Template for report and accounts for organisations under the Climate and Forest Initiative funding scheme for civil society

2013-2015

1. General Project Information:

1.1 Name of recipient organisation: Earth Innovation Institute

1.2 Reporting year: March 1, 2013 – December 31, 2015

1.3 Agreement Number: QZA-0186 QZA-13/0549

1.4 Name of project: Accelerating the Transition of REDD+ to Low Emission Rural Development in Five Pivotal Regions

1.5 Country and region in the(se) country if applicable: Brazil, Mexico, Peru

1.6 Financial support to the project from Norad for last calendar year 2015: NOK 10,740,331

1.7 Thematic area: Sustainable landscapes

2 Please describe the project's progress for the whole grant period

2.1 Please repeat the **project's target group(s)** and the baseline for the target group at the start of the project (from the approved project document).

Governments (national, state, local, across several sectors that influence rural development) make laws, policies and programs, enforce the law, and provide services to rural communities and other groups, but generally are largely dysfunctional or influenced by corruption.

Financial institutions and private investors' programs and strategies influence the types of rural production and infrastructure activities that will be capitalized.

Large-scale farming, forestry, extraction: Large-scale individual producers, businesses and companies are often highly capitalized, focused on short-term profit-maximization and politically powerful. Changes in their land-use actions are potentially the most impactful in terms of initial GHG emissions reductions.

Smallholders are critical because they are (1) often important producers of food for local consumption, (2) poorly capitalized and therefore often unable to make the necessary farm-level investments to compete at the standards demanded by agrifood markets and/or international sustainability standards, and (3) often have a low level of organizational capacity to cooperate for economic objectives.

Indigenous peoples, traditional communities and other traditional stewards of forests continue to be key defenders of forests and healthy ecosystems. They are frequently marginalized by centralized government planning and dominant private interests and activities.

Civil society is a critical actor in social change because it (1) provides a long-term memory and support role (e.g., when government administrations change), (2) pressures governments to carry out their responsibilities, (3) helps to orient government to promote the common good and/or protect/promote marginalized or neglected groups or goods and services, (4) builds bridges and alliances with and between other main actors, (5) helps to influence public opinion through the media and grassroots mobilization, and (6) provide educational and training programs to develop critical human resources.

2.2   Please repeat the project's **desired impact** (from the approved project document).
The project will contribute toward the transition to sustainable, equitable, low-emission rural development (LED-R) accelerated in five target jurisdictions located in three pivotal tropical forest REDD+ nations with improved regional governance capacity to sustain and drive these transitions and with improved exchange of lessons and innovations with other REDD+ and LED-R processes.

2.3   Is the project still relevant for the desired impact? (Yes/No) If No, please give a short explanation.
Yes

2.4   **Main outcome(s).**
   a) **Please repeat the project's planned outcome(s) (effect on project´s target group(s), beneficiary (-ies)) (from the approved project document).**
The principle outcome of this project is to align regional actors in 5 landscapes in Brazil, Mexico and Peru around a shared agenda for changing the rural development model from its business- as-usual, boom-and-bust trajectory to an alternative model of sustained "low-emission rural development" (LED-R) in which: (1) agricultural and livestock production grows through improved yields on existing cleared land instead of horizontal expansion into forests and woodlands; (2) key economic and social sectors are provided with the information and tools to move toward jurisdiction-wide plans in concert; (3) civil society organizations are strengthened to coordinate jurisdiction-wide, sector-specific participatory planning processes; and (4) the destruction of native ecosystems, soils, and freshwater systems is slowed, stopped, then reversed.

For LED-R to be realized, each actor must make significant changes. Governments and political actors must realize the benefits of LED-R and demonstrate leadership to broaden the base of political support and overcome inter-agency barriers to achieving integration across relevant ministries and sectors (agriculture, forestry, environment, climate, agrarian reform, transportation, energy, finance) in pursuit of LED-R. Financial institutions and private investors must eliminate policies that promote unsustainable land use and extraction, identify clear entry points and develop innovative financial instruments for providing capital for the shifts in production and extraction systems that are at the core of LED-R. Large-scale agriculture, livestock, and resource extraction sectors must change their production and/or extraction systems, making the commitment to forego deforestation and reduce forest degradation as they make the necessary investments and technological innovations to achieve greater production while maintaining and restoring native ecosystems, soils, and streams. Smallholders must develop partnerships with companies in main sectors and be integrated into sustainable supply chains for fisheries, forestry and agriculture-related commodities. Indigenous peoples and traditional communities must be empowered to participate in discussions and planning processes that lead to improvements in their livelihoods; their legitimate claims to territories and natural resources must be recognized and protected. Finally, civil society organizations must become more pragmatic, professional, and evidence-based in their strategic interventions in LED-R as they improve their ability to facilitate the transition, convene multiple actors, interact with corporate sectors, and support political processes.

   b) **Please report on all outcomes from the project document:**
One of the major outcomes of the project—originally described in the approved project document—was to reframe REDD+ to emphasize its critical role in achieving successful transitions to LED-R. The project has contributed toward accelerating the transition to sustainable, equitable, low-emission rural development (LED-R) in the five target regions. It has contributed to deepening the discussion of what constitutes LED-R at the jurisdictional or regional scale by defining the parameters and the measures of success. In particular, it has expanded the concept to focus not just on the policies and actions that directly reduce emissions from land-based activities, but the regional governance capacity and other enabling conditions that must be created in order drive and sustain those actions.

Members of the Sustainable Tropics Alliance have worked to build broader and deeper engagement of the full range of stakeholders in determining a new development trajectory that is explicitly focused on mitigating and adapting to climate change but also finds ways to support locally and regionally appropriate economic development and to improve lives, livelihoods and well-being beyond the purely economic aspects. The project has been successful in building and strengthening multi-stakeholder processes to drive these transitions. The project has also been successful in improving the exchange of lessons and innovation among regions as they advance REDD+ and LED-R processes (Results Example 1).

