmental authorities, SEAM (environmental components) and INFONA (sustainable forest management components) - Implementation of REDD components including the offer of carbon credits in the voluntary market.			
2.2: REDD project proposals designed for other forest areas		UNEP-FAO		- Policies and programmes for conservation of biological and cultural resources - Sustainable and equitable development model	INFONA-SEAM	- Identification of new potential REDD sites in accordance with the local characteristics and selection criteria; - Assessment of social, economic and environmental issues regarding the design and implementation of REDD projects; - Participatory design of REDD projects that replicate the experience gained through the demonstration project.		100,000	100,000
Outcome 3: Increased knowledge and capacity building on REDD for forest dependent communities, especially indigenous peoples and other relevant stakeholders in the country									

UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development								
JP Outcomes/ Outputs	Responsible organization	UN	Reference Agency priority or Country Programme	Implementing Partner	Indicative Activities for each Output	Resource Allocation		
						Y1	Y2	Y3
3.1 National REDD campaign	UNDP-UNEP		- Policies and programmes for conservation of biological and cultural resources - Sustainable and equitable development model	REDD Technical Team	- Identification of lessons learned at REDD level; - Design of a national REDD awareness raising campaign addressing decision makers, indigenous peoples, local stakeholders and the general public; - Preparation of information materials taking into account audience and languages (Spanish, Guaraní and other indigenous tongues) - Organization of awareness raising events at national, departmental and local levels.	50,000	100,000	100,000
3.2 Training and consultation on REDD with Indigenous Peoples	UNDP		- Policies and programmes for conservation of biological and cultural resources - Sustainable and equitable development model	REDD Technical TEam	- Development of a consultation protocol for free, prior and informed consent for REDD; - Strengthening of the INDI and other relevant local institutions for implementation of REDD; - Development of a plan for participation of indigenous peoples in the design of REDD activities; - Implementation of consultation, training, awareness and information activities.	100,000	100,000	50,000
3.3 Training and consultation on REDD with small, medium and large producers, and other stakeholders	UNDP		- Policies and programmes for conservation of biological and cultural resources - Sustainable and equitable development model	INFONA-SEAM	- Assessment of needs for consensus building and training according to different stakeholder categories; - Development of protocols for each stakeholder category; - Development of a stakeholder participation plan in the design of REDD activities; - Implementation of training, awareness and information activities.	100,000	100,000	100,000

UNDAF Outcome 3: To strengthen national capacities for an integrated environmental management and for promotion and management of sustainable and equitable development							
JP Outcomes/ Outputs	Responsible UN organization	Reference Agency priority or Country Programme	to Implementing Partner	Indicative Activities for each Output	Resource Allocation		
					Y1	Y2	Y3
UNDP	Programme Cost: 1,490,000						
	Indirect Support Cost: 104,300						
UNEP	Programme Cost: 1,040,000						
	Indirect Support Cost: 72,800						
FAO	Programme Cost: 2,190,000						
	Indirect Support Cost: 153,300						
Totals	Programme Cost: 4,720,000				1,200,000	1,970,000	1,550,000
	Indirect Support Cost: 330,400						

Note: Resources allocated to each output are exclusive of project management costs

6. Management and Coordination Arrangements

Implementing Partners and Agencies

76. The Implementing Partners of the NJP will be INFONA and SEAM on behalf of the Government of Paraguay. Both institutions have signed an Inter-Institutional Agreement to coordinate efforts. Within the framework of this agreement the parties will sign specific addenda to establish the activities and responsibilities of each institution. The NJP will be implemented by INFONA and SEAM (as well as other institutions that may be identified upon planning and implementation of the programme) and may implement some of its components with UNDP, UNEP and FAO. Each one of these institutions is accountable for the delivery of specific outputs and for management of inputs.

77. The Implementing Agencies may enter into a formal agreement with a national agency, local authorities, NGOs/GOs or procure services from other parties for the implementation of certain activities or sub-activities. The implementing agencies will retain the primary accountability for management of inputs and the specifically agreed outputs. Such agreements or procurement of services must be done according to established procedures of the concerned Implementing Agency.

