1. **Practice area:** BPPS / REDD+

2. **Mission period (incl. of travel days)**
   **From:** February 12th to 16th, 2018

3. **Type of mission:** Support the delivery of a capacity development workshop to the Technical Committee of the “Forests for Sustainable Growth” Project (FCPF REDD+ readiness grant)

4. **Clients**
   SEAM

5. **Purpose of mission**
   - Support Project’s PMU on the delivery of the training workshop
   - Advance discussions with counterparts and partners, on the development of activities related to Product 6 (develop proposals to access finance for the implementation of PAMs)
   - Support the finalization of the Project’s inception phase

6. **Documents, materials, resources**
   1. Agenda of the workshop

7. **Mission members**
   Veronique GERARD, Lillian PORTILLO, Marco CHIU (UNDP)

8. **Costs**
   Paraguay’s CO

9. **Brief summary of the mission**
   Following signature of the PRODOC on September 26th 2017, and launch of the “Forests for Sustainable Growth” Project, on October 11th, the inception workshop took place on November 21st. As a result of the inception workshop, members of the Project’s Technical Committee requested a training workshop on REDD+, in view of the fact that many relevant stakeholders are new to the REDD+ readiness process, including members of the Project’s Technical Committee.

   The mission consisted on technical sessions on the REDD+ Warsaw Framework, REDD+ finance, GHG- Inventories, IPCC guidelines, UNFCCC reports, and definition of a roadmap towards finalizing the REDD+ readiness phase in Paraguay. Participants included members of the Project’s Technical Committee and technicias from SEAM and INFONA, engaged in the NFMS, FREL, GHG-I, and UNFCCC reporting. In addition, specific meetings took place in the context of Project’s Product 6, with SEAM and The Dutch Development Bank (FMO).

9.a **Findings**

**General findings**

1. Presidential elections will take place in Paraguay in April 2018. A transition period will start immediately after, until August, when the new Government cabinet will take place. During this period, personnel potentially engaged with the new cabinet will revise on-going
institutions activities, including projects. Potentially, some delays in Project activities are expected.

2. The new UN Resident Coordinator (Linda Maguire) will begin duties on March 2018. The new UNDP Resident Representative (Alfonso Fernandez) will start duties at the beginning of April, following departure of the current UNDP resident representative (Roberto Galvez).

3. CO started a process to define a programmatic approach, taking advantage of the various related projects that are starting simultaneously (BCS, IAP Chaco, Asuncion Sustentable), and in an effort to connect and coordinate with the relevant on-going initiatives i.e. Green Productive Landscapes.

**Technical workshop with Project`s Technical Committee**

4. This workshop resulted from a request of the Project`s Technical Committee members, during the inception workshop held in November 2017. A capacity building event where REDD+ readiness process details are presented was requested.

5. During the organization of this workshop it was agreed with national counterparts to also invite the technical staff at INFONA and SEAM engaged with the NFMS, FREL, GHG-I, and UNFCCC reporting.

6. Representatives from all Project`s Technical Committee entities attended the workshop, together with technical personnel from SEAM and INFONA, summing more than 40 participants (51% male, 49% female).

7. Topics covered during the workshop included: the REDD+ Warsaw Framework, REDD+ finance with GCF, GHG-Inventories, IPCC guidelines, and UNFCCC reports. At the end of the workshop a draft roadmap towards finalizing the REDD+ readiness phase in Paraguay was developed, with the aim of visualizing the requirements and sequencing of activities.

8. All participants were actively engaged in all sessions. Important substantive discussions took place, on topics like: the need of inter-institutional coordination for UNFCCC reporting; the consistent use of data and concepts for different reports and policy instruments; the potential of Paraguay to reduce deforestation emissions and the role of international markets; the challenge of decoupling economic growth from deforestation; and the potential for Paraguay on accessing GCF finance, given the requirements and priorities set out by the GCF.

9. As a result of the technical sessions on FREL, NFMS, and UNFCCC reporting, a discussion took place on the need to adjust some Project`s priorities for 2018 (see below).

**Adjusting 2018 Project`s milestones**

10. In contrast to what was agreed two months ago by the Technical Committee, this time after discussions on FREL, NFMS, and UNFCCC reporting, a conclusion on the need to revise Project priorities in 2018 was reached, particularly for activities related to attending recommendations from the FREL UNFCCC technical assessment (Product 2).

11. Such activities were not seen as a priority by representatives in the workshop, under the understanding that addressing FREL technical recommendations might not substantially change emissions by deforestation data presented in the FREL, and rather, prioritizing the development of yearly deforestation data for the following period of the FREL, as well as presenting it in the REDD+ TA in Paraguay`s 2nd BUR in the context of RBPs, seemed like a higher priority.

12. Therefore, it was discussed that finance for the development of deforestation data in 2018, for years 2016 and 2017 through support to the NFMS, and the development of a REDD+ TA to be included in Paraguay`s 2nd BUR, to be submitted in Q4 2018, should be prioritized (Product 3).

13. Consequently, it was proposed to reduce ambition on already proposed activities to enhance Paraguay`s FREL, following the UNFCCC TA recommendations.

14. It was suggested to propose to the Project Board, as well as to REDD+ readiness leaders, to use the current FREL and the current methodological approach to assess deforestation data
and present results to the UNFCCC through a REDD+ TA.

15. On side discussions of this workshops the participatory process to discuss the ENBCS was also addressed (Product 1). National stakeholders proposed that the participatory process to discuss the content of the ENBCS will be carried out in different platforms starting in Q1 and through Q2, with a view of getting a formal endorsement by the National Environmental Council or the Inter-institutional Committee on Climate Change, followed by a Ministerial Decree adopting it ideally by the end of Q2, or during Q3 at the latest.