The original project document described the changes in behavior required by each actor in order to achieve the principle outcome of the project, which was to align actors in each region around a shared agenda for changing the prevailing rural development model to one of sustained LED-R. In general, across regions, the project was most successful in working with governments, large-scale agricultural actors and indigenous peoples in developing alternative strategies that resonated with each respective actor group. In multiple regions, Sustainable Tropics Alliance members worked primarily with smallholders (or small-scale fishers and foresters) and made important advances. However, progress was more measured in that there tended to be fewer (if any) all-purpose "external" levers that could be readily deployed to engage these actors, such as international market dependence (as is the case for many large-scale agricultural producers and even governments). With respect to financial institutions and private investors, progress was slower and/or more patchy was made in addressing policies and instruments that needed to be altered, eliminated or added (although more progress was made in this respect, for example, in Mato Grosso and Chiapas). Civil society member organizations of the STA have become more systematic in their approach to supporting the transition processes in each region, explaining and demystifying REDD+ and LED-R to cynical or bewildered actors, synthesizing and translating complex technical information (including conducting new analyses), reaching out to early movers, and convening stakeholders to increase familiarity, comprehension, interest, and engagement of all actors in planning and policy-making.

> **Outcome 1: Alliance of regional, independent civil society organizations focused on landscape-level LED-R transitions established and operational**

Change Achieved: Sustainable Tropics Alliance established as of April 2013 by five founding member organizations (Earth Innovation Institute, Pronatura-Sur, Instituto del Bien Común, Instituto de Pesquisa Ambiental da Amazônia, Green Belt Movement) with a shared vision of what constitutes a new, climate-focused model of rural development and how to approach achieving this transition in the forested tropics. The Alliance governance structure, and communications and development strategies were formally approved as part of a Memorandum of Understanding signed by the original five members and new member Institut Penelitian Inovasi Bumi. Alliance members began to formalize a knowledge exchange system through thematic working groups, workshops, and an online file sharing platform. The Alliance was strengthened as founding members focused on developing, publishing and disseminating their shared vision of climate-focused rural development in reports, policy briefs and presentations in regional and international fora, including the UNFCCC COP and the Governors' Climate and Forests Task Force (GCF) Annual Meeting.

Alliance member organizations have enhanced ability to lead or actively contribute to LED-R transitions in their respective regions through an expanded knowledge exchange network and systematization of concepts and approaches underpinning low emissions rural development. Alliance members have taken ownership of the Alliance and are embedding LED-R in their institutional strategies. Members are actively seeking ways to increase the value of the Alliance both to their own organizations and to reframing rural development and conservation models.

Key Indicators: Steering committee established with representatives from 6 founding & 1 supporting organizations; 7 in-person meetings (Chiapas, Mexico; San Francisco, USA; Santarém, Brazil; Oxapampa, Peru; Lima, Peru; Cuiabá, Brazil; Paris, France), including training on special topics (e.g., participatory scenarios planning, territorial performance systems, indicators) and field visits/exchanges; 9 steering committee teleconferences; Alliance-wide Dropbox folder and Google groups account established; 5 proposals for future funding submitted (1 likely to be approved in 2016); Conceptual framework published and disseminated; STA web page (http://www.sustainabletropics.org/) and Facebook page (https://www.facebook.com/SustainableTropicsAlliance/?fref=nf) created; Alliance logo developed; MoU (with mission & objectives, and guidelines for membership and governance, communications, and development) developed and signed

Targets Achieved: The planned targets associated with Outcome 1 were (a) the establishment of a functioning alliance of non-governmental organizations leading and facilitating the development and implementation of LED-R processes, (b) to increase human, financial and other capacity within these organizations to catalyze and support such processes, and (c) to facilitate information sharing among the organizations regarding innovations being developed and tested in other locations. The first and third of these targets have been achieved and are ongoing. Achievement of the second target is less advanced, notably with respect to financial capacity of the member organizations to maintain and expand their jurisdictional/regional LED-R activities. The STA members continue to be actively engaged in developing a strategy for improving fund-raising and increasing capacity-building opportunities. In addition to outputs under Outcome 1, outputs under the remaining outcomes (described below) contributed to achieving the planned targets.

Sustainability: Institutional relationships among Alliance members have been strengthened by working on a shared vision of how to achieve low-emission rural development. Founding organizations are internalizing the shared LED-R strategy within institutional strategies, and are reaping benefits of membership in the Alliance through increased attention (internationally and regionally) to each organization's work, through increased information sharing and improved capacity, and an expanded network. These benefits will carry on past the end of this project, but securing further funding will be of paramount importance. One interim measure Alliance members have taken is to agree on mechanisms for continuing each member organization's participation in the Alliance in the absence of specific funding to support the Alliance and/or its activities, specifically.

Outcome 2: Evidence-based regional assessments and strategies for LED-R transition developed

Change Achieved: Work on activities related to Outcome 2 resulted in a deeper understanding by Alliance members and other collaborators and stakeholders of key actors, conditions and challenges relevant to achieving LED-R transition in each focal region. STA partners collected and synthesized information to assess LED-R Readiness in project focal regions. Assessments in each region focused on drivers and trends in deforestation, historical GHG emissions, stakeholder dynamics and multi-stakeholder processes, policies and financing related to LED-R, and barriers to and opportunities for LED-R in each region. These assessments were published and presented in a summary document (initially presented at COP 20 in 2014) and a series of regional policy briefs were developed, for use in engaging stakeholders in LED-R planning processes and developing strategies for implementation (Outcome 3). Under the leadership of EII, partners collaborated to produce an analysis of the needs of indigenous communities in focal regions, and providing both specific and general recommendations to sub-national governments regarding the development of jurisdictional indigenous policies or programs (initially presented at the GCF annual meeting in 2015). STA partners also helped to develop business and policy proposals based on the assessments, and carried out in conjunction with sectoral planning discussions (Outcome 3).