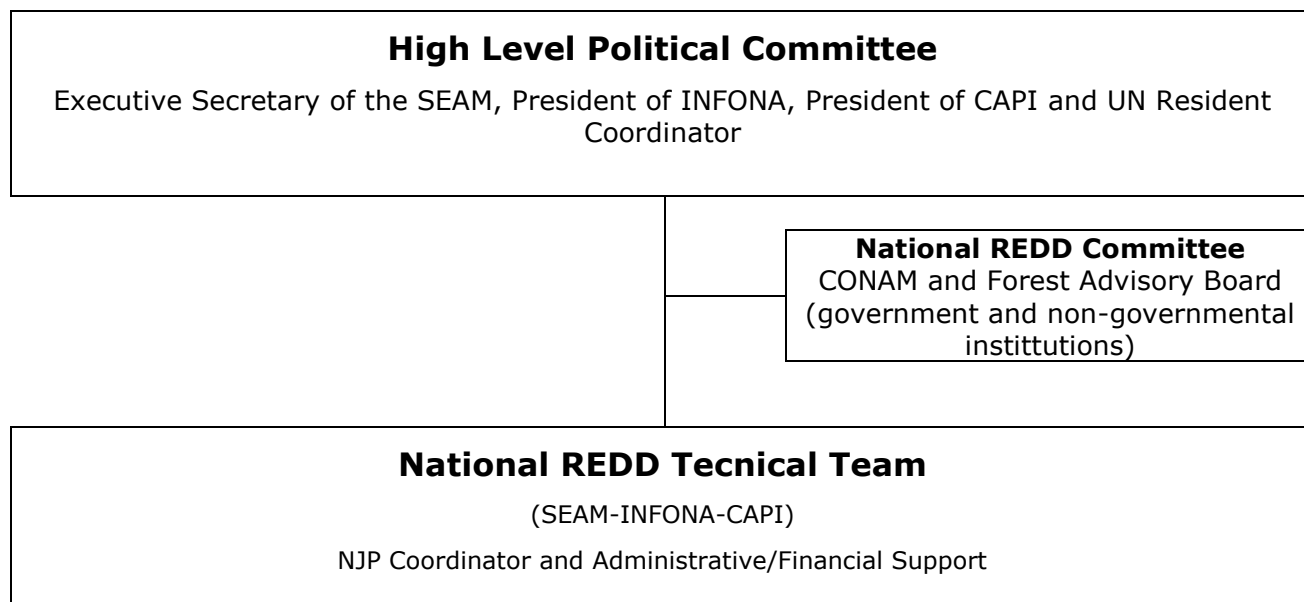
NJP organizational structure

78. The NJP organizational structure comprises the following bodies:

- High Level Political Committee
This committee will be comprised by the Executive Secretary of the SEAM, the President of the INFONA, the President of CAPI and the UN Resident Coordinator in Paraguay. They may at any time designate representatives when not available. The Political Committee may be integrated with other organizations or institutions as deemed necessary.
- National REDD Technical Team
The National REDD Technical Team is comprised by SEAM, INFONA and CAPI. The Technical Team will have the management and technical responsibility of the programme. The RT will facilitate the designation of the REDD-NJP Coordinator who will have financial and administrative support for the purposes of consolidation of information and reporting at national and international level.
- National REDD Committee
The National REDD Committee will be comprised by the CONAM and INFONA's Advisory Board, both of which are integrated by representatives of government institutions and Civil Society Organizations. The National Committee will be responsible for providing guidance and recommendations for implementation of the NJP and will monitor its implementation. Within the framework of the NJP the National Committee will elaborate and adopt its operational procedures, which will include issues such as membership, roles and responsibilities, frequency of meetings, protocol for meetings, among others.

79. The Resident Coordinator (RC) or his representative, as well as representatives of FAO and UNEP (when possible) will participate in the meetings of the Technical Team. The RC is entrusted with supporting the overall programme design under the government's leadership, ongoing programmatic oversight of the UN-REDD activities and UN coordination with the concerned national institutions. The RC also facilitates ongoing monitoring and evaluation of UN-REDD activities in conformity with UN standards. On receipt of consolidated country level reports, the RC will provide an overall assessment of the programme's progress and results. He/she will also facilitate ongoing monitoring and evaluation of Fund-supported activities in conformity with UN standards and any guidance provided by the UN-REDD Technical Secretariat or Policy Board.

Figure 1: Organizational structure of the National Joint Programme



7. Fund Management Arrangements

80. The UN Agencies and the national Implementing Partners will define the fund management arrangements for the programme. Such arrangements will be defined on the basis of the results of the Macro and Micro-assessments of the implementing partners. With regard to UNEP, this agency will operate under the pooling of funds modality with UNDP and FAO in those components shared between the agencies. The Agencies and their counterparts will sign the work-plans for such components as a condition for commencement of activities and/or the first disbursement. As a condition for the following disbursements the concerned Agencies shall have approved the quarterly progress reports.

8. Monitoring, Evaluation and Reporting

Monitoring

81. The Logical Framework Matrix (Table 1 above) includes the intervention logic (Objectives, Outcomes and Outputs) of the National Joint Programme and describes the means of verification and risks and assumptions associated with each outcome. The Summary of Results Framework (Table 2 above) identifies the responsible UN Agency for each Output as well as the Implementing Partner. Table 3 below contains the Joint Programme Monitoring Framework and constitutes the M&E plan. The annual work plans will be derived from the Logical Framework Matrix and will detail the expected outcomes, outputs and activities to be carried out within the programme, the implementing partners, timeframes and planned inputs from the Participating UN Organizations and will also serve as a monitoring tool.

Table 3. Joint Programme Monitoring Framework

Objectively Verifiable Indicators			Means of verification	Collection Methods	Responsibilities	Risks & Assumptions
Indicators	Baseline	Target				
Project Objective: To assist the Government of Paraguay in the establishment of a National UN-REDD Programme						
National UN-REDD programme cross-cutting development policies	No National UN-REDD Programme	By April 2014 Paraguay has in place a REDD Programme capable of accounting and monitoring reduction in emissions due to deforestation	REDD programme documents Reports to the UNFCCC and other international organizations Reports by governmental institutions and CSOs National Accounts	Collection of documents, reports from INFONA, SEAM, Working Group, Central Bank	National REDD Technical Team	No agreement on REDD reached in COP17 Lack of adequate coordination, collaboration and cooperation among the executing agencies delays progress toward achievement of NJP objective
Outcome 1: Improved institutional and technical capacity of Government and Civil Society organizations to manage REDD activities in Paraguay						
National REDD Committee established and functioning	The Committee is being organized	By October 2010 the National REDD Committee established and its procedures approved	Agreement on the establishment of the Committee, its procedures and operations	Collection of documents and reports from INFONA, SEAM, Technical Team	SEAM – INFONA	Lack of political consensus for the establishment of the Committee Lack of adequate coordination, collaboration and cooperation among the executing agencies affects progress toward achievement of NJP objective
REDD National Action Plan designed and approved	No REDD action plan	By April 2013 the REDD-Plan has been participatorily designed	REDD National Action Plan and technical studies		National REDD Technical Team	Frequent changes and rotation of staff in executing agencies affect availability of qualified staff and weaken development of the plan
National Forest and Environmental Information Systems implemented and linked with other relevant sector data bases and information systems	SNIF designed and revised. The SIAM is partially designed and implemented	By March 2012 the SNIF installed and operational. The SIAM has been strengthened through design of other indicators and linkage with other information systems	Surveys and maps		INFONA-SEAM	Lack of political support for approval of reforms in the legal framework that are necessary for programme implementation (approval of modifications of laws, etc)
Forest and carbon inventories designed and implemented	No national level inventory. Some inventories in certain regions.	By December 2013 the forest and carbon inventories concluded.	Forest and carbon inventories		INFONA-SEAM	Lack of buy-in and participation of key stakeholders (peasant communities, indigenous