16. It was also discussed that SESA and ESMF will be conducted as part of the validation process of the ENBCS (Product 4). Findings will contribute with inputs to the SOI and the SIS development process. ToRs for this work will be developed, with a view of collecting and processing data and information necessary for the development of a financial proposal (see below).

17. SIS development (product 4) continues as a priority in 2018. The intention to develop the SIS through Q1 and Q4 was confirmed, including a SOI to be finalized by Q4.

Approach to adjust/prioritize FREL (Product 2) and NFMS (Product 3) activities for the Project

18. Participants concluded that some technical recommendations from the UNFCCC TA could still be accommodated in the context of the BCS project.

19. It’s been proposed to prioritize FREL activities for 2018, by comparing the recommendations from the UNFCCC TA report, with the GCF draft scorecard for RBPs, with a view of identifying elements that could be addressed in 2018, so that demonstrating commitment for continuous enhancement of the FREL. This will be considered by the Project Board.

20. At a later stage (by the end of 2018) it could be decided to what extent it is worth investing more REDD+ readiness resources in enhancing the FREL. Among others, this could be decided in view of the information available regarding future GCF call for RPPs proposals.

Financial proposal for PAMs implementation (Product 6)

21. Following coordination with SEAM, Minister Rolando Barros endorsed the approach to address product 6. This approach includes presenting a funding proposal to the GCF private facility through FMO, to finance sustainable soy and cattle ranching practices through loans or guarantees via the banking sector, and a small-grant to develop enabling conditions, to be administered by UNDP.

22. FMO, UNDP, and SEAM representatives meet in Asuncion to exchange ideas on next steps and define a roadmap towards presenting a concept note to the GCF by Q2 2018.

23. In this first exchange between SEAM, FMO, and UNDP the general approach of the concept note was agreed, and a coordination mechanism towards concept note submission and proposal development defined.

24. Secretary of Planning delegates, in reference to other proposals being developed, indicated that for the moment the intention to present 3 reforestation projects to the GCF is to balance out the deforestation – reforestation matrix.

REDD+ readiness stakeholder engagement plan (SEP)

25. The final elements of the SEP were discussed with SEAM in order to finalize a first draft. The plan builds on the information developed through different activities in the country, including UN-REDD. By the end of February, the first draft SEP will be validated by SEAM, to immediately continue with its wider validation in March, and implementation by April.

26. Different spaces/platforms will be used for interaction among stakeholders on the REDD+ readiness process. This include the National Environment Council and the Inter-institutional Committee on Climate Change targeting public entities; commodity platforms to address the private sector, and civil society; and two regional roundtables to engage IPs (eastern and Chaco regions). Similarly, a specific roundtable under the Inter-institutional Committee on Climate Change will undertake the discussions to address comments on the ENBCS, and a safeguards roundtable will resume duties in the short term.

27. Paraguay’s National Institute of IPs will convene the specific IPs regional roundtables.
The Project Board will discuss whether at a later stage, an ad-hoc national REDD+ roundtable should be created to embrace the full range of REDD+ readiness issues.

A webinar will be developed in March targeting the PMU to strengthen capacities on SESA and ESMF.

**PMU recruitments**

By the end of February 2018, the ToRs for the remaining technical position vacancies at the PMU will be advertised.

### 9.b Results achieved (key outputs)

1. **Knowledge on the REDD+ readiness details balanced among critical technical Government delegates.** Substantive discussions took place as a result of dedicated technical sessions carried out with representatives from the Project Technical Committee, in which the REDD+ readiness process was assessed and the situation in Paraguay discussed. Better understanding of the technical issues will enhance the participation of government entities, on their respective capabilities and mandates, on finalizing the REDD+readiness phase in Paraguay.

2. **Critical agreements reached for the implementation of several project products.** Technical discussions during the mission, allowed to agree on critical elements of Products 1 (ENBCS), 2 (FREL), 3 (NFMS), 4 (SIS, SESA, and ESMF), and 6 (financial proposal for PAMs implementation).

### 9.c Expected outcomes and impacts

As a result of this mission and related follow up, it is expected that the Project’s Technical Committee counts with the necessary technical background for a meaningful follow-up of Paraguay’s FCPF grant Project’s activities.

### 10. Key counterparts

SEAM, STP, INFONA, MAG.

### 11. Follow up action matrix

<table>
<thead>
<tr>
<th>Action to be taken</th>
<th>By whom</th>
<th>Expected completion date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Facilitate technical discussions between SEAM and INFONA to adjust project activities and budget for products 2 and 3.</td>
<td>PMU, SEAM, INFONA</td>
<td>Before Project Board Meeting</td>
</tr>
<tr>
<td>2. Follow up on accreditation of delegates to the Project Board and develop the first Project Board Meeting.</td>
<td>SEAM and PMU</td>
<td>February 2018</td>
</tr>
<tr>
<td>3. Finalize inception report, including 1st Project Board meeting minutes</td>
<td>PMU</td>
<td>March 2018</td>
</tr>
<tr>
<td>4. Validate critical elements for the Stakeholder Engagement Plan with SEAM and strat wider consultations</td>
<td>PMU</td>
<td>February 2018</td>
</tr>
<tr>
<td>5. Plan and implement a SESA/ESMF capacity building webinar, targeting the PMU and other stakeholders TBC</td>
<td>UNDP RSCLAC Forest and Climate team, and PMU</td>
<td>March 2018</td>
</tr>
</tbody>
</table>

### 12. Distribution list

Tim, Josep, Arturo, Clea, Fernando, Veronique, Roberto, Dina, PY, Kim, Jen, Wahida, Beth, Bruno, Andrew, Matilde, Lyes, Carla.
Annex 1: Mission Agenda