



# Integrated Land management in Atalaya, Ucayali Region

Country / Region: **Peru** | Project Id: **XFIPPE023A** | Fund Name: **FIP** |

MDB : **International Bank for Reconstruction and Development**

Comment Type	Commenter Name	Commenter Profile	Comment	Date
Comment 1	Jenny Lopez	United Kingdom	<p>Thank you for providing the UK the opportunity to comment on this proposal, which has been well written and takes forward a valuable approach.</p> <p>Some general comments and questions we would like to raise are:</p> <p>How will the selection process for the IP community participants (households and communities) happen, and what measures will be taken to ensure this is done fairly and without bias? How is the impact on the neighbouring and surrounding communities and households who are not selected been considered?</p> <p>Linked to the above on the selection process, what risks have been identified around elite capture and how will these be monitored around the land registration and the enterprises?</p>	Mar 27, 2018
Response 1	Meerim Shakirova	IBRD	<p>In summary, there will be an open call for proposals to select incentive investments. Investment selection criteria and facilitation support is designed to prevent the risk of elite capture, as well as promote equity and transparency.</p> <p>With respect to process, information workshops will first be conducted in the project areas to share information with potential beneficiaries on the grant program's investment opportunities, including grant program requirements (eligibility criteria, such as a life plan for indigenous peoples) and the application and selection process. Interested communities will present an application, demonstrating their eligibility for investment support with required supporting documentation, to the Technical Committee (comprised of MINAM and Project Implementation Unit staff) for formal approval. This documentation will include: (i) an application signed by the legal representative, accompanied with the signed commitment of all participants in the incentive plan; (ii) a map of the community's location; (iii) a map of the area where forests will be conserved and where the investment will take place; (iv) an affidavit of commitment not to transfer forest management rights associated with the incentive/investment plans; (v) documentation confirming communities' ownership or usage rights; (vi) a copy of the community's approved life plan; (vii) copy of community's commitment to carry out forest conservation and business investments; and (viii) a list of benefices disaggregated by gender.</p> <p>Communities who meet the eligibility criteria will work with technical consultants to prepare an incentive (investment) plan. To ensure transparency and equity, each investment plan (e.g., for timber, non-timber, ecotourism, agroforestry enterprises or investments) will require a minimum number of beneficiaries/participating households. In addition, each incentive plan will require an implementation commitment of at least 50% of the community members.</p> <p>The project areas have been selected to complement support the Ministry of Environment has provided under previous/similar programs in Atalaya, including the Conditioned Direct Transfers Program and Sustainable Economic Activities Program.</p>	Apr 25, 2018
Response 2	Jenny Lopez	United Kingdom	<p>We would like to thank you for your full and detailed responses to our original comments. There are some outstanding questions and points of clarification.</p> <p>Please note that some of the IBRD responses appeared to have been entered against a different original comment to which they referred to, so we have had to make some assumptions as to where these should have been placed, and have entered our response here against our original comment.</p> <p>Re. the selection process: The selection process described sounds potentially good, however could you provide assurance that any operational manuals/guidance on the selection process will address :</p> <ul style="list-style-type: none"> <li>• How the selection process and facilitation support has been designed to prevent the risk of elite capture and promote equity and transparency;</li> <li>• How the application process will be made as accessible as possible to all (ie. Support services for applications and allowances taking into account literacy and</li> </ul>	May 03, 2018



advantages that some in the community may have over others, support for obtaining the necessary documents, taking into account costs and time for the applicants);

- The potential risk of bias in the selection process and how this will be mitigated is not addressed;
- how the impact on the surrounding communities and households who are not selected and involved will be considered.(see also interaction with question on migration into area)

Response 3	Meerim Shakirova	IBRD	<p>The selection process is designed to promote transparency via the extensive outreach and communication campaign that will take place in the project area prior to the implementation of the community investment program (call for proposals). Elite capture often establishes itself through control of information to reinforce positions of patronage in a community. To prevent this, external facilitators will help to ensure that information is widely shared and transparent. At the same time, pairing external facilitators with local facilitators will further ensure that no language barriers limit access to information. Public communication about decisions (i.e. of grant awards, contract awards, etc.) will further help to circumvent elite capture. MINAM reviewed lessons from a number of previous community support programs (e.g., PAES, Agroideas, CAF) in designing the project's incentive (investment) program, and one of the methods to avoid the risk of elite capture, as well as potential bias, includes direct payments to the beneficiary as well as investment proposal approval by committee (final proposal selection is made by MINAM, MINAGRI, MEF, Ministry of Culture, and a regional government representative). The selection process is also designed to promote inclusiveness/equity, with the requirement that each incentive plan has the implementation commitment from at least 50% of the community members, as well as gender beneficiary requirements. As mentioned previously, while some of the underlying issues of migration are beyond the scope of the project, the team appreciates the recommendation to incorporate further assessments of risks and opportunities related to migration into project design and will explore this with MINAM. For example, the team will look to include some strengthening of local capacity to help address this issue.</p>	May 18, 2018
Comment 2	Jenny Lopez	United Kingdom	<p>(9): Co-financing of 30% from small forest users and 20% from indigenous communities is required for grant funding - has any analysis been done on whether this is realistic for the communities, and what exclusion risks there are with these figures – e.g. women? It also specifies that for small forest users, 20% will be provided 'in-kind' – what will this mean in practice, and why is this not option also available for indigenous communities?</p> <p>(46): What are the technologies for forest landscape management and livelihood strategies promoted by the project that are referred to here?</p> <p>Migration into the area is also cited as a driver of deforestation and conflict with native communities. Some will be seeking other livelihood opportunities. To what extent will the project engage with migrants, will they be included in the selection process, and if not are there other parallel initiatives that are seeking to work with migrants on more sustainable livelihoods?</p> <p>Providing incentives is acknowledged as a key learning for resulting in a positive transformation of sustainable use of natural resources and environmental management (p18); and this project focuses on an Incentive Projects, funded by grants. But it is less clear how longer-term incentives, including through developing institutional and private sector partnerships and understanding, are being developed through this proposal to ensure that incentives will continue to develop and be scaled up beyond the life-cycle of this programme.</p> <p>It is stated (p53) that "Though not included in the assessment, probably one of the most important impacts of the Project relate to the capacity building of government institutions at central and regional levels". Given this, and the focus of component 1 on 'institutional strengthening', has the benefits of including this as a sub-component/target been considered, especially given the benefits of this helping ensure the long-term value of the project, and helping to mitigate the political risks identified (p21)? It is stated (p21) that capacity-building will be anyway be provided, so could be valuable to draw out this key outcome more explicitly as a target, recognising its value. This would appear to be key to the long-term replicability and sustainability of the project</p> <p>Climate adaptation</p> <p>It is highlighted in (15) that a key challenge is climate variability, so it would be helpful to have more explicit emphasis on how the programme will also incorporate climate adaptation measures, particularly component 2, to ensure the long-term sustainability of the design and outcomes.</p>	Mar 27, 2018