Key Indicators: 1 synthesis report on LED-R readiness (covering 5 regions); 5 regional policy briefs including recommendations to help drive project focal regions' transition to LED-R; Baseline assessments for regional actors, socio-economic, and legal environmental conditions and dynamics carried out for 5 regions; 1 peer-reviewed manuscript on Lower Amazon land tenure and fisheries management and development policy completed; 1 peer-reviewed manuscript on the causes for reduction in Amazon deforestation published; 7 regional assessments of indigenous communities needs and opportunities with respect to jurisdictional LED-R (Chiapas, Pachitea, Madre de Dios, Loreto, Acre, Mato Grosso, Lower Amazon); development and adoption of 5 alternative business models or policy options (Mato Grosso, Pachitea); 1 led-R action plan developed/approved within multi-stakeholder process (Mato Grosso); 4 multi-stakeholder dialogues (private sector, government, civil society, communities) established to build consensus on milestones for reducing deforestation (Mato Grosso, Pachitea); 4 draft strategies for sectoral transitions to LED-R (livestock, fisheries, forestry) (Acre, Mato Grosso, Pachitea, Lower Amazon); 6 sectoral transition assessments (Chiapas, Mato Grosso); 1 draft informational video for LED-R (Chiapas)

Targets Achieved: The majority of key targets associated with Outcome 2 were achieved, notably a set of regional assessments (Output 2.1) that provide the basis for regional LED-R transition plans under development in each region, as well as for engaging stakeholders in sectoral and multi-sector dialogues. In a number of regions, STA partners also helped to develop viable business models for critical sectors (Output 2.2).

In Chiapas, published analyses of the banana, coffee and livestock sectors in the state suggest mechanisms and best practices for the transition to regional LED-R and contrast these with conventional practices. Pronatura-Sur continues to work on the generation of low emission action plans for forestry and palm oil to support the dialogues in Outcome 3. Furthermore, a guide for the agricultural sectors (including livestock) on the mitigation potential of low-emission practices was developed and disseminated.

In Peru, alternative fisheries management models based on experiences in the Pachitea watershed were presented by IBC within a multi-stakeholder dialogue at the national level, to the Technical Group on Continental Hydrology. Towards the end of 2015, the Peruvian Amazon member states of the GCF agreed to collaborate in a project to pursue low-emission alternatives for economic development in the region ("Production-Protection Pact"), in collaboration with EII, MDA, and the national environment ministry (MINAM). Detailed analyses and multi-stakeholder meetings are to be completed in 2016.

In the Lower Amazon, EII and partners are promoting the development of equitable contractual arrangements involving groups of smallholders and companies, through which fishers and producers gain access to quality technical assistance and inputs on the production side and access to sustainable supply chains and markets that value sustainable fisheries, forestry and agriculture. A further innovation under development in the Lower Amazon is that the governance structure and monitoring platform for LED-R in the region will involve government participation but will not be the sole responsibility of either the Pará state Green Counties program or the municipal government. The governance structure will be independent to reduce dependence on individual political parties or government, more generally. EII and partners are developing a partnership with a group at the federal university (UFOPA) to develop and maintain a monitoring platform for the TPS.

In Mato Grosso, EII developed a comprehensive set of analyses and recommendations for redirecting the soy (especially) and beef sectors to jurisdictional performance targets. These resulted not only in the development and implementation of new business models for early movers within the supply chain, but also in pushing the state government and other stakeholders to adopt a state-wide production-protection pact, called the "Produce, Conserve, Include" strategy. The strategy focuses

on reducing deforestation, promoting restoration and regeneration of native vegetation, increasing agricultural productivity and improving human well-being. The strategy was launched by Governor Pedro Taques in Paris in conjunction with UNFCCC COP21. IPAM led the NGO activities in support of this agenda. In parallel, EII facilitated the decision by Aprosoja and Denofa/Grupo Amaggi to change the supply chain approach for soy from Mato Grosso to a jurisdictional one, with agreed upon performance targets that facilitate investments in the state to promote sustainability.

Additionally, EII led a survey and initial analysis of the conditions and needs of indigenous peoples in the state, with the objective of presenting a proposal for a statewide consultation process with indigenous peoples to form the basis of the design of a jurisdictional indigenous program as part of the state REDD+ system. This proposal was presented to Mato Grosso's environmental secretariat, as well as to key stakeholders who will be involved in the process (including indigenous peoples, federal authorities, and civil society members). Refinements to the proposal by the secretariat were still being made in early 2016.

EII supported the Acre State Government as it strived to become validated under the VCS JNR jurisdictional REDD standard. EII also held a workshop to discuss the "territorial performance system" approach to promotion of LED-R. EII also maintains on-going participation in the SISA program's Science Committee, in part focusing on helping the state develop a robust system for accounting for and crediting different initiatives (and stakeholders) contributing to reducing emissions in the state, through analyses and concrete recommendations

More moderate progress was made in identifying and evaluating alternative scenarios to support development of the regional transition plans (Output 2.2). Nevertheless, for Chiapas, PNS assessed the emissions scenario of conventional agricultural practices for a range of sectors (banana, coffee, livestock, forestry, and palm oil) and contrasted these with a scenario of implementing low emission practices at scale across the landscape. In Mato Grosso, EII completed an analysis of the emissions reduction potential and economic cost of achieving implementation of the Brazilian Forest Code in the state through a range of mechanisms (including active restoration of native vegetation, natural regeneration, and/or trading deforestation rights). The analysis—which was presented to the state government as part of the effort to launch the "Pact to Produce, Conserve and Include"—included recommendations on the optimal combination of these options to achieve low cost and maximum ecological benefit. A similar analysis for Acre was developed but only presented to Acre's Climate Change Institute and other stakeholders in the SISA policy in early 2016. In part, the delays in achieving this output were due to slower progress than in moving forward outputs related to Outcome 3, since the development of plausible scenarios depends on including sectoral plans and other stakeholders' needs and visions for the future landscape in the combination of inputs.

Landscape-scale (jurisdiction- or region-wide) simulations of plausible future scenarios of policy- and market-driven land-cover change (including scenarios based on sectoral and multi-stakeholder discussions) are planned for all project focal regions. The basic structure of the dynamic spatial simulation model was developed for Mato Grosso state (and was used for the analyses described previously). The model is now being adapted in partnership with the STA partners for the other focal regions. The analyses are planned to be carried out for all regions by the end of 2017.