Objectively Verifiable Indicators			Means of verification	Collection Methods	Responsibilities	Risks & Assumptions
Indicators	Baseline	Target				
Reference scenarios and levels developed	No RES/REL	By December 2013 reference scenarios and levels concluded	Reference scenario/levels		INFONA-SEAM	peoples), delays implementation of NJP. Conflicts/differences between stakeholder groups
National Carbon Accounting System linked with the National Environmental and Forest Information Systems	No Carbon Accounting System in place	By April 2014 the National Carbon Accounting System developed and the unit's staff trained	Data bases/GIS		SEAM-INFONA	Extreme weather conditions (prolonged droughts, floods), and forest fires delay implementation in the field
Mechanism for REDD payment and benefit-sharing	No REDD mechanism. Legal framework includes several mechanisms (payment for environmental services, forest fund, environmental fund, protected areas fund)	By November 2012 a system of payments and benefit sharing is in place	Memoirs of participatory workshops and consultations Legal framework establishing the payment system Procedures for the payment mechanism		INFONA-SEAM	
SEAM, INFONA and INDI staff, and other key government and non-government stakeholders trained and strengthened in REDD	No specific REDD training programmes	By June 2013 staff from at least 30 government and civil society organizations have received trained	Training plan Memoirs of training workshops/activities		INFONA-SEAM	
Outcome 2: Capacity established to implement REDD at local level						
Local REDD Committee established and functioning at the demonstration site	The Committee does not exist but there are Regional Climate Change Committees in 4 Departments	By December 2011 the Local REDD Committee established and functioning	Technical documents and studies Memoirs of participatory workshops and consultations, minutes of meetings	Collection of documents and reports from INFONA, SEAM, Technical Team, local technical	National REDD Technical Team	Lack of adequate coordination, collaboration and cooperation among the executing agencies delays achievement of programme objective Lack of installed capacity and political support at local level

Objectively Verifiable Indicators			Means verification	of	Collection Methods	Responsibilities	Risks & Assumptions
Indicators	Baseline	Target					
REDD demonstration project consisting in a local development plan	Existing local development plans do not include REDD initiatives	By April 2013 the demonstration project has been participatorily designed and approved by local and national authorities and is consistent with the local development plan	Demonstration project document that is consistent with the local development plan Demonstration project progress reports Local development plan document	groups, CSOs, project managers	INFONA-SEAM	Lack of buy-in and participation of key stakeholders (peasant communities, indigenous peoples), delays implementation of NJP. Conflicts/differences between stakeholder groups	
Staff of government, non-governmental and indigenous peoples’ organizations trained to implement and monitor REDD demonstration projects	No specific REDD training programme	By June 2013 staffs from at least 10 government, non-governmental and indigenous peoples’ organizations have been trained	Training plan Memoires of training workshops/events CSO reports		INFONA-SEAM	Extreme weather conditions (prolonged droughts, floods), and forest fires affect implementation in the demonstration site	
REDD projects designed	No REDD project documents	2 REDD project documents designed	REDD project documents		INFONA-SEAM		
Outcome 3: Increased knowledge and capacity building on REDD for forest dependent communities, especially indigenous peoples and other relevant stakeholders in the country							
National REDD information and communication campaign	Non-existent	By March 2012 a REDD information, education and communication campaign implemented	Information, education and communication plan Memoires of participatory workshops and consultations	Collection of documents and reports from INFONA, SEAM, Technical Team, local technical groups, CSOs, training and consultation coordinators	National REDD Technical Team	Lack of buy-in and participation of key stakeholders (peasant communities, indigenous peoples), delays implementation of NJP. Conflicts/differences between stakeholder groups	
Indigenous peoples training and participation plan in REDD	Non-existent. UNDG Guidelines. SEAM-CAPI cooperation agreement.	By December 2013 the participation plan has been agreed upon and implemented	Plan document Information materials Media and press materials		National REDD Technical Team		
		By December			INFONA-SEAM		

Objectively Verifiable Indicators			Means of verification	Collection Methods	Responsibilities	Risks & Assumptions
Indicators	Baseline	Target				
Training and participation plan for small, medium and large producers, and other stakeholders in Paraguay REDD programme	Non-existent. There are national efforts to promote forest management and to avoid deforestation	2013 the training and participation plan has been agreed upon and implemented	Photographic registry Memoires of training/awareness events NJP Progress and M&E reports			

Annual/Regular Reviews

82. The Government, particularly the Implementing Partners and the participating UN organizations shall conduct scheduled/annual planning and review meetings for all activities covered in the results framework, M&E plan and work plans covered by this NJP. This will include an assessment of the risks and assumptions to determine whether they are still holding.

83. Activities carried out by the participating UN organizations shall be subject to independent audits. In addition, the UN-REDD Technical Secretariat will consult with the participating UN organizations on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the participating UN organizations. Participating UN organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the MDTF Office and submission to the Policy Board and the High Level Political Committee of the NJP.

Risk Management

84. The table below highlights specific risks that could affect successful implementation of the NJP and the corresponding risk mitigation measures.