Response 1	Meerim Shakirova	IBRD	<p>Co-financing requirements have been established based on an assessment of the lessons learned from a number of community driven development programs carried out in Peru (PAES, AGROIDEAS, FONDEBOSQUE, MINAM-CAF y TDC). It is important to note that co-financing from indigenous communities (20% of total investment cost) will be fully in-kind, representing the value of labor, goods, or other services provided by the beneficiary. This in-kind requirement has not been found to exclude beneficiaries, and primarily accounts for support beneficiaries would naturally provide during investment implementation. Co-financing requirements for small forest users is 30% (comprised of 20% in-kind and 10% cash).</p> <p>The project will support investments in the following areas: timber, non-timber, agroforestry, and ecotourism. Communities will be able to select investments according to their needs (in accordance with their life plans). These investments aim to support local communities in sustainably managing forests, as well as increasing economic opportunities from forest resources. Investment support will be targeted, as needed, toward supporting communities in improving their landscape planning and improve production processes, as well as transformation and access to markets. Communities can be supported in all phases of the production chain, formation, and strengthening of community forest enterprises, including value addition, process, and technological modernization and transfer.</p> <p>The project does not include migrants as beneficiaries, only those communities or small forest users with land rights. A majority of migrants to Ucayali settle in urban areas and have not been considered as a beneficiary under the project.</p> <p>With respect to long term sustainability of investments funded through grants, great attention has been given to integrating stakeholder and beneficiary engagement in the design to ensure ownership and contribute to long-term sustainability and higher likelihood of success. The use of community-driven development is one example. Communities will be key decision-makers on what investments to implement and the allocation of financial resources, thus building ownership. Proposals for these investments and plans will require that participants consider economic factors, mitigation potential, environmental sustainability, working with existing community-based and local governmental institutions, to support long-term operation. This local agency support will be key in supporting communities enhance the sustainability and long-term value of the project, and the team will better highlight this value.</p> <p>Lastly, sustainable management of natural resources in forest landscapes have a central role in climate change mitigation and adaptation. Sustainable management of forests secures the survival of a variety of ecosystems and enhances their environmental, social, and economic functions, while helping forests and forest-dependent people adapt to new weather and physical conditions caused by climate change. Climate change mitigation can be achieved through forest carbon stocks conservation and carbon sequestration. Climate change adaptation can strengthen the adaptive capacity of forests while reducing climate vulnerability and increasing forest ecosystems' resilience. It is estimated that the Project could provide significant mitigation and adaptation co-benefits, amounting to as much as 70% of the total Project amount.</p>	Apr 25, 2018
Response 2	Jenny Lopez	United Kingdom	<p>Re migration: It is understood that migrants are not a key beneficiary under the project, but we are asking to what extent the project will engage with migrants, taking into account the impact and risks to the long-term stability and success of the project that is identified in the proposal (e.g. that migration is cited as a driver of deforestation and conflict), or partner with other organisations that are looking to work with these stakeholders. Could an initial assessment of needs/risks/opportunities be incorporated as part of the project?</p>	May 03, 2018
Response 3	Jenny Lopez	United Kingdom	<p>Re Providing incentives: The question was intended to focus not so much on the long-term sustainability from the perspective of the communities, but from the perspective of institutions/partners who could continue to provide incentives beyond the lifecycle of the project, to ensure that this model of providing incentives can continue and be scaled up. How will the work of the project look to establish these longer-term incentive mechanisms/partnerships?</p>	May 03, 2018
Response 4	Jenny Lopez	United Kingdom	<p>Re. question on capacity building of government institutions: Does not appear that this comment has been addressed – can you please respond?</p>	May 03, 2018
Response 5	Jenny Lopez	United Kingdom	<p>Re climate variability and adaptation: Very much agree on the importance of sustainable management of natural resources in forest landscapes for climate adaptation and mitigation, and applaud the co-benefit targets of 70%. So our question was asking for some more explicit emphasis and detail on exactly how the programme intended to incorporate climate adaptation measures, particularly for component 2, and meet these targets? It would also be good to consider and include how the impact of climate variability on enterprises will be considered and</p>	May 03, 2018



Response 6    Meerim Shakirova    IBRD

integrated into the programme design.

Re migration: It is understood that migrants are not a key beneficiary under the project, but we are asking to what extent the project will engage with migrants, taking into account the impact and risks to the long-term stability and success of the project that is identified in the proposal (e.g. that migration is cited as a driver of deforestation and conflict), or partner with other organizations that are looking to work with these stakeholders. Could an initial assessment of needs/risks/opportunities be incorporated as part of the project?

May 18, 2018

Response: While migrants are not a key beneficiary under the project, migrants who have lived in the area for an extended time (i.e., 20 to 30 years) are in fact included as part of the group of "small forest users" and typically carry out a mix of productive activities including agriculture, fish farming, livestock husbandry, and agroforestry (mainly cocoa). Most of these migrants populated and reconfigured the social composition of the Atalaya province between 1970 and 2000. While earlier migrants mainly settled in urban centers, such as Oventeni and Spahua. A subsequent wave of migrants in the 1980s was drawn with hopes of employment opportunities in oil and gas exploration activities at the time. Another wave of migrants in the late 1980s to early 1990s resulted from conflicts in other regions during the internal conflict in Peru between the Shining Path and the Peruvian Army. The latest migration pattern (from 2015 until present) mainly involves migrants from VRAEM (i.e. area of the valley of the three rivers Apurimac, Ene and Mantaro), one of the poorest regions in Peru, which has also been impacted by the presence of remnants of the Shining Path and its links to drug trafficking. Despite sanctions for invading permanent production forests (BPP), many of these latest migrants intentionally settle in BPPs, specifically in inactive or expired concessions, knowing that they can only be removed if there are active complaints from active concessionaires. Closing this legal loophole has been identified as a priority action. For example, during an inspection carried out in 2017 by local authorities (OSINFOR, SODA, FEMA and police), 300 requests from such settlers to formalize proof of possession were rejected based on the land classification and only 55 certificates issued in response to requests. However, settlement continues as long as legal loopholes remain. In order to address these activities that contribute to deforestation, capacity of local authorities to address illegal settlement needs to be strengthened and broader landscape planning needs to address underlying problems at source across all of Peru, i.e., through proper planning of large-scale agriculture, improved training, etc.

While some of these underlying issues of migration are beyond the scope of the project, the team appreciates the recommendation to incorporate further assessments of risks and opportunities related to migration into project design and will explore this with MINAM. For example, the team will look to include some strengthening of local capacity to help address this issue.

Re Providing incentives: The question was intended to focus not so much on the long-term sustainability from the perspective of the communities, but from the perspective of institutions/partners who could continue to provide incentives beyond the lifecycle of the project, to ensure that this model of providing incentives can continue and be scaled up. How will the work of the project look to establish these longer-term incentive mechanisms/partnerships?