Sustainability: The sustainability of the strategies under development is projected to be high because they are based on a realistic assessment of regional actors, trends, and challenges. Furthermore, the strategies focus on identifying and developing incentive systems designed to drive change in the long term. Nevertheless, their viability and success will depend on regular monitoring and adjustments as the context and conditions change, both internally and externally. For example, strategies developed with stakeholder engagement may have to change to respond to rapidly evolving economic, political and social dynamics. The approach to developing and implementing regional LED-R strategies under

development by the STA explicitly calls for iterative review and monitoring of changing conditions and adaptive management to take advantage of emergent opportunities or to adjust for unforeseen problems (as described in more detail with respect to Outcome 3).

> **Outcome 3: Landscape-wide and sector-specific action plans for the transition to LED-R developed with multi-stakeholder support and implementation begun in 5 landscapes in Brazil (Mato Grosso, Acre, Pará), Mexico (Chiapas), and Peru (Pachitea watershed)**

Change Achieved: Across focal regions, individual sectors demonstrated increased support for and engagement in the design and implementation of jurisdiction-/region-wide LED-R policies and programs. Sectoral planning processes involved at least three different target groups—sometimes with multiple sectors engaged within one target group. Multi-stakeholder dialogues in STA focal regions are bringing together diverse actor groups to identify common interests and find regionally specific trans-sectoral solutions and pathways to LED-R. In all regions, multi-stakeholder processes were initiated or expanded and improved. All regions were advancing toward dialogues involving all target groups and sectors by the close of the project, but none had fully integrated processes yet.

Although Acre may come closest to a fully integrated multi-stakeholder process—in tandem with its SISA policy—better integration of indigenous communities and the private sector (including smallholder and larger enterprises) is still needed. Over the course of the project, EII began to carry out workshops with various stakeholders regarding development of a Territorial Performance System, which will build on the SISA policy to use Acre's emissions reductions performance to date as well as its benefits-sharing commitments to various groups, including indigenous peoples and traditional communities, to increase investment opportunities throughout Acre, including for sustainable agricultural products and value-added operations. IPAM also initiated discussions regarding a statewide livestock sub-program within SISA, but progress has been slow.

In Mato Grosso, the multi-stakeholder process now includes a broad cross-section of private sector, government and civil society, working together to develop and support the "Produce-Conserve-Include" pact (facilitated by STA members EII and IPAM). Sectoral planning with indigenous communities was initiated by EII in Y3 of the project. Government and civil society groups (primarily EII) are currently seeking funding to pursue a full consultation process to lead to the development and implementation of a jurisdictional indigenous program that is integrated into the state REDD+ system, as well as into the PCI.

STA members and partners in the Lower Amazon (Brazil) have initiated a multi-stakeholder process (which will focus on three key sectors: fisheries, agriculture, including ranching, and forestry), beginning with several meetings and workshops focused on regional planning for sustainable fisheries. In addition, some discussions have been held with partners regarding a deforestation agreement. A Sustainable Fisheries Pact will be finalized by the end of 2016 as part of a plan for the sustainable development of Lower Amazon fisheries. Progress with sectoral and multi-stakeholder planning in the Lower amazon was delayed due to a focus on building institutional capacity of both EII and local civil society organization, Sapopema, to facilitate the dialogues and the LED-R transition process as a whole.

In Chiapas, PNS supported the livestock, forestry, and palm oil sectors to develop draft sectoral action plans, respectively. Each of these processes involves private, government, and civil society actors. PNS also worked with stakeholders in the Sierra Madre landscape (in western Chiapas) to develop an integrated landscape-wide land management plan to be used as a model for other regions in the state.

In the Peruvian Amazon, multi-stakeholder and sectoral processes in the Pachitea watershed focused on agreements regarding riparian forest protection, forest conservation areas, and watershed protection and/or restoration, more generally. STA member IBC facilitated discussions among local and regional governments, indigenous communities, smallholders, and private landholders to achieve these agreements. IBC facilitated agreements among individual private landholders and indigenous and smallholder communities to conserve forest and water resources in the Pachitea Basin (Results Example 2).

Key Indicators: 23 regional conservation agreements supported by key stakeholders (Pachitea Basin); Multi-stakeholder process engaging range of stakeholders around discussion of territorial performance standards (Mato Grosso); 7 proposal for low-emission sectoral transitions (Acre, Chiapas, Pachitea); 7 multi-stakeholder LED-R planning dialogues established (Pachitea, Chiapas, Mato Grosso, Acre, Lower Amazon); 8 regional and sectoral LED-R concepts prepared and presented (Acre, Mato Grosso, Lower Amazon, Pachitea, Chiapas); 1 "mini-manual" for regional LED-R strategy planning developed (Chiapas); 5 signatories to Under2MoU with California (Chiapas, Mato Grosso, Acre, Loreto, Ucayali); 4 draft sectoral action plans developed (Chiapas, Lower Amazon); Hydrological area protection agreements incorporated into municipal policies in 1 region (Pachitea)

Targets Achieved: The principle targets associated with Outcome 3 were the development of landscape-wide sectoral plans for low-emission development of each respective sector, as well as the development and implementation of integrated regional/jurisdictional LED-R action plans (with the intention of integrating the sectoral plans) in each of the project's focal regions. In most focal regions, sectoral plans were developed, and in some cases, beginning implementation. The extent to which each plan or process advanced depended in many cases on the implementing STA member's prior work and relationship to a sector. However, fully integrated jurisdiction or landscape-wide LED-R strategies were not achieved in most cases. Progress towards such integration was made in several of the focal regions. Progress was highly correlated with the size (scale) of the respective focal region and the extent to which stakeholders in the region identified the same (or similar) principle challenges to be overcome or opportunities. Despite the lack of fully integrated landscape-wide action plans, elements of sectoral plans began to be implemented through targeted interventions. This is caused in part by the way in which the sectoral and stakeholder discussions create a change in attitudes and actions on the part of stakeholders, such that stakeholders already begin implementing innovations as discussions progress. In this way, one set of discussions also shapes other and future discussions and planning.