Table 4 – Risk assessment and management

Risk	Probability of occurrence	Risk management measures
Lack of adequate coordination, collaboration and cooperation among the executing agencies delays achievement of the programme objective	Low to Medium	Operational agreements between implementing partners and agencies with adequate definition of roles and responsibilities. Dialogue and consensus building.
Frequent changes and rotation of staff in local implementing agencies affect availability of qualified staff and weaken NJP implementation	Medium to High	Institutional capacity building and ample training for staff. Information and communication. Inter-institutional agreements that provide a framework for designation of qualified staff. Awareness raising among authorities.
Lack of political support for approval of reforms in the legal framework that are necessary for programme implementation (approval of modifications of laws, etc)	Medium	Training and awareness raising among authorities at executive, parliamentary and judiciary levels.
Lack of buy-in and participation of key stakeholders, and conflicts or differences between stakeholder groups (i.e. small peasants and large producers) weakens and delays implementation of NJP	Medium	Capacity building, training and awareness raising. Participatory processes to promote engagement and inclusion of all interested parties. Representation of key groups and stakeholders in the National REDD Committee and the local committee for the REDD demonstration project. Synergies between NJP and rural/social development programmes. Mediation in case of conflicts between stakeholder groups participating in REDD process.
Lack of buy-in and participation of indigenous peoples and peasants in the REDD process due to lack of confidence in the compliance of Government commitments. Conflicts or differences between indigenous groups and their associations.	Medium to High	Inclusion of indigenous peoples since the early stages of the programme. Training. Development of a participation plan.

Extreme weather conditions (prolonged droughts, floods) delay implementation of field activities (i.e forest and carbon inventories, training/awareness raising events, demonstration activities) cause communication and access problems and deviate the attention of stakeholders to more urgent immediate matters.	Medium	Inter-institutional coordination with early warning systems.
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Evaluation

85. The UN REDD Technical Secretariat will establish an Evaluation Plan which ensures that all programmes supported by the UN-REDD Programme will undertake a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of programme formulation. Furthermore, the Technical Secretariat will lead thematic reviews for all programmes.

Reporting

86. At the national level the Participating UN Organizations are required to provide narrative reports on results achieved, lessons learned and the contributions made to the NJP on the basis of the National Programme Coordinator's reports. The National Programme Coordinator will consolidate the information provided by the technical staff of the NJP in the Implementing Agencies (i.e. SEAM and INFONA) into a narrative report. The Coordinator will socialize this information with the National REDD Technical Team, which will subsequently forward such information to the High Level Political Committee and the National REDD Committee. The UN Resident Coordinator will then forward the reports to the UN-REDD Secretariat. The UN-REDD Secretariat shall provide the Policy Board updates on the implementation progress of the NJP every 6 months. The UN-REDD Regional Team shall also follow-up with the relevant officers and representatives of the Participating UN Organizations.

87. The Administrative Agent will provide regular updates on the financial status of the MDTF to the Policy Board, for review and action as appropriate.

88. Participating UN Organizations will be required to provide the Administrative Agent with the following statements and reports:

- Narrative progress reports for each twelve-month period ending 31 December, to be provided no later than three months after the end of the applicable reporting period;
- Annual financial reports as of 31 December each year with respect to the funds disbursed to it from the Joint Programme Account, to be provided no later than four months after the end of the applicable reporting period;
- A final narrative report and financial report, after the completion of all Joint Programme activities financed from the UN-REDD MDTF, to be provided no later than 30 April of the year following the financial closing of Joint Programme activities;
- A final certified financial statement, to be provided no later than 30 June of the year following the financial closing of Joint Programme activities.

89. The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the respective Resident Coordinators and subsequently to the UN-REDD Policy Board through the Technical Secretariat.

90. Subsequently, in accordance with the Memorandum of Understanding (MOU) and the Standard Administrative Agreement (SAA), the Administrative Agent will submit consolidated narrative and financial reports to all UN-REDD Programme donors. Agreed standard UNDG financial and progress-reporting formats will be utilised. The Administrative Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).

91. Information given to the press, to the beneficiaries of the UN-REDD Programme, all related publicity material, official notices, reports and publications, shall acknowledge the role of the UN-REDD donors, the UN Agencies, and any other relevant parties.

92. Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies and procedures.

9. Legal Context or Basis of Relationship

93. The Participating UN Organizations (FAO, UNDP and UNEP) have signed a MOU to implement the UN-REDD Collaborative Programme, which came into effect on 20th June 2008 and ends 20th June 2012.

94. This Joint Programme document is consistent with the cooperation/assistance agreements signed by the lead UN agencies involved in this programme with the Government of Paraguay. For the UNDP, this Document is pursuant to the Country Programme Action Plan and the Standard Basic Assistance Agreement (SBAA) signed with the Government of Paraguay. All provisions in the SBAA therefore apply to this document. Consistent with Article III of the SBAA, the responsibility for the safety and security of the implementing partner and its personnel and property, and of UNDP's property in the implementing partner's custody, rests with the implementing partner.

95. The implementing partner shall:

- Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; and
- Assume all risks and liabilities related to the implementing partner's security, and the full implementation of the security plan.

96. The **UNDP** reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

97. On the part of the **FAO**, this document is consistent with the basic agreement with Government of Paraguay as indicated in the exchange of letters between the Government of Paraguay and FAO on 10 May 2002.

98. The FAO Representative shall represent the Organization in Paraguay, and shall be responsible within the limits of the authority delegated to him/her, for all aspects of the Organization's activities in the country. In the effective performance of his/her functions, the FAO representative shall have access to appropriate policy and planning levels of Government in the agriculture, fishery and forestry sectors of the economy, as well as, to central planning authorities. He/she shall maintain close liaison with the Government's coordinating agency for external assistance and thereby serve to keep all the appropriate Government agencies fully informed on all aspects of the policies and procedures of FAO's programme in Paraguay.

99. For **UNEP**, in line with its position as a non-resident agency with a global mandate for technical cooperation and capacity building, the signed Joint Programme document shall be the legal basis of UNEP's relation with the Government of Paraguay within the context of this programme. UNEP will work in close coordination with the National REDD Technical Team.

100. The Participating UN Organizations agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to UN-REDD are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this programme document.

10. Work plans and budgets

101. An initial workplan and budget will be produced immediately after approval of the NJP by the UN-REDD Policy Board and before signature of the DPO by the Government of Paraguay. Revised workplans will be produced subsequent to the decisions of the annual/regular reviews. The UN-REDD Regional Team will approve the said revised workplans.