Response: The project's implementation unit, MINAM's National Program for Forest Conservation for Climate Change Mitigation (PNCBMCC), supports the implementation of the country's National REDD+ Strategy, which aims to address the drivers of deforestation and forest degradation via the promotion of public and private investment in forest sector enterprises. PNCBMCC has carried out previous community driven development efforts to support this goal, that have been used to support the project's design. Under the project, there is potential to attract additional resources, to multiply the project's impact, including by helping communities replicate and scale-up some of the most successful community-based investments. During implementation, the project will seek out these opportunities, including via multi-donor workshops, to ensure that longer-term incentive mechanisms and partnerships are fostered.

Re. question on capacity building of government institutions: Does not appear that this comment has been addressed – can you please respond?

Response: The team agrees that capacity building of government institutions at central and regional levels, supported under components 1 and 3, will be key to project success. The team will work with MINAM to develop a project indicator to measure the results of this capacity-building support.

Re climate variability and adaptation: Very much agree on the importance of



sustainable management of natural resources in forest landscapes for climate adaptation and mitigation, and applaud the co-benefit targets of 70%. So our question was asking for some more explicit emphasis and detail on exactly how the programme intended to incorporate climate adaptation measures, particularly for component 2, and meet these targets? It would also be good to consider and include how the impact of climate variability on enterprises will be considered and integrated into the programme design

Response: The project recognizes the importance of planning and implementing sustainable forest management practices in support of both mitigation and adaptation benefits, in order to improve the ecological health and socio-economic sustainability of tropical forest systems. Adaptation goals include resource management that fosters conservation, maintenance of ecosystem services, and socio-economic goals such as sustainable livelihoods. These goals will be supported under component 2 through the component's emphasis on building knowledge and skills, which will provide targeted training in areas such as sustainable forest management and conservation, among others. The component's technical assistance support to project beneficiaries, as well as dissemination and networking activities (e.g., knowledge exchanges of successful project tools and approaches for replication and support) are expected to further support these goals. In addition, community investment proposals will be selected based on their expected climate change contributions (mitigation and/or resilience) potential, and selected investment proposals will be supported (via accompanying capacity development) and evaluated to ensure these opportunities are maximized.

Comment 3 Jenny Lopez United Kingdom

Overall, gender equality considerations appear weaker throughout the proposal, and although referenced several times, more detail would be helpful on the types of action and measures that will be taken to include and achieve results with women. Mar 27, 2018

The only two specific examples of gender-targeted actions are:

- (26) 'The project will encourage the participation of women'
- (28) 'community support and training methods will take into account the preferred methods of learning of women'

What other issues have been identified by the project as critical barriers for women, and how will these be addressed to achieve the gender targets? For example, (20) references lack of identification being an issue, but this is not addressed, or any cultural and financial barriers, such as for the co-financing required.

It is particularly unclear how barriers will be addressed to ensure how women will benefit from (component 2.1), and the grant requirement of ensuring 'women's participation' is very vague – could this be clarified? Can it be made clearer what measures will be taken to ensure women are proactively included and benefit from (component 2.2) other than through the dissemination and networking element.

Response 1 Meerim Shakirova IBRD

Recent studies are examining the scarce presence of indigenous women in programs supporting access, use, and management of land and natural resources despite their contribution to food security, biodiversity conservation, and management of their community lands (CIFOR, 2017, Schmink y Arteaga, 2015). Among other reasons for this gender gap, initiatives that would address the structural causes of inequality, in terms of land rights and equal access to land and other territorial resources, are lacking. Apr 25, 2018

While the value of timber has increased, women have been marginalized from forest management decision making, even with their important roles in agroforestry and forest restoration, and even though 66% of women revealed in surveys that they are aware of market access channels. Only 19%, however, participated in these markets. (Alcorn 2014,15 en Schmink y Arteaga: 2015, 16). A lack of attention to gender has also been found in community forest management. A social assessment conducted during the project's preparation found that community forest management programs conducted to date in Atalaya have been lacking in addressing gender gaps, and those programs that aimed to promote a gender focus rarely involved gender specialists.

The project aims to address gender gaps, by providing incentives for women's participation in grant-funded forest landscape investments and businesses. This grant-funded incentive program requires that at least 20% of the beneficiaries of a business initiative be women. Also, those investment/enterprise proposals that demonstrate a greater participation of women will receive a higher score and higher probability of receiving grant support. The project plans to contract a gender specialist to ensure gender and social inclusion issues are addressed, including the design of training methods that take into account the preferred methods for women to learn (e.g., single-sex groups, women-to-women exchanges). While the project will seek to increase women's participation beyond 30%, this figure has been selected as an initial target based on the experience of similar projects. The team will clarify in the Project Document the measures that will be taken to ensure



			women are proactively included and benefit from the investment incentive program.	
Response 2	Jenny Lopez	United Kingdom	Could you confirm if an initial gender assessment will be included as part of the initial project phase to ensure that gender needs and opportunities are fully taken into account, especially to increase women’s participation and benefit, and address barriers?	May 03, 2018
Response 3	Meerim Shakirova	IBRD	<p>As part of the project’s social assessment, the team conducted an initial gender assessment (IAG). The IAG included a literature review on (i) women’s participation in land and natural resources management globally, and, more specifically, (ii) participation of indigenous women in land security and forestry activities, as well as in decision-making spaces at the community level in the Atalaya region. The assessment included field visits and interviews with women in the project area. In most communities in Atalaya, land ownership belongs to the community, so both men and women regardless of marital status can request a portion to work in, which is assigned by the community. However, because of social norms in those communities, men are perceived to have better knowledge of their land boundaries, as they usually perform activities outside of households such as hunting, fishing and wood extraction. As such, women are often excluded from demarcation activities. Men lead commercial decisions in timber production (e.g., actively search for and contract with potential buyers). Although women take decisions on non-timber production, there are different perceptions between men and women on who manages the proceeds from such activities. In interviews, women stated that unsustainable timber extraction in Atalaya has affected their hunting activities and access to water resources. The IGA found that women have gained space in decision-making at the regional and community level – though men still dominate these spaces.</p> <p>The IGA assessment emphasized that community forest management programs conducted to date in Atalaya have been lacking in addressing gender gaps, and those programs that aimed to promote a gender focus rarely involved gender specialists. For this reason, the assessment recommended additional analytical work to better understand the different needs, perceptions and goals of men and women in relation to their land and forest resources. Based on the Bank’s experience in rural development projects in Mexico, the team will carry out a more in-depth assessment – using behavioral science – to identify constraints for women’s engagement in forest landscape programs. The assessment will recommend interventions to address these barriers and to promote women’s participation not only as beneficiaries, but also as community leaders.</p>	May 18, 2018
Comment 4	Jenny Lopez	United Kingdom	Safeguards appear well covered and thought through.	Mar 27, 2018
Response 1	Meerim Shakirova	IBRD	<p>Through the GEOBOSQUES database, MINAM conducted a deforestation analysis within the project area. Based on deforestation data from 2001 to 2016, deforestation has been projected until the year 2032 (we can not attach the image here, but we have it). To calculate emissions, average values per ecozones, recognized in the forest inventory, were utilized.</p> <p>The project’s primary interventions have the following goals: (i) 200,000 ha under timber forest management, (ii) 105,000 ha under non-timber forest management, (iii) 500 ha of agroforestry systems, (iv) 75,000 ha under other types of support offering other products and services (e.g., ecotourism), and (v) 60,000 ha under enabling management conditions (under component 1.1). The area of direct intervention is 440,500 ha, in which a gradual reduction of 49% in deforestation is expected, as compared to the BAU, with a reduction of 6,211 ha avoided deforestation.</p>	Apr 25, 2018
Comment 5	Jenny Lopez	United Kingdom	<p>There does not appear to be a clear calculation/figure provided of the historical/BAU GHG emissions from which the target reductions have been calculated, or the current figures for deforestation. Can these BAU baseline figures for emissions and deforestation be provided?</p> <p>Are there existing good practices with potential to be scaled up through the project that can be identified?</p>	Mar 27, 2018
Response 1	Meerim Shakirova	IBRD	While the project is expected to pilot landscape models that can be replicated more widely and provide lessons learned that can serve as inputs in future endeavors, it is important to note that the project is one of three regional FIP projects with this aim. The FIP WB and IDB projects, which are being implemented by the same Project Implementation Unit, will share lessons to inform and enhance their project design during implementation. This information sharing will take place via joint missions, yearly in-country FIP workshops, as well as continuous information-sharing provided by the PIU (via web portal). In addition, lessons and results are expected to support future scale up, and the project will support the development of publications and	Apr 25, 2018