Overall, important groundwork was laid for full-scale, multi-sectoral low emission rural development strategies and implementation in all focal regions. At the outset of the project, we anticipated that some regions would be more advanced and/or advance more rapidly than others, depending on the extent to which LED-R planning had already been introduced in a given region. However, we underestimated the time and resources needed when projecting the initial implementation of fully integrated jurisdictional plans, given the relative novelty of the jurisdictional LED-R approach, the large number of actors with respective needs and challenges to be addressed, and the generally slow cycle of social and political change. However, STA members are continuing to work with different stakeholder groups in further developing and implementing the sectoral plans and in achieving integrated strategies. The time-scale for development and/or implementation of these plans is likely to range from two to six years, depending on the degree of advancement at the end of the current project.

One target that was defined at the outset of the project that was not achieved quite as formally as originally imagined in most target regions was to establish regional consortia of civil society organizations to lead the LED-R transition in each focal region. Although EII and IPAM led the establishment of such a consortium to support the Pact to Produce, Conserve & Include in Mato

Grosso (with support from both the STA and 3FI projects), most regions did not establish such formal consortia. This is principally related to insufficient (mainly financial) resources to carry out such an activity, but also to the diversity in the nature and history of civil society presence and collaboration in each region, which seems to have been stronger and deeper in Brazil at the outset of the project. Nevertheless, with a focus on continuing and expanding the multi-stakeholder dialogues within each target region, STA members will continue to work on greater engagement of and collaboration with civil society groups regionally. Civil society governance is a product of the mutistakeholder planning process and, thus, takes time to develop.

Sustainability: The approach used to engage actors in the LED-R planning process begins by identifying challenges and needs facing each stakeholder group, as well as identify the benefits that each respective group would consider critical to make a new development path politically viable for the respective group (Outcome 2). The sectoral and subsequent multi-sector planning process that follows engages the stakeholders in such a way that it incorporates these identified needs and potential benefits in the discussion, thus ensuring a higher level of ownership of and endorsement of the eventual plan. Another important aspect of the jurisdictional/regional LED-R planning approach is that it involves multiple steps—engaging individual target groups and/or sectors in parallel dialogues (as necessary or appropriate) and then bringing multiple groups together in one dialogue. The approach used by STA partners to engage regional actors in LED-R planning focuses on participatory, explicitly multi-sector dialogues that aim to raise capacity and understanding of the trade-offs of adopting alternative development pathways. Furthermore, the approach aims to facilitate the establishment of multi-sectoral governance systems that can monitor progress in implementing plans and respond to changing economic, social, and political circumstances. It is important to note that the discussions themselves often lead to a change in attitudes and actions on the part of stakeholders. In this way, each part of the planning process is already shaping further discussions and planning and leading implementation "on the fly" to some extent. This means that it has not been and is not necessary to wait for the "completion" of the systematic planning process for implementation to begin.

The continued progress and success of sectoral planning and multi-stakeholder processes in each focal region is dependent on a variety of factors, among them continued funding to support and facilitate discussions, planning, and adaptive management based on regular, careful analysis of the context and opportunities surrounding these processes. Political regime change (or change in individual champions) may also greatly affect the pace of progress. However, with sufficient attention to stakeholder mood, needs and capacity to adaptively manage the process(es), the overall planning process should advance, even if slowly. Furthermore, as noted previously, the discussions themselves already engender changes in attitudes and actions on the part of many stakeholders.

Outcome 4: Stronger, long-term local/regional governance and implementation capacity for LED-R transitions is developed in at least 5 target landscapes

Change Achieved: Overall, important progress was made towards achieving stronger, longer-term local and regional governance capacity for LED-R transitions through a range of capacity building and exchange activities. In all cases, government agencies' and other stakeholders capacities to engage in LED-R dialogues increased. Where relevant, STA partners carried out diagnostic work to map actor capacities and needs to determine how best to work with each target group and/or how to facilitate discussions within or between actor groups.

State/Local Government: By the end of the project, at least some key state and local government agencies and personnel in each focal region had increased capacity to effectively lead and/or contribute to the design and implementation of REDD+/LED-R action plans. In Mato Grosso, Acre and Peru, EII provided technical training and facilitated discussions regarding the Territorial Monitoring

Platform (TMP). The TMP is already in use within the multi-stakeholder dialogue involving territorial performance in Mato Grosso and the Brazilian Amazon, more generally. In MT, EII and IPAM are providing technical support to implement the state's REDD law. EII also provided support to Acre as it seeks VCS Jurisdictional Nested REDD+ (JNR) certification for its SISA program. EII also serves on the SISA Science Committee, providing support for decisions regarding reference levels, emissions reductions accounting, monitoring and related technical issues. PNS trained over 100 civil servants from five Mexican states (including Chiapas) who are responsible for the design and implementation of emissions reductions actions in agricultural, livestock and forestry sectors in integrated land management strategies, safeguards and mitigation in a workshop on LED-R (Results Example 4).

A highlight of the project has been the support for "Innovation Exchanges" with the objective of bringing together key stakeholders from different target regions to foster cross-fertilization of successful strategies to accelerate the transition to LED-R (Results Example 1). EII facilitated "innovation exchanges" between the Acre and Peruvian Amazon state governments on 3 occasions, to help the Peruvian governments make better-informed decisions about how to structure their own jurisdictional LED-R policies and programs. The STA work in Peru has also led to a new consortium involving the governments of Ucayali and San Martin to develop production-protection plans for these regional governments (MDA, EII, Forest Trends, MINAM). In Mexico, PNS facilitated an "innovation exchange" visit of Chiapas government officials to Para state to learn more about Brazil's rural environmental land registry and Para's Green Counties Program. This visit culminated in a Memorandum of Understanding between the two governments provide a basis for continuing such exchanges, as well as a recent announcement by the Chiapas Secretary of Environment and Natural History that the Secretariat will initiate development of a CAR platform for the state.