Signatures⁶:

UN organization(s)	Implementing Partner(s)
Replace with: <i>Name of Representative</i> <i>Signature</i> <i>Name of Organization</i> <i>Date</i>	Replace with: <i>Name of Head of Partner</i> <i>Signature</i> <i>Name of Institution</i> <i>Date</i>

⁶ When CSOs/NGOs are designated Implementing Partners, they do not sign this Work Plan. Each participating UN Organization will follow its own procedures in signing Work Plans with CSOs/NGOs.

Annex A – Total Budget for UN-REDD Paraguay Programme

Outcome	Responsible	Fund	Atlas Code	Atlas Description	Year 1	Year 2	Year 3	Total
Outcome 1: Improved institutional and technical capacity of Government and Civil Society organizations to manage REDD activities in Paraguay	FAO-UNDP-UNEP			REDD National Action Plan	100,000	220,000	100,000	420,000
				National Environmental (SEAM) and Forest (INFONA) Information System to measure and evaluate reduction of emissions from deforestation and degradation of forests	600,000	900,000	800,000	2,300,000
				National system of carbon accounting and data management	50,000	100,000	50,000	200,000
				Equitable and transparent system of payments and benefit sharing	100,000	50,000	50,000	200,000
			Total Outcome 1		850,000	1,270,000	1,000,000	3,120,000
Outcome 2: Capacity established to implement REDD at local level	FAO-UNDP-UNEP			REDD demonstration project	100,000	300,000	200,000	600,000
				REDD project proposals designed for other forest areas	-	100,000	100,000	200,000
			Total Outcome 2		100,000	400,000	300,000	800,000
Outcome 3: Increased knowledge and capacity building on REDD for forest	UNDP-UNEP			National REDD campaign	50,000	100,000	100,000	250,000
				Training and consultation on REDD with Indigenous Peoples	100,000	100,000	50,000	250,000

dependent communities, especially indigenous peoples and other relevant stakeholders in the country				Training and consultation on REDD with small, medium and large producers, and other stakeholders	100,000	100,000	100,000	300,000
			Total Outcome 3		250,000	300,000	250,000	800,000
Programme Management								
			Total Programme Management					
Total								4,720,000

Annex B- Threats, drivers and barriers analysis

Deforestation and Degradation of Forests – Environmental Impacts	Drivers of Deforestation and Degradation of Forests	Key Barriers	Baseline	Solutions / key actions to remove barriers
• Loss of soil temperature and humidity • Loss of soil micro fauna and flora. • Loss of nutrients and soil quality • Increased erosion and loss of soil fertility and capacity to sustain production • Loss of carrying capacity • Soil salinization and increase of salinity-resistant species • Decrease in crop and livestock productivity • Ecosystem fragmentation, transformation of ecosystems, changes in structure and population dynamics, genetic erosion, loss of species • Decrease in water storage capacity • Decrease in air and water quality due to particles and ashes • Loss of nutrients due to volatilization • Loss of CO2 balance, increased emissions • Increased vulnerability to climate variability and climate change impacts	• Development policies biased toward agriculture and livestock sectors • Forestry sector institutionality traditionally with low profile and low hierarchy compared to agriculture and livestock and lacking sector policies • Lack of land zoning and forest/land use planning • Land use change for agriculture and cultivation of pastures for livestock • Increase of international markets and favorable prices for soybean and beef • Use of biomass for wood and charcoal • Wild fires, intentional or due to mismanagement of fire • Lack of management in the use of fire in agriculture and pastures (burning of crop residues and for pasture regeneration) • Overexploitation of a few more valuable tree species. Illegal logging and smuggling • Lack of compliance with regulations by land owners and insufficient controls by authorities • Lack of technical assistance, knowledge and information on sustainable forest and land management • Lack of knowledge and information related to	<u>Policy/Legal barriers:</u> • Environmental and forest policies are not sufficiently known and are not mainstreamed into the public policies of other sectors, especially in regard to forests, biodiversity and climate change; • Weaknesses in the legal framework: a) insufficient mainstreaming of environmental and forest criteria in the regulations of public sectors relevant to land use (i.e. agriculture, livestock mining, etc.), b) lack of harmonization of forest, environmental and human rights (i.e. indigenous peoples and peasants) laws and their rulings, c) gaps and contradictions between laws; • Forestry activities are not integrated in rural development programmes as a complementary activity to agriculture and livestock production and therefore producers are not sufficiently aware of the benefits of sustainable forest management and the economic value of forests; • Lack of implementation of existing forest and environmental incentives (Forest Fund, tax deductions, payment for	• Environment Policy and strategies and plans (biodiversity, climate change, desertification) • National Forest Policy. Forest Action Plan developed • Elaboration of a National Indigenous Peoples Policy announced by the Government • Legal framework includes: Forest, EIA, Protected Areas, Environmental Services, Water, Zero Deforestation laws and their regulations. Ongoing efforts to update and improve the Forest Law, elaborate regulations for the Environmental Services Law • Fora to discuss and mainstream sustainable development issues in policies (Environment Council, National Forest Board. • Two Departments of the Chaco have concluded land zoning plans and a third is elaborating its plan • Departmental Governments have established Environmental Secretariats • A number of Municipalities have established Environmental Units and have developed participative local	Barriers to be confronted by the NJP: Policy level: • Lack of mainstreaming and application of the environmental and forest policies in the development policies • Weak coordination of sector policies (environmental, forestry, rural development, social, economic) • Lack of public policies on indigenous peoples and forests. • Lack of application and adjustment of public policies to the local context Legal level: • Lack of implementation, harmonization and coordination of the environmental and forest regulatory frameworks; • Gaps in rulings and procedures that hinder effective implementation of the environmental and forest regulations and the international agreements. • Lack of financial incentives and mechanisms as well as transparent follow-up and monitoring mechanisms to promote sustainable forest management. Institutional Level: • Insufficient capacity building and training of Government and CSOs • Lack of research and