specialize analytical work, in addition to other outreach efforts, to support this dissemination.

Baseline is set as 0, as we are reflecting only support provided by the project.

We take note of the inconsistencies in target figures, and:

- for share of beneficiaries identified as satisfied, the target should be 70%; and.
- for index for forest entrepreneurship, the target should be 60%.

We will also explore the possibility of increasing the target for grievances addressed, and agree that 100% would be optimal.

Comment 6	Jenny Lopez	United Kingdom	<p>General</p> <p>This proposal concentrates on three focus regions, and it is referred to in (13) how these are expected to be pilot areas for climate-smart landscape models that can be replicated – however, little information is provided on how the project will build partnerships and structures for design and learnings to be replicated, except in (13) – could more information be provided here? What types of similar initiatives and opportunities have been identified for this sharing?</p> <p>Results measurement (21): breakdown of gender targets within overall targets not clear here, or in VII. Results framework - can any provisional gender targets be provided? Or an understanding of how these will be calculated during the project? VII. Results framework:</p> <ul style="list-style-type: none"> <li>• should the baseline really be 0.00 for everything here?</li> </ul> <p>Indicators:</p> <ul style="list-style-type: none"> <li>• Inconsistency: Target share of beneficiaries identified as satisfied identified as 80% on p28 and 31, but as 70% on p15 (21) – please clarify</li> <li>• Inconsistency: Target for index for forest entrepreneurship identified as 60% on p28 and 31, but as 75% on p15 (21) – please clarify</li> <li>• Percentage of grievances addressed is currently at 85% - should this not be 100%?</li> </ul>	Mar 27, 2018
Response 1	Meerim Shakirova	IBRD	<p>Land use rights are a first step in ensuring communities are able to adequately manage forest landscapes. Component 1.1's design takes into consideration experiences from other projects, such as the Peru FIP DGM. The DGM experience has shown that advancing land tenure security of indigenous communities is possible when there is demand at the grassroots level, adequate resources are made available to the regional government, and appropriate technical assistance is provided from development partners, indigenous organizations, NGOs, etc. We appreciate these recommendations and the project will look for ways to ensure that experiences and learning gained by communities can be share more widely, e.g, project to project learning and development of guidance/support materials in order to support future scale up.</p> <p>The costs for land titling of native communities have decreased over time. The highest cost in the process relates to the arduous and cumbersome soil classification. Under the Kuscinski administration efforts for simplification of this requirement were made. The IDB, which finances the Cadastre, Titling and Registry of Rural Lands Project (PTRT3), is engaged in national-level dialogue on these issues.</p> <p>With respect to component 2.1, the project aims to increase economic opportunities for communities and community forest enterprises, many of which face challenges in accessing finance and improving forest management practices. The project will work to foster greater private sector engagement in forest landscapes, by improving the quality of extension services and TA provided to forest enterprises. This includes increasing beneficiaries access to private and public sector finance and value chains, and seeking out potential partnerships. The team agrees a market analysis would provide important guidance in this process and will aim to conduct such an analysis early on during implementation.</p>	Apr 25, 2018
Response 2	Jenny Lopez	United Kingdom	<p>Re. the focus regions: It would be good to include some explicit references to structures/institutions that will be engaged with or strengthened to facilitate replication/scale.</p>	May 03, 2018
Response 3	Jenny Lopez	United Kingdom	<p>Re results measurement: Can you please confirm that further efforts will be made to include some gender disaggregated indicators?</p>	May 03, 2018
Response 4	Jenny Lopez	United Kingdom	<p>Re baselines: It would be useful to understand how you will assess other existing initiatives, and it is usual to have a baseline of some sort to set context. Please consider this in your revisions.</p>	May 03, 2018
Response 5	Meerim Shakirova	IBRD	<p>Re. the focus regions: It would be good to include some explicit references to structures/institutions that will be engaged with or strengthened to facilitate replication/scale.</p> <p>Response: Thank you for this suggestion. Following up on the previous response,</p>	May 18, 2018



the team will be sure to include in the project document a reference to structures and institutions that can help facilitate replication and scale (e.g., those who administer the forest, such as the regional forest authority and SERNANP, community authorities, concession holders, etc. as well as the involvement of MINAM, local development banks, among others).

Re results measurement: Can you please confirm that further efforts will be made to include some gender disaggregated indicators?

Response: The team disaggregated two key PDO indicators by sex (i.e., target beneficiaries registered with usage or ownership rights, and land users adopting sustainable land management practices). Additionally, the small grant program will have specific sex-disaggregated indicators to measure its impacts in closing gender gap in the project area – particularly the unequal access to assets and participation in decision-making. As the program will prioritize applications that have the largest number of women beneficiaries, MINAM will carry out a baseline study and an impact evaluation based on sex-disaggregated indicators. Please let us know if there are other indicators you perceived should be sex disaggregated.

Re baselines: It would be useful to understand how you will assess other existing initiatives, and it is usual to have a baseline of some sort to set context. Please consider this in your revisions.

Response: Thank you for this suggestion. We agree that it would be good to have a baseline to provide further context. The team will work with MINAM to provide baselines, as possible.

Comment 7 Jenny Lopez United Kingdom

Component 1.1: This supports x number of IP communities to begin processes of registration and land titling, but it is less clear how this will be done in a way that strengthens capacity as per the PDO (19). What consideration is there of how this could then be scaled up beyond the lifetime of the project, e.g. training and support mechanisms for individuals within these communities to then share their learning and how to access support services available with other IP communities to go through this process, and guidance/support materials and tools developed from this process (using feedback and learning from the communities on what is needed) that can be adapted for other communities and regions.

Mar 27, 2018

Component 1.1: There does not appear to be obvious consideration of how the project can help 'unblock' a key ongoing barrier which appears to be the costs charged to carry out these processes, which would enable scaling to continue outside the lifetime of this funding – are there opportunities for this to be developed as part of the project?