Smallholders/Indigenous & traditional communities: Across target regions, smallholder groups and/or indigenous or traditional communities and their organizations have increased participation in dialogues and activities related to achieving LED-R. STA partners collaborated on an analysis (in cooperation with AIME consortium) of the needs of indigenous peoples and made recommendations for sub-national governments, which were discussed with GCF member state governments and IP representatives at both the GCF annual meeting (2015) and UNFCCC COP21 (2015). IBC supported indigenous communities throughout the Pachitea Basin to develop "Life Plans" and acquire other tools for territorial planning and management aimed at conserving forests as a strategic resource. IBC worked with smallholders to reduce forest clearing and increase productivity through technical improvements. In Mato Grosso, EII led a diagnostic survey of indigenous needs and interests with respect to a statewide indigenous program that led to a proposal to the state government for a participatory consultation process to design the program under the state REDD+ system. In the Lower Amazon, EII and partners supported fishers' organizations to mobilize and engage in a regional planning process for sustainable fisheries and floodplain land use (Results Example 3). By the end of the project, small-scale fishermen had increased interaction with national policymakers (Congress and key ministries) and involvement in sectoral planning processes. In Acre, EII provided support to Acre's development and implementation of a nested emissions reduction accounting and crediting system, as well as policies for benefit-sharing with indigenous, traditional and smallholder communities. This included helping to include in the Rio Branco Declaration (2014) an engagement with the broader indigenous community of the Amazon and commitments on benefit sharing with these communities. The Declaration which has been signed by 26 sub-national governments to date.

Civil society: STA partner organizations ended the project with greatly increased capacity to facilitate LED-R transition in target regions and beyond. In turn, these organizations also worked to increase the effective participation and contribution of regional civil society organizations to LED-R dialogues and processes. In Mato Grosso, for example, EII and IPAM led the engagement of civil society groups in the multi-stakeholder dialogue surrounding the Pact to Produce, Conserve & Include. In the Lower Amazon, EII provided critical support for the institutional development of Sapopema, a young NGO

working to foster integrated, sustainable landscape management in the Amazon floodplain region of Western Pará. Both groups collaborate with the local federal university (UFOPA) to support fishers and smallholder organizations in engaging in a participatory planning process for a sustainable development plan for regional river and floodplain fisheries. In Chiapas, PNS engaged civil society organizations in sectoral planning processes (including livestock and forestry) as well as general activities related to increasing knowledge about and support for LED-R in the state. In the Pachitea Watershed, IBC has collaborated with and engaged civil society groups in strengthening protected areas at local and regional levels.

Private sector: In Mato Grosso state, a critical mass of private sector actors understand the advantages of a transition to LED-R and have become advocates for driving the transition to LED-R. The bulk of EII's work in Mato Grosso focused on increasing awareness and interest among private sector actors involved in land-based activities in order to move towards a jurisdictional LED-R approach. Capacity-building and dialogues regarding the Territorial Performance System Monitoring Platform (monitoring.earthinnovation.org/), led to significant interest among private sector actors in the supply chain associated with MT soy and beef to adopt or contribute to the transparent, accessible monitoring platform. This interest is manifested in an historical Memorandum of Understanding with the large agribusiness organizations in the state/region: Aprosoja, Abiove, IMEA, Ação Verde, and FAMATO. This MoU and collaboration contributed to agribusiness engagement in the PCI process.

In the remaining target regions, advances with private sector actors have been more limited, but steady and significant. In Chiapas, PNS focused on capacity-building around climate change, reducing emissions, and improved practices for mitigating climate change with the forest management, livestock, and palm oil sectors, through a series of workshops, publications, and other interventions. In the Peruvian Amazon, the aforementioned PPP project focuses on increasing private sector support for statewide LED-R strategies through the development of alternative models and mechanisms for improving land-based production. In Acre, EII's efforts have focused on supporting the state to achieve VCS JNR certification (described above) and the GCF Performance System and TPS, all of which would support increased investment in and other benefits for Acre's productive sector. Going forward, STA partners intend to continue work to gain support for LED-R strategies by producer organizations and industries in all regions.

Key Indicators: 9 technical multi-stakeholder training meetings to implement conservation area agreements and to improve fisheries monitoring and management (Pachitea Basin, Lower Amazon); 1 civil society consortium established with a focus on regional LED-R capacity building (Lower Amazon); 3 public-private agreements focused on capacity-building (Pachitea, Chiapas); 1 review of global REDD+, land-use, financing options, challenges, and NAMAs linked to LED-R in focal regions; 5 capacity-building efforts for legal framework and technical aspects to support LED-R policies and actions (Pachitea, Chiapas, Acre, Mato Grosso, Peruvian Amazon states); 1 intergovernmental LED-R workshop for 8 state ministries of environment (Mexico); 10 regional needs assessments for different target sectors (indigenous/traditional fisheries; smallholder producers; government agencies; indigenous peoples)(Chiapas, Loreto, Madre de Dios, Lower Amazon, Mato Grosso, Acre)

Targets Achieved: The targets associated with Outcome 4 focused on increasing capacity and support among a range of stakeholders in each target region for designing and implementing the transition to LED-R. Overall, STA partners were highly successful in achieving these goals, although substantial work remains to be done—largely because of the range of stakeholders and diversity in the capacity and interest level of each, as well as because of the complexity and measured pace of the planning and implementation processes (as discussed with respect to Outcomes 2 and 3). The principal outputs in each region and for the Alliance overall have already been described above. However, it is important to note that capacity-building and information-sharing with all stakeholders

should be continued. Furthermore, regular reassessment of stakeholder needs and needs related to multi-stakeholder processes as a whole is imperative. STA partners intend to continue carrying out all of these activities on an on-going basis.