Deforestation and Degradation of Forests – Environmental Impacts	Drivers of Deforestation and Degradation of Forests	Key Barriers	Baseline	Solutions / key actions to remove barriers
	alternative uses of the forests (timber and non-timber products) • Lack of awareness of society in general. Forests traditionally seen as un-productive • Social conflicts (invasion of private properties by “landless” peasants, displacement of indigenous peoples) • Land tenure issues not resolved	environmental services, etc). <u>Institutional/Capacity barriers:</u> • Insufficient capacity for socio-environmental zoning, land zoning and planning at national, departmental and municipal levels; • Lack of: a) updated baseline information, b) coordination, and c) systematization of information at national, departmental and municipal levels; • Limited capacity of institutions and human resources at national, departmental and municipal levels, as well as centralized and complex beaurocratic procedures; • Insufficient resources (financial, technical and human) allocated to sustainable forest, land and protected areas management. • Lack of participation of rural communities and especially indigenous peoples in national sustainable development processes due to weak implementation of participation and consultation processes and insufficient strengthening of grassroots/indigenous organizations. Some public institutions do not have sufficient consideration of the	development plans • Research on sustainable agriculture and livestock production and forestry by the MAG, University, private sector and NGOs • Ongoing efforts to improve information base: National Forest Inventory and National Forest Information System designed. SAS and MAG developing local level databases for social and rural development programmes. Early warning systems. NGOs manage GIS and databases. Monitoring of deforestation and degradation of forests through satellite images/GIS • Community level projects by Government agencies, NGOs and donors • Public and private protected areas cover 14.9% of the country’s surface. The National Protected Areas Strategy being updated	information on traditional knowledge, ecosystem services and forests; • Lack of infrastructure and methodologies for monitoring forest cover, estimation and monitoring of carbon stocks; • Insufficient participation of forest-related stakeholders (large and medium producers, peasants, indigenous peoples) in policy design and implementation; • Weak inter-institutional coordination among the relevant sectors and with the local organizations. NJP outputs: 1.1 REDD National Action Plan 1.2 National Environmental (SEAM) and Forest (INFONA) Information System to measure and evaluate reduction of emissions from deforestation and degradation of forests 1.3 National system of carbon accounting and data management 1.4 Equitable and transparent system of payments and benefit sharing 2.1 REDD Demonstration project 2.2: REDD project proposals designed for other forest areas 3.1 National REDD campaign 3.2 Training and consultation

Deforestation and Degradation of Forests – Environmental Impacts	Drivers of Deforestation and Degradation of Forests	Key Barriers	Baseline	Solutions / key actions to remove barriers
		social and political structures of indigenous peoples through their genuinely representative organizations. Forest-related traditional knowledge is not taken into account. • Lack of capacity of the Directorate of Cadastre and the INDERT to effectively support the resolution of land tenure problems. • Lack of efficient early warning systems and fire control systems and capacity for a rapid response to fires.		on REDD with Indigenous Peoples 3.3 Training and consultation on REDD with small, medium and large producers, and other stakeholders

Annex C- Stakeholder Matrix

Stakeholders	Main characteristics	Link with problems / roles / interests and expectations	Possible measures / Possible participation in the project
1. Government Institutions (National, Regional, Local)			
Environment Secretariat (SEAM), CONAM	- Responsible for the environmental policy and legislation (E.I.A., Protected Areas, Wildlife, others) - Focal point for international environmental conventions: UNCCD, CBD, UNFCCC, others	- Ensure sustainability of natural resources and livelihoods - Formulate, implement, coordinate and control environmental plans, programs, and projects - Promote control of activities related to use of forests, flora and fauna and water resources	- Member of FAO Facility - REDD Technical Team - Implementing Partner of the NJP - Coordination of NJP with environmental plans and programmes (Climate Change, others)
National Forest Institute (INFONA), Forest Advisory Board	- Responsible for forestry sector policies (National Forest Policy and Action Plan) and legal framework (Forest Law) - Forest use permits and control of commercialization of timber products.	- Promotes sustainable forest management - Approves forest and land use plans - Issues permits - Controls commercialization of timber products	- Member of FAO Facility - REDD Technical Team - Implementing Partner of the NJP - Coordination of NJP with forest plans and programmes (Forest Action Plan and others)
Ministry of Agriculture (MAG)	- Responsible for agricultural and livestock sector policies and regulations - Provides technical assistance to farmers and communities, promoting sustainable production - Quality control	- Provides technical assistance to small farmers and communities for sustainable production - Manages the RENAF (National Registry of Small Farmers) and distribution of subsidies at local level	- Member of FAO Facility - Partner in implementation of NJP activities in demonstration site - Collaboration in study and development of system of payments and transfer of funds
Social Action Secretariat (SAS)	Responsible for social development policies and programmes	Implements the <i>Teko Pora</i> (Living Well) Programme which includes transfers of funds to local beneficiaries in the 66 poorest districts of the country	Collaboration in study and development of system of payments and transfer of funds
National Institute for Indigenous Peoples (INDI)	- Responsible for policies and programmes addressing indigenous peoples issues - Law 904 Indigenous Communities' Statute	- Provides assistance to indigenous communities - Land titling for indigenous communities	Collaboration with Implementing Partners in issues related with indigenous peoples
National Institute for Rural Development and Lands (INDERT)	Responsible for implementing the new Agrarian Statute	- Establishment of settlements; technical assistance to peasant communities - Land titling for peasants - Coordination with INDI in land titling issues with indigenous communities	- Member of FAO Facility - Collaboration with Implementing Partners in issues related with peasant communities (land tenure, etc.)
Ministry of Industry and Commerce (MIC)	Responsible for the industry and trade sectors, policies and regulations	- Technical assistance programmes to micro, small, medium and large enterprises - Exports/Imports - In charge of REDIEX a multi-stakeholder body to promote	Member of FAO Facility