(10/29): Can any more detail be provided on the types of private sector alliances expected here

It is not clear how the design and content of this project will help leverage additional financial resources, although this is referred to in the Theory of Change (p56 point 5), more detail isn't provided of how this will be supported and encouraged in the project components. Could this be expanded?

How has the long-term sustainability of the enterprises in (component 2.1) been considered, e.g. any market analysis, potential partnerships, and how to sustain these businesses beyond the lifecycle of this project?

Response 1 Meerim Shakirova IBRD

The 2016 National Strategy on Forests and Climate Change defines a long-term vision for mitigating climate change impacts in the forest sector. The National Strategy highlights the country's increasing deforestation and the need to reduce deforestation and forest degradation, as well as the need to address greenhouse gas emissions in the AFOLU sector. Degradation trends are particularly important in Peru's Amazon region, which contains 73 million ha (94% of Peru's total forest area), and given that over half of GHG emissions come from land use change (predominantly deforestation). The National Strategy also highlights the importance of improving the resilience of forest landscapes and populations that depend on these ecosystems, with a special emphasis on indigenous peoples, to reduce their vulnerability to climate change. Further, MINAM's studies in 2016 revealed that Ucayali, San Martin, Loreto, Huánuco and Pasco are the departments with the greatest concentration of deforestation in the country.

Apr 25, 2018

Peru's Forest Investment Plan (PIP) is expected to strengthen the enabling conditions (governance, innovation in sustainable forest management, and land titling) to foster investments that reduce pressures on forests and restore degraded areas, as well as activities that promote the forest sector's competitiveness. Three geographic intervention areas were prioritized, Atalaya, Tarapoto–Yurimaguas, and Puerto Maldonado–Iñapari, areas where the PIP is expected to have the greatest impact on reducing emissions and producing the most important social and environmental co-benefits. Peru's PIP includes four complementary projects, three





supporting coordinated geographic interventions in Atalaya, Tarapoto–Yurimaguas, and Puerto Maldonado-Iñapari, as well as a national forest governance project. The three geographic interventions aim to address titling and registration of property rights, improve forest governance, and strengthen community forest management targeted at enhancing the value of environmental assets of forest and degraded areas and reducing greenhouse gas emissions.

The project teams supporting the DGM and FIP Atalaya Projects have been coordinating and sharing project results since the projects were identified. The projects also share team members (e.g., safeguards, environmental, and land administration specialists) and will continue to coordinate as implementation progresses. This has been the case, in particular, for component 1.1.

Response 2	Jenny Lopez	United Kingdom	Re. long-term sustainability: Could more detail please be provided on how it is envisaged this long-term sustainability/viability analysis will be achieved, and what support services will be offered? For example, the market analysis that will take place, and who will commission this.	May 03, 2018
Response 3	Meerim Shakirova	IBRD	To support long-term sustainability, in addition to providing community beneficiaries with the tools / technical support to improve the success of their investment outcomes, the project envisions community to community learning events to support further scale-up and replication of successful investments. Technical support services to be provided under component 2 include supporting beneficiaries in: (i) implementing investments to improve their landscape planning and improve production processes; (ii) implement conservation practices; (iii) all phases of the production chain, including formation and strengthening of enterprises, diversifying activities and products, value addition, process modernization, market access; among others. As mentioned previously, the team agrees a market analysis would provide important guidance in this process and the team will consult with MINAM with a view to carrying out the analysis during implementation with project funds.	May 18, 2018
Comment 8	Jenny Lopez	United Kingdom	It is unclear this proposal methodology and component objectives align with the 2016 National Strategy on Forests and Climate Change, would be good to have this clarified. It is unclear exactly how this project, especially component 2, will align in practice with the DGM for IP that is referred to (10) – can more detail be provided here of overlaps and opportunities for collaboration?	Mar 27, 2018
Response 1	Meerim Shakirova	IBRD	The 2016 National Strategy on Forests and Climate Change defines a long-term vision for mitigating climate change impacts in the forest sector. The National Strategy highlights the country’s increasing deforestation and the need to reduce deforestation and forest degradation, as well as the need to address greenhouse gas emissions in the AFOLU sector. Degradation trends are particularly important in Peru’s Amazon region, which contains 73 million ha (94% of Peru’s total forest area), and given that over half of GHG emissions come from land use change (predominantly deforestation). The National Strategy also highlights the importance of improving the resilience of forest landscapes and populations that depend on these ecosystems, with a special emphasis on indigenous peoples, to reduce their vulnerability to climate change. Further, MINAM’s studies in 2016 revealed that Ucayali, San Martin, Loreto, Huánuco and Pasco are the departments with the greatest concentration of deforestation in the country. Peru’s Forest Investment Plan (PIP) is expected to strengthen the enabling conditions (governance, innovation in sustainable forest management, and land titling) to foster investments that reduce pressures on forests and restore degraded areas, as well as activities that promote the forest sector’s competitiveness. Three geographic intervention areas were prioritized, Atalaya, Tarapoto–Yurimaguas, and Puerto Maldonado-Iñapari, areas where the PIP is expected to have the greatest impact on reducing emissions and producing the most important social and environmental co-benefits. Peru’s PIP includes four complementary projects, three supporting coordinated geographic interventions in Atalaya, Tarapoto–Yurimaguas, and Puerto Maldonado-Iñapari, as well as a national forest governance project. The three geographic interventions aim to address titling and registration of property rights, improve forest governance, and strengthen community forest management targeted at enhancing the value of environmental assets of forest and degraded areas and reducing greenhouse gas emissions. The project teams supporting the DGM and FIP Atalaya Projects have been coordinating and sharing project results since the projects were identified. The projects also share team members (e.g., safeguards, environmental, and land administration specialists) and will continue to coordinate as implementation progresses. This has been the case, in particular, for component 1.1.	Apr 25, 2018
Comment 9	Jenny Lopez	United Kingdom	It is good to see the reference to the IDB and other FIP projects (40) - but please	Mar 27, 2018