Sustainability: The capacity-building and information-sharing activities carried out by STA partners are critical to the sustainability of the Outcome 3, which forms the backbone of the STA's mission. The design and implementation—and ultimate long-lasting success—of the jurisdictional LED-R transitions that the STA is facilitating depends on creating deep understanding of the need and support for both a new development path and a multi-stakeholder approach among all stakeholders in a given region. This will help to mitigate some of the primary risks to the endeavor—namely, political regime change and economic (or other) upheavals—by creating a type of "deep governance" in which actors in a region perceive it to be in their own best interests to continue to pursue actions that align with LED-R strategies, thus avoiding discontinuities in support for LED-R transitions. For some actors, capacity building is critical to increase their equal participation in the design of region-wide development plans. However, capacity-building activities are not just helpful for building capacity to negotiate, but also to provide all stakeholders with a common base of information and understanding of the key issues and processes. In this sense, it is just as important to increase understanding on the part of larger scale, commercially oriented producers and governments, as it is traditional and indigenous peoples.

> **Outcome 5: Experience with jurisdictional/regional LED-R transition approaches systematized and shared with other regions to contribute to the replication and scaling up of the models to neighboring jurisdictions, at the national level, and/or international processes**

Change Achieved: Significant progress towards systematizing, documenting and disseminating regional LED-R transition experiences was made over the course of the project. STA members were able to introduce concepts underlying a jurisdictional/regional approach to LED-R in various fora and generate interest in and discussion surrounding the concept among other sub-national and national governments, donors, and civil society organizations, among others. Awareness and understanding of the jurisdictional/regional LED-R approach at regionally and internationally has increased as a result of these activities.

Civil society: Compared with the start of the project, Alliance members are now able to apply their improved capacity to support jurisdictional/regional LED-R transition planning and early implementation in other jurisdictions at the regional, national, and/or international levels. STA members collaborated to document the conceptual framework underlying the Alliance's shared approach to achieving an alternative LED-R model, as well as summarizing key elements and levels of progress toward this model in STA focal regions. This synthesis (originally disseminated in conjunction with UNFCCC COP20 and the associated Global Landscapes Forum) garnered significant interest on the part of other organizations, nations and donors designing or implementing low-emission development strategies. Furthermore, as STA partners are involved as coordinators and/or close partners of GCF states in Brazil, Peru and Mexico, important progress is being made toward replication and scaling of the model. Additionally, STA members engaged civil society organizations (including indigenous and producer organizations) and academic institutions with which they collaborate within and without their regions to disseminate information and build capacity regarding jurisdictional LED-R.

State/local government: Across project focal regions, government actors have become advocates for integrated low-emissions development planning to varied extents. In some cases, key municipal, regional, and/or national government actors within the target jurisdictions are actively sharing their experiences with developing and implementing jurisdictional LED-R with other jurisdictions and/or at the national level. Some of these exchanges may require assistance from STA partners active in those

regions, but increasingly, key government representatives are taking action on their own with little or no prompting. For example, beginning in 2014, EII helped to facilitate a series of exchanges between the government of Acre and the Peruvian Amazon states (that are members of the GCF) to help the latter establish LED-R planning processes on their own based on the experiences of Acre with SISA. By the end of the project, the Acre government issued its own invitations to the Peruvian governments and organized an extended visit including field visits to sustainable industries and meetings with key stakeholders and government officials (held in May 2016). At a smaller scale, local governments in the Pachitea Basin have also become advocates, locally and regionally, for integrated, low-emission planning with a focus on forests and water resources.

Multilateral institutions/international processes: A growing number of multilateral institutions and international processes incorporate regional-scale LED-R approaches in initiatives focused on addressing climate change, environment, and development. This is not solely due to the work of the STA, of course. However, the STA has been important in making presentations and presenting documents in various international fora, particularly the UNFCCC, associated Global Landscape Fora, at Governors' Climate & Forests task force events, and in a variety of international conferences (including those targeted to practitioners and academics). STA members have also contributed to disseminating information about LED-R concepts and experiences in discussions regarding the design and implementation of jurisdictional processes (including multi-stakeholder dialogues) and jurisdictional sustainability and performance standards (including that led by the 3FI consortium). These interventions have increased awareness and interest in the concept, as well as generate discussion about how to build and adapt these ideas to conditions in different regions.

Key Indicators: 3 reports synthesizing the LED-R conceptual framework and/or experiences published and disseminated in conjunction with 5 international climate change or sustainable development meetings (UNFCCC SBSTA, COP20, GCF, UN Climate Summit, Katoomba); 2 presentations of LED-R approaches and experiences at international meeting; multiple exchanges with at least 10 neighboring jurisdictions beyond project focal regions (6 Peru, 4 Mexico); 1 draft jurisdictional LED-R manual (Chiapas); 3 innovation exchanges (Chiapas-Pará; Acre-Peruvian Amazon states); 1 joint workplan focsed on capacity-buidling regarding land-use planning (including zoning, rural land registry, and land tenure issues)(Acre-Peruvian amazon states); 1 report on indigenous needs/concerns with respect to jurisdiction-wide policies and programs for 8 regions (LIST REGIONS); substantive participation of STA partners and focal region stakeholders in 5 international conferences; development and dissemination of jurisdictional/territorial monitoring system to 3 other jurisdictions/regions; 1 international sourcing agreement (Norway-Mato Grosso); Communications about LED-R on STA and STA partner websites

Targets Achieved: The principle target associated with Outcome 5 was to increase the capacity of the STA to influence adoption of low-emission sustainable development strategies in regions outside the initial and primary focus of Alliance members. Overall, good progress was made in contributing to the replication and scaling up of LED-R transition approaches in other jurisdictions (including national level). Alliance members have developed concrete products and regional expertise (e.g., leaders trained and stakeholders for LED-R base developed) and are actively working to disseminate these experiences and to provide guidance to governments and other groups that want to design and implement such processes. It is significant that several members of the STA are also formally associated with the GCF, as noted above. PNS is regional coordinator for Mexico, Inobu is regional coordinator for Indonesia (although activities and advances carried out in Indonesia are not included in this project), and EII is the main technical advisor to the GCF. The partnership with the GCF allowed the STA to expand considerably the reach of its proposition and the universe of experiences to consider in revising the conceptual approach. The GCF has provided a platform to organize "innovation exchanges" among governments, including between Acre and the Peruvian Amazon

states, between Chiapas and Pará, and among Brazilian and Mexican (and Indonesian) states, respectively.