Stakeholders	Main characteristics	Link with problems / roles / interests and expectations	Possible measures / Possible participation in the project
		exports (including forest products)	
Technical Secretariat (STP) Planning	Responsible for national development policies and planning	- Coordinates international cooperation - Design of national and sector policies	Member of FAO Facility
Vice Ministry of Mines and Energy (VMME)	Responsible for sector policy and regulations	Sector plans, programmes and technical studies	Member of FAO Facility
Ministry of Finance (MH)	Responsible for budgeting and implementing the National Budget	Budgeting and follow-up on implementation of international loans and donations and national funds	Possible member of the National REDD Technical Team
National Tourism Secretariat (SENATUR)	Promotion of tourism development policies and programmes	Tourism planning and promotion	Member of FAO Facility
Itaipu and Yacyreta Administrations	Responsible for managing the Itaipu and Yacyreta dams	- Production of electricity - Natural resources and protected area management in the area of influence of the dams - Land use monitoring - Development projects with Municipalities and communities	Partners in implementation of NJP activities (i.e. GIS and monitoring systems)
Departmental Governments (Gobernaciones)	17 Departmental Governments - Responsible for development issues and macro-planning at Department level - Funding from Central Government	- Provide support to the Municipalities in each Department - Provide technical and financial support to communities - Develop environmental education and natural resources management programs - Agreements, contracts or commitments related with concession or provision of public services - Issue regulations	- Possible member of Local Group - Political support for development of demonstration project - Partners in implementation of NJP activities in demonstration site
Municipalities	217 Municipalities - Responsible for district administration and development - Regulations at district level - Funding from its own resources (taxes)	- Manage municipal services - Issue municipal regulations (use of fire, water management, others) - Develop initiatives to promote sustainable livelihoods of the inhabitants of the district	- Possible member of Local Group - Political support for development of demonstration project - Partners in implementation of NJP activities in demonstration site
National University / College of Forestry	Academia	- Research - Outreach and extension	- Member of FAO Facility - Partner in implementation of NJP activities
Other public institutions: National Emergency Secretariat, Ministry of			

Stakeholders	Main characteristics	Link with problems / roles / interests and expectations	Possible measures / Possible participation in the project
Education and Culture, Ministry of Public Health, Secretariat of Culture, Womens' Secretariat, Childrens' Secretariat			
2. NGOs and Gos			
POJOAJU – Paraguayan Network of NGOs	Second tier organization comprising thematic NGO networks and some individual NGOs	- Promotion and defense of issues of collective interest - Studies, research, projects	Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Network of Environmental NGOs (ROAM)	Coordination of NGOs working in environmental issues	- Promotion and defense of issues of collective interest - Studies, research, projects	- Some members are part of the FAO Facility - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Network of NGOs supporting Indigenous Peoples	Coordination of NGOs working in indigenous peoples issues	- Promotion and defense of issues of collective interest - Studies, research, projects	- Collaboration in issues related with indigenous peoples participation - Facilitate participation of indigenous peoples associations and communities
Rural Network of Private Non Profit Development Organizations	Coordination of NGOs working in rural development	- Promotion and defense of issues of collective interest - Studies, research, projects	Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
National Federation of NGOs for Peasant Development Tekokatu	Coordination of NGOs working in rural development/peasants	- Promotion and defense of issues of collective interest - Studies, research, projects	- Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members) - Support in promoting participation of peasant organizations
Alliance of Leaders for Sustainable Development ALIDES	Association of NGOs working in environmental/sustainable development issues	Promotion and defense of issues of collective interest	Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Paraguayan Network for Conservation in Private Properties	Conservation and sustainable use of biodiversity in private properties	Promotion of establishment of private reserves	Collaboration with NJP (participation in consultations, information dissemination and awareness raising among

Stakeholders	Main characteristics	Link with problems / roles / interests and expectations	Possible measures / Possible participation in the project
			members)
Peasants' Organizations Coordinating Body (MCNOC)	Federation of several peasant organizations. Advocacy on issues of collective interest	Peasants are land/forest owners and/or occupants, clear forests for agricultural production, users of wood and charcoal as energy sources, users of non-timber products	- Member of the National REDD Working Group - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
National Peasant Federation (FNC)	Peasant organization. Advocacy on issues of collective interest	Peasants are land/forest owners and/or occupants; clear forests for agricultural production, users of wood and charcoal as energy sources, users of non-timber products	- Member of the National REDD Working Group - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
National Peasant Organization (ONAC)	Peasant organization. Advocacy on issues of collective interest	Peasants are land/forest owners, and/or occupants; they clear forests for agricultural production, users of wood and charcoal as energy sources, users of non-timber products	Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Other grassroots organizations: Paraguayan Peasant Movement (MCP), Association of Farmers of Alto Parana (ASAGRAPA), National Coordinating Committee for Rural and Indigenous Women (CONAMURI), Organization to Fight for Lands (OLT), Peasant Association for Integrated Development (ACADEI), National Central of Peasant, Indigenous and Popular Organizations (CNOCIP)			
3. Private sector			
FEPAMA	Second-tier organization comprising membership of local lumberers' associations and enterprises related to lumber production and processing	- Members are owners and users of forest products - Lumber processing industry - Provides technical assistance - Promotes afforestation/reforestation	- Member of FAO Facility - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Paraguayan Rural Association (ARP)	National association of ranchers with branches throughout the country. Objective	- Owners - Ranchers clear forests for	- Member of FAO Facility - Regional Branch could be member