		Kingdom	could you expand and provide more detail on how this collaboration will be implemented, in particular to sharing of lessons learned?	2018
Response 1	Meerim Shakirova	IBRD	During project preparation, the Bank and IDB project teams have worked closely together to ensure project design is consistent among the three regional projects, in order to enable the sharing of lessons throughout implementation and the scale up of good practices. This collaboration will be supported via joint missions, as well as yearly in-country FIP workshops. The WB and IDB FIP project will be implemented by the same PIU in MINAM, which will gather project results and share them among the teams, via web portals, publications, and specialized analytical work, to inform and strengthen the projects' implementation and inform future directions.	Apr 25, 2018
Comment 10	Mari Martinsen	Norway	Thank you for a well written Project document. Noray would like to submit some questions and comments, adding to UK's submission. 1. Land titling for IP under Law 22175 is an important step to secure the rights of indigenous people, but also to reduce deforestation. Several projects implemented by international development agencies are involved in land titling, including UNDP, WWF and IDB, as well as other projects sponsored by provincial governments themselves. The process of recognizing, demarking and thereafter titling land in Peru has shown to be complicated, involving a number of government agencies at both national and provincial level, sometimes with overlapping mandates. The UNDP-DCI project sponsored by Norad has been involved in land titling in Ucayali since 2016, including forest zonification under the new Peruvian forest law. Simultaneously, the WWF-DCI, also sponsored by Norad, implemented land titling (in Loreto) and was finalized the fall of 2017 (an evaluation was released in 2017). Both of these projects come with a range of lessons learned for the FIP-sponsored Atalaya project. However, we cannot see any reference to any of these projects and lessons learned that the Atalaya project will build on. Given the political sensitivities and the complexities of land titling, the description of sub-component 1.1 seems somehow superficial (paragraph 23) and doesn't go into the level of details we'd expect. We'd encourage a much more elaborate strategy that makes specific reference to other lessons learned (involvement and capacity of regional and national governments (see paragraph 14 ii) , indigenous peoples organizations, CT CUM ++ ) for undertaking component 1.1 to be developed before implementation starts. Specific reference to lessons learned and identified risks from other projects should be made.	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	We appreciate and fully agree with this recommendation and are reviewing the land titling design of the UNDP-DCI and WF-DCI projects sponsored by Norad, among others, so that lessons learned and risks can be adequately reflected in the Project Document and taken on board. We have been following the lessons learned in land titling from the Peru FIP DGM, which has shown that there is indeed a risk that not all the Regional Governments have the same level of political commitment to native community land titling, given the political and economic realities and pressures at the local level. Inter-institutional tension between the Ministry of Agriculture (MINAGRI) and the regional government regarding the functions related to the granting of rights for forestry resources and responsibility for managing resources also impacts titling efforts. The DGM experience has shown that advancing land tenure security of indigenous communities is possible when there is demand at the grassroots level, adequate resources are made available to the regional government, and appropriate technical assistance is provided from development partners, indigenous organizations, NGOs, etc. We will also provide greater detail in the project description on the land titling strategy the project will support, including more detail on institutional arrangements (e.g., roles of regional governments, regional forest and wildlife authorities, role of civil society and indigenous peoples and organizations (such as, AIDSESEP and CONAP)).	Apr 23, 2018
Response 2	Mari Martinsen	Norway	Thank you very much for the good explanation. Just two follow-up questions related to this. 1: Will the project description be shared with us? 2: What is the process ahead?	May 02, 2018
Response 3	Ian Gray	CIF AU	The project description is in the PAD. once IBRD has responded to all the comments the usual procedure of 48 hour period for follow up comments or no objection approval will be applied.	May 18, 2018
Comment 11	Mari Martinsen	Norway	2. What is the number of communities that will get their use or ownership rights registered through the project (component 1.1)? 1,500 is mentioned, but believe this refers to number of households.	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	Under the project, the target population of forest communities with use or ownership rights registered includes: (i) Land holdings registered, demarcated and titled: a. 1 community titled, 2 communities registered, 3 communities expanded	Apr 23, 2018



(approximately 75,000 ha), and 20 communities demarcated. TOTAL 26 COMMUNITIES.

b. Average of 50 families per community x 26 = 1,300

(ii) Forest management permits granted:

a. 25 plans (timber and non timber)

b. Average of 50 families per community/small forest user x 25 = 1,250

(iii) Participatory territorial zoning plans registered

a. As part of community life plan development, 30 territorial zoning plans will be developed

b. Average of 50 families per community/small forest user x 30 = 1,500

Given that the community beneficiaries of titles, permits, and zoning plans can be the same community, 1,500 families (or households) was set as the target. With five people on average per household, this would equal 7,500 individual beneficiaries (number of people).

Comment 12	Mari Martinsen	Norway	3. Including the IP organizations (AIDSESEP and CONAP) and their federal organizations at provincial level, in activities that specifically involve the indigenous people communities (demarcation ++) themselves is a must. One of the key lessons learned from the other projects in question is to ensure representatives from the indigenous people organization are sponsored logistically in order for them to participate. Could the WB confirm that funds will be set aside to engage the indigenous peoples organizations, and that the financial system of the WB allows for such support to happen? Tight engagement of indigenous peoples organizations is also a mitigating strategy for any potential costs/disruptions of future political changes in the government.	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	The team fully agrees that AIDSESEP and CONAP, as well as their federal organizations at provincial level, must be involved in activities that involve the indigenous communities. For example, AIDSESEP and CONAP will participate in the project's Consultative Committee, the main oversight body for the implementation of the project. This Committee will be responsible for overall project monitoring, follow up, and ensuring institutional coordination with participating institutions. In addition, indigenous peoples' organizations will play an important role in the implementation of project activities, including providing technical support in the land titling process, outreach to communities on the project's small-scale grant program (the Forest Conservation Incentive Fund), technical support to communities during the implementation of small-scale grant program investments, and support the monitoring and evaluation of the grant program's results. Funds have been set aside for their engagement (e.g., travel, workshops) and WB fiduciary policies do permit this support.	Apr 23, 2018
Response 2	Mari Martinsen	Norway	Happy to hear there are no impediments for the involvement and financing of IP organizations' participation on activities in the field, as this has been highlighted as an obstacle in previous projects (with other implementing agencies).	May 02, 2018
Comment 13	Mari Martinsen	Norway	4. The wide representation of stakeholders in the consultative committee is much welcomed. Has the current version of the proposal been shared with committee for validation?	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	Yes. MINAM's Project Coordination Unit and WB missions have shared project design with members of the Consultative Committee throughout project preparation. Further consultation is planned during the project's appraisal mission planned in May 2018. In addition, Consultative Committee members have participated in a number of community outreach events in Atalaya, in which project objectives and components, planned implementation schedule, and the project's Environmental and Social Management Framework were shared and consulted with meeting/workshop participants.	Apr 23, 2018
Comment 14	Mari Martinsen	Norway	5. Paragraph 24-26: Could you please specify the the concrete deliverables for component 1.2. First, a number of activities are listed that relate to capacity building of the regional authorities in Ucayali on forest crime. What will this contribute to and what are the specific challenges that the project will help address? USAID is already supporting Ucayali within the topic of forest crime, among others through supporting the operation of a Satellite Monitoring Unit. ACCA and SPDA are also engaged in similar activities in Madre de Dios, and will be able to share useful lessons learned.	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	On concrete deliverables related to regional level capacity building on forest crime under component 1.2. and coordination with USAID: Many functions of forest conservation and oversight were decentralized to regional governments in 2003. However, the transfer of responsibilities has not been matched with sufficient capacity support and consequently local authorities (e.g., such as Regional Environment Authorities - ARA) are not fully equipped to efficiently and effectively fulfill their functions of surveillance, monitoring and enforcement as it	Apr 23, 2018