Stakeholders	Main characteristics	Link with problems / roles / interests and expectations	Possible measures / Possible participation in the project
	is to promote the sector and defend the members' collective interests	- cultivation of pastures - Provides technical assistance and information services to members	- of the Local Working Group - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Paraguayan Agricultural Coordination (CAP)	Association of small, medium and large agricultural producers	- Owners - Farmers clear forests for agricultural production - Provides technical assistance and information services to members	- Member of FAO Facility - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Federation of Lumberers of the Interior of Paraguay (FEPAMI)	Association of lumberers of the interior of Paraguay	- Owners and users of forest products - Lumber processing industry - Provides technical assistance - Promotes afforestation/reforestation	- Member of FAO Facility - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Association of Forestry Sciences Graduates	Association of professionals in Forestry Sciences	- Advocacy on forestry related issues - Forestry sector professionals elaborate forest/land use plans	- Member of FAO Facility - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
Mennonite Cooperatives (Chaco)	Three cooperatives (Neuland, Fernheim and Chortitzer Komite). The inhabitants of the three Chaco mennonite colonies are also members of the cooperatives	- Members are producers (agriculture and livestock) - Technical and financial assistance to members - Dairy and beef industries	- Member of FAO Facility - Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
FECOPROD – Federation of Production Cooperatives	Second-tier organization comprising production cooperatives	- Advocacy on issues of collective interest - Studies/research on issues related to the rural sector - Technical assistance to member cooperatives	Collaboration with NJP (participation in consultations, information dissemination and awareness raising among members)
CAPECO – Chamber of Exporters of Cereals and Oilseeds	Association of 42 exporter companies of cereals and oilseeds	- Advocacy on issues of collective interest - Studies/research/projects - Data bases on production/exports	Collaboration with NJP (provision of information, information dissemination and awareness raising among members)
Other private organizations: Paraguayan Industrial Union (UIP), Clean Production Center (CPL)			
4. Indigenous Peoples' Organizations			

Stakeholders	Main characteristics	Link with problems / roles / interests and expectations	Possible measures / Possible participation in the project
Coordination for Self Determination of the Indigenous Peoples – CAPI	Second-tier organization comprising 14 indigenous peoples associations from both the Chaco and the Eastern Region⁷	Promotion/defense of issues of collective interest	- Invited as member of the REDD Technical Team - Collaboration in NJP formulation - Promotion of participation of indigenous peoples in REDD process during NJP implementation
Federation of Associations of Indigenous Communities of the Eastern Region	Second-tier organization comprising 9 associations of the Guaraní ethnic group in the Eastern Region	Promotion/defense of issues of collective interest	Promotion of participation of indigenous peoples in REDD process during NJP implementation
Other organizations: Union of Ayoreo Natives of Paraguay (UNAP), among others			

⁷ Coordinadora de Líderes Indígenas del Bajo Chaco, Unión de Nativos Ayoreo del Paraguay, Comisión de Pueblos y Comunidades Indígenas del Chaco Paraguayo-CPI Chaco, Federación Regional Indígena del Chaco Central, Organización Payipie Ichadie Totobiegosode- OPIT, Organización Pueblo Enxet Norte- OPEN, Asociación Angaité de Desarrollo Comunitario-ASADEC, Asociación de Comunidades Ava Guaraní del Alto Paraná- ACIGAP, Asociación de Comunidades Indígena Ava Guaraní de Alto Canindeyú, Asociación de Comunidades Indígena Mbya Guaraní Che'íro Ara Poty, Asociación de Comunidades Indígenas Mbya Guaraní de Itapúa-ACIDI, Asociación de Comunidades Indígenas Mbya Guaraní "Tekoa Yma Jehe'a Pavë", Asociación Indígena Pãi Tavytera-Reko Pãve, Asociación de Maestros Indígenas Mbya Guaraní, Departamento de Caaguazú

Annex D – Legal Framework

Environment/Forestry/Agriculture/other Sectors

- Law Nº422/73 Forest Law for promoting sustainable management of forests and aiming to protect, conserve, improve and increase, the forest resources of the country
- Law Nº 904/81 Indigenous Peoples' Statute which creates the National Indigenous Peoples' Institute and regulates issues related to indigenous peoples rights
- Law Nº 40/90 which creates the National Commission for the Defense of the Natural Resources
- Law Nº 81/92: creates the Ministry of Agriculture and Livestock and charges the Ministry with responsibility over the sector policies and development programmes
- Law Nº 92/96 on conservation and sustainable use of wildlife species
- Law Nº234/93 which ratifies the ILO Convention 169 on indigenous peoples in independent countries
- Law Nº 251/93 ratifying the UNFCCC
- Law Nº253/93 ratifying the Convention on Biodiversity
- Law Nº 294/93 Environmental Impact Assessment which establishes EIA requirements for the different economic sectors and activities
- Law Nº 352/94 Protected Areas which regulates the establishment and management of protected areas
- Law Nº 515/94 prohibiting export and traffic of trees and wooden pieces and beams
- Law Nº536/95 for Promotion of Afforestation/Reforestation which establishes incentives to promote afforestation/reforestation
- Law Nº751/95 Illegal timber traffic Law
- Law Nº 756/96 Ecological Crimes
- Law Nº970/96 ratifying the UNCCD
- Law Nº 816/96 adopting measures for the defense of the natural resources
- Law 1561/00 which creates the Environmental System, the Environmental Council and Environmental Secretariat (SEAM)
- Law Nº 1863/02 which creates the National Institute for Rural Development and Lands and establishes the new Agrarian Code
- Law Nº 2524/04 Zero Deforestation Law prohibits any activities of land use change and/or conversion of areas with forest cover in eastern Paraguay
- Law Nº 3001/06 Environmental Services Law which establishes incentives for conservation through payment for environmental services
- Law Nº 3239/07 Water Resources aiming at sustainable management of water resources
- Law Nº 3436/08 which creates the INFONA as the institution in charge of the forestry sector replacing the National Forest Service
- Law Nº 1324 for conservation of migratory species
- Law Nº 350 ratifying the Ramsar Convention
- Law Nº 538 ratifying the CITES
- Decrees and Resolutions subordinated to each one of the mentioned laws

Economic/Fiscal Sectors (with incidence in the forestry sector)

- Law Nº 60/90 which establishes incentives to investments
- Law Nº 117/91 law of equality of national and foreign investments
- Law Nº 2421/04 administrative and fiscal re-organization
- Decrees and Resolutions subordinated to each one of the mentioned laws

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