pertains to forest conservation and sustainable management. Aside from public agencies, the environmental framework provides for the set up of environmental commissions at regional as well as at municipal level (CAR and CAM, respectively), that are intended to ensure citizen engagement and civil society participation and to ensure adequate dissemination of information, foster consensus building among public and private stakeholders, and strengthen governance of forest resources at local level. However, these commissions have not been fully institutionalized and lack technical advice and financial resources. The project will support the update and institutionalize the functional structure of CARs and CAMs in Ucayali, offer technical assistance and capacity building for forest conservation interventions, and update of local environment management instruments, while strengthening overall citizen engagement. The project will also seek to strengthen the technical and operational capacities of Community Control and Oversight Committees in the same 30 indigenous communities that will be supported with their Life Plans as well as in additional 15 other forest communities. The objective is to increase their surveillance and control capacity and build closer coordination arrangements with local forestry authorities (i.e. such as the Forest Resources Supervisory Agency (OSINFOR) and National Forest Service (SERFOR) to jointly implement actions to address deforestation and illegal or informal use of forest resources. More specifically, support would include preparation of maps identifying pressures and threats of deforestation and degradation, training in tools for control and surveillance of environmental crimes as well as related equipment, development of communal forest patrols, and awareness and outreach activities on the importance of forests. Further, the capacity of existing public entities with forest-related mandates (e.g. for monitoring and control of deforestation) will be strengthened. More specifically, this will include the regional environmental authorities, provincial governments, as well as fiscal agencies and law enforcement. Specific activities will include for example: i) inter-institutional training and coordination workshops to foster the collaboration and communication among different public entities; ii) operationalization of a technical unit for community forest management, iii) strengthening of routine supervision and inspection activities before and during logging operations, and iv) support for investigation and intervention capacity to curb illegal forest operations. Finally, to ensure complementarity with activities supported by USAID, the project team has been in touch with the US Forest Service and the Bank has been approached for potential collaboration on illegal logging analysis in Peru to better understand the illegal timber value chain.

Comment 15 Mari Martinsen Norway

6. The establishment of life plans will be an important second step after having secured land titles for indigenous peoples communities. One of the indicators in the proposal aims for 30 communities to approve life plans. First, will the establishment of life plans be supported through component 1.2? What is the specific budget for establishing the 30 life plans? Second, will all the communities that will be assisted with land titling also receive assistance for establishing life plans? Leaving a community with a land title is result by itself, but there has shown to be a risk connected with communities selling their title or allowing outsiders to remove timber from the land against compensation, especially IP communities that are poor and in need of income. The project's target group includes several communities that live in extreme poverty. As such, precautions should be taken. Again, lessons learned from other land titling projects could assist in hedging for this risk.

Apr 06, 2018

Response 1 Meerim Shakirova IBRD

On questions related to life plans:  
 Yes, under component 1.2., the project seeks to strengthen the capacity of communities to sustainably manage communal land in line with the objectives of their life plans (planes de vida). Life plans are indigenous governance tools that establish a development vision for a community. The project will support 30 communities with either development, update or improvement of their life plans, including strengthening territorial planning aspects. Capacity building efforts will further strengthen community-level forest monitoring committees that play an important role in monitoring environmental impacts during implementation of life plans. Priority for this will be given to communities that are participating in the Forest Conservation Incentive Fund (Fondo de Incentivos para la Conservación de Bosques) and are thus placing priority on enterprise activities that are compatible with environmental and forest conservation objectives. Communities will further be supported to access various forms of public financing besides the Forest Conservation Incentive Fund, such as local participatory budgets. The planned budget to support life plans is US\$750,000 (or about 6% of total cost). On the measures to prevent quick selling off land upon titling by poor and vulnerable communities:  
 The risk of newly-titled indigenous communities selling off their land, allowing

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timber extraction, or otherwise degrading the forest is low. When considering the counterfactual (of not securing IP land tenure through communal title), the relative risk is substantially lower. There is ample literature supporting this and a list of references can be provided if of interest.

From a legal perspective, and in the particular Peruvian legal context, there are two kinds of rights for native Amazon communities: (i) a full property title (derecho de propiedad); and/or (ii) use rights (derecho de cesión de uso). The determination of which right is awarded depends on a soil classification (clasificación de uso de tierra por capacidad de uso mayor), one of the necessary steps prior to awarding any right. If the soil classification is considered to have an agricultural vocation, then a property title is issued; in the case the soil is classified as forest land, a use right is issued. Most native communities' titled land include a combination of property title (in the nucleus of the settlement, average ca. 15% of total area) and use right (for peripheral areas, average ca. 85% of total area).

According to Law 29763 (Ley Forestal y de Fauna Silvestre of July 21, 2011), the Peruvian State recognized the exclusive, indefinite, and non-transferrable right (derecho real) of native communities over areas of non-agricultural vocation in order to ensure the communities' livelihoods and traditional uses. The law also recognizes the exclusivity of the possession, access, use, and exploitation of the forest production and protection areas, of the forest resources, and ecosystem services.

When the regional government emits the titling resolution of a native community, it demarcates in a single document the area where a full property right is granted as well as the area with use right (for the latter, distinguishing areas of forest production and forest protection). Based on the above, legislation provides for the exclusivity and inalienability of native communities' titles land.

The contracts of "use rights" can be reversed. The lands granted under in this modality can be reversed "in the case that, exercised its supervisory function, it is verified that they have not been destined for the purpose for which they were transferred within the period stipulated in the resolution of transfer or have been abandoned, with no obligation to be reimbursed for." (Art. 57, Law 30230).

In brief, there are legal safeguards for the misuse of forest land that is under native communities' use rights, and they may be reverted to the State (although that has not taken place in practice). On the contrary, national-level IP associations are against mere use rights for native communities' territories claiming that the State mistrusts IPs for the misuse of ancestral lands/territories which the communities depend on for their physical and cultural survival.

The only occasion a native community can sell their land is through a 2/3 majority of eligible community members, and that only applies to the area for which a full property right has been issued.

Comment 16 Mari Martinsen Norway

7. The project will apply a gender equality approach. We very much support giving specific attention to women's empowerment and gender equality, and encourage the project to disseminate specific results and stories of how to project has contributed to engage women in sustainable income generating activities that will help to lift them out of poverty. Applying a gender equality approach - how do you plan to execute this in practice? And, why is only 30 % of the target group expected to be women? We encourage the project to recruit dedicated personnel with specific expertise on the topic in the project management team.

Apr 06, 2018

Response 1 Meerim Shakirova IBRD

Recent studies are examining the scarce presence of indigenous women in programs supporting access, use, and management of land and natural resources despite their contribution to food security, biodiversity conservation, and management of their community lands (CIFOR, 2017, Schmink y Arteaga, 2015). Among other reasons for this gender gap, initiatives that would address the structural causes of inequality, in terms of land rights and equal access to land and other territorial resources, are lacking.

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While the value of timber has increased, women have been marginalized from forest management decision making, even with their important roles in agroforestry and forest restoration, and even though 66% of women revealed in surveys that they are aware of market access channels. Only 19%, however, participated in these markets. (Alcorn 2014,15 en Schmink y Arteaga: 2015, 16). A lack of attention to gender has also been found in community forest management. A social assessment conducted during the project's preparation found that community forest management programs conducted to date in Atalaya have been lacking in addressing gender gaps, and those programs that aimed to promote a gender focus rarely involved gender specialists.

The project aims to address gender gaps, by providing incentives for women's participation in grant-funded forest landscape investments and businesses. This grant-funded incentive program requires that at least 20% of the beneficiaries of a business initiative be women. Also, those investment/enterprise proposals that



demonstrate a greater participation of women will receive a higher score and higher probability of receiving grant support. The project plans to contract a gender specialist to ensure gender and social inclusion issues are addressed, including the design of training methods that take into account the preferred methods for women to learn (e.g., single-sex groups, women-to-women exchanges). While the project will seek to increase women’s participation beyond 30%, this figure has been selected as an initial target based on the experience of similar projects.

Comment 17	Mari Martinsen	Norway	8. Sub-component 2.1: Will the target group for these activities be those communities with established life plans? It might also be good to ensure coordination with MINAM/PNCB and the communities enrolled in the payment for ecosystem services program “Transferencias Directas Condicionadas”.	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	Under sub-component 2.1, to be eligible for the incentive grant program, community enterprises or households must have, as applicable, forest rights, title to land, and planning tools (e.g., a life plan) that identify the value chain to be supported. Given that 80% of the project’s beneficiaries are indigenous, the majority of beneficiaries will have a life plan. Beneficiaries of forest landscape investment and business support under the program will also have a commitment to conserve at least 5,000 ha of forest or 250 – 500 ha per household (depending on the investment support provided.) The MINAM/PNCB “Transferencias Directas Condicionadas” program, which provides economic incentives to communities conditioned to forest conservation and the implementation of an approved investment plan, is one of the programs that was assessed to support the design of the project’s incentive program. The team will ensure coordination with this program, given the important lessons it can provide, such as in the investment proposal submission and review process, monetary transfers, and monitoring and evaluation.	Apr 23, 2018
Comment 18	Katie Berg	United States	Dear Mafalda, Thank you for the opportunity to review this interesting project. We have some questions, primarily about safeguard issues and the project's classification as a Category B, that we would like to discuss with the World Bank before moving forward. Thank you, Katie Berg	Apr 06, 2018
Response 1	Meerim Shakirova	IBRD	Discussion on occurrence of violent incidents including murders related to land rights in Peru in general and in the project area specifically: The team explained that it was aware of violent incidents, including violent conflict over land rights and a recent murder of farmers in the northern area of Ucayali near the border with Loreto (outside the project area). Violence is typically driven by land speculation and land trafficking driven by rural to rural migration by groups of landless farmers, but also by organized migration through professional land traffickers operating illegally. Such land grabbing has mainly been concentrated on areas that are conducive for agriculture, including increased expansion of palm oil cultivation. This type of conflict has been occurring closer to areas that provide easier access to markets. As the project’s target areas that are still difficult to access and don’t have good road connectivity, but are mainly accessible via rivers (or small aircraft), land trafficking has been less acute in the project area than in other areas of Ucayali. The team is not aware of any murders that have occurred related to land rights in the project target area. More broadly, loopholes in Peruvian laws, conflicting policies, and institutional inefficiencies impede effective confrontation of land trafficking and corruption plays a role in facilitating this trade. Providing land rights to communities as supported under the project strengthens their ability to formally address illegal encroachment on their lands and counter risks of land trafficking.  Discussion on inclusive consultations and risk of elite capture: In response to questions, the team confirmed that a number of consultations had been carried out on the project design during project preparation at national, regional, as well as local level. The team participated in one of the local consultations during a field visit in Atalaya and noted that the consultation was co-organized and co-led by local authorities (who offered facilities and a general opening and framing to the consultation) and local indigenous leaders (who were moderating the consultations). It was noteworthy that the consultations were moderated by women and that women were freely speaking during the event. The team did not witness elite capture or restriction of free speech during the event. As noted in a more detailed written response to questions from the UK, the elite capture during project implementation is being addressed through facilitation	Apr 26, 2018



support as well as selection criteria that promote social inclusion and transparency. For example, grant proposals/investment plans will require an implementation commitment of at least 50% of community members and need to align with the community's approved life plan. Further, the list of beneficiaries will need to be disaggregated by gender and demonstrate at least 20% women beneficiaries of any enterprise initiative, with higher rates of women beneficiaries receiving higher scores during the selection process.

Please refer to the response to comments from the UK for further details on the topics of elite capture and inclusion.

#### Discussion on safeguards categorization:

As part of the Bank's standard due diligence process, the Project was reviewed by the Regional Safeguards Advisor and categorized as safeguards category B as direct impacts from the project are expected to be small-scale, although some of the activities related to forest management enforcement may pose challenges and risks from entrenched interests in the sector as well as illegal activities related to the sector. Based on this risk as well as possible stakeholder risks, the relevant risk ratings for the project have been rated as "substantial".

While the main safeguards instrument prepared for the project is an Environmental and Social Management Framework (ESMF), a Social Assessment of the Atalaya region was also prepared to provide further input to project design and to inform risk mitigation for potential social and stakeholder risks.

It should be noted that indigenous peoples represent the majority in the project area and are considered the main community beneficiaries in the three target districts of the Atalaya province (i.e., Raimondi, Sepahua and Tahunia districts). As such, the World Bank's OP4.10 on Indigenous Peoples applies for this project, but given that the beneficiaries are primarily indigenous people (i.e., 80%), no Indigenous Peoples Plan (IPP) was applicable.

#### Discussion on the potential risk of newly titled communities selling their land to third parties:

As also mentioned in the responses to the comments from Norway and UK, the team clarified that there are several mitigation measures in place to prevent the titling of community land leading to risks in terms of communities selling newly titled land to third parties due to poverty.

The team clarified that under Peruvian law, there are two types of land rights, i.e., full property rights and resource use rights, which are awarded depending on the soil classification of the land. Full property rights can only be awarded for soil with agricultural potential, while for land classified as forest land, only use rights can be awarded. For forest land, that means that such use rights can be revoked in cases where communities would not adhere to forest management practices and misuse their granted rights. This rights categorization further does not provide for transfer of rights. In the case of award of full property rights (i.e. for agricultural land), communities would need a 2/3 majority of eligible community members to be able to transfer their land title (i.e. sell their land). Most native communities have a combination of the two categories of land rights.

The project will only provide communal land rights and will not support award of individual land rights.

Please refer to the response to comments from Norway and UK for further details on the topic of land rights, the process of land registration and land titling, as well as mitigation measures in place to prevent transfer of forest rights under the project.

#### Economic Analysis and economic rate of return:

The team agreed that the economic analysis for the project, which is currently mainly focused on climate benefits, could be strengthened by including further analysis of the potential direct benefits at beneficiary (community/small forest enterprise) level based on livelihood and forest management activities that will be promoted. Further data and analysis will be added to the final project documents, including an assessment of these livelihood investments economic feasibility, during the final stages of project preparation over the next months.

In response to a specific question on the economic rate of return (ERR), the team clarified that there is no minimum target ERR that the Bank required for projects in the environment sector in order to consider a project a viable investment. In addition, by adding further economic values, as discussed above, the positive results already obtained are expected to increase.