Similarly, STA members' participation in other consortia and projects helped to expand the reach of the jurisdictional LED-R approach in more concrete ways than if the STA focused solely on disseminating the concept in conferences and other international meetings. For example, EII leads the "jurisdictional" component of a USAID-funded project to increase the participation of indigenous communities in climate change mitigation efforts (as part of the AIME consortium, of which PNS and IPAM are also members). EII has introduced a jurisdictional strategy development approach to the project, led development of a "jurisdictional REDD+/LED-R" primer aimed at indigenous groups, and been invited by various consortium members to share information and experiences with the jurisdictional approach in workshops outside STA target regions.

Two principal components of Output 5.1 that were not completed by the end of the project were a series of LED-R guidance and training manuals and a synthesis of "lessons learned" to follow on the initial baseline analysis of each target region and of progress toward LED-R more generally. In the case of the manuals, lack of financial resources (primarily caused by the drastic change in the value of the NOK over the last year of the project) was the principal cause for the delay in completing these products. However, work on the manuals is ongoing and will be prioritized by STA members. At least one manual (provisionally titled "How to Do LED-R in the Tropics") will be completed in 2016, while others will be completed in subsequent years (participatory scenarios planning—2017; reforestation/restoration—2017; integrating LED-R and indigenous Life Plans—2017). The principal delay with respect to the "lessons learned" synthesis was slower progress in the target jurisdictions on designing and implementing LED-R strategies than originally envisioned at the outset of the project. This document will be completed in 2016 or early 2017.

Sustainability: The sustainability of this outcome is moderate. It will require far more effort and likely more successful experiences (with respect to specific innovations as well as entire jurisdictional programs and experiences) from which other jurisdictions can learn/benefit before replication of the jurisdictional model can/will truly ramp up. However, STA partners are committed to continuing to support the dissemination and expansion of the approach and its elements. Partners are continuing to work on informational and educational materials to support further development of LED-R approaches in the target regions as well as those beyond. Furthermore, STA partners continue to participate in international dialogues and varied international consortia in which they engage others in discussions about the jurisdictional approach. The partnerships that STA members have with the GCF and their participation in other consortia is one of the strongest arguments for the sustainability not just of this Outcome, but also for the ongoing actions and goals originally set out for the entire project. The GCF partnership, in particular, implies a reliable and consistent exchange of information and ideas between sub-national government actors and civil society partners working to support jurisdictional processes, as well as the potential for more rapid and widespread exchange of information about innovations, challenges encountered, and solutions developed between focal jurisdictions for STA partners and other GCF member states who may lack a facilitated, multi-stakeholder effort to move towards LED-R.

2.5   Are there any internal and/ or external factors that have affected the project in any significant way?

a) Specify deviations from plans.

•   The late start to the project in 2013 led STA partners to begin activities toward the end of that year and inevitably pushed some activities in 2014 and 2015, given that many activities and outputs were completely new and/or depended on building relationships of confidence with a broad range of stakeholders. Furthermore, developing a robust conceptual framework that represents the

shared vision of all Alliance partners took more time than anticipated, well into Y2 of the project, which also slowed advances in other parts of the project.

- Due to strong interest on the part of stakeholders within Brazil, some effort and funds were devoted to developing a performance indicator monitoring platform for Brazil (co-funded by NICFI support to 3FI Consortium). The platform became an integral part of discussions with stakeholders. It helped move stakeholder consensus forward as it provided a means for actors to visualize what the impact of different indicators or performance thresholds would certain jurisdictions were included or eliminated from performance-based incentive schemes. As a result of the platform's success, STA partners will be developing preliminary versions for Mexico (focusing on Chiapas and other GCF member states) and the Peruvian Amazon states in 2015. Furthermore, STA partners will develop Territorial Performance Systems (with these monitoring platforms) as the principal means to achieving LED-R in all regions going forward.

- In addition, some preliminary activities related to capacity-building and other support to local governments in the Peruvian Amazon states (San Martin, Ucayali, Loreto, Madre de Dios, Amazonas) were implemented to begin LED-R program development processes. This expansion of activities in Peru was prompted by the entry of these states into the GCF and their interest in Acre for guidance on how to build robust programs of their own. Given EII's close relationship with Acre's SISA program and with some Peruvian Amazon states, the opportunity to help disseminate the jurisdictional REDD+/LED-R model arose.

b) Provide a short assessment of the risks occurred

One of the potential risks identified at the outset of the project was not being able to consolidate development and implementation of LED-R in the focal regions before the end of the project period. A related risk was not being able to secure financial support at a sufficient scale to continue activities beyond the end of 2015 to consolidate "deep" support for LED-R and facilitate implementation of and experimentation with (or fine-tuning of) LED-R strategies. Although a basic level of support for some STA partners and regions is pending approval, continued support for work in Brazil has not been secured. Political and social stability in focal regions continues to present a risk. Fortunately, this risk in some regions, including Peru and Brazil, has led to delays in LED-R development and implementation, but not outright rejection of the alternative model.

2.6   Cross cutting concerns.

a) Corruption: The project contributed to reduced corruption in target regions through innovative mechanisms for participatory governance and transparent monitoring (such as the Territorial Performance System and attendant monitoring platform piloted in Brazil) and support for national and regional policies that improve environmental governance. In the context of promoting and facilitating regional LED-R transitions, the project identified (and addressed, where possible) existing corruption schemes that threaten the success of jurisdictional LED-R action plans.

b) Gender equality: Social equity, which includes gender equality, is a key component of the sustainable development model promoted by the project. The project promoted gender equality by (1) highlighting critical gaps in addressing women's (among other key stakeholders) needs, interests and concerns within current development models, and (2) promoting direct participation of women, and inclusion of women's interests and concerns, in regional planning processes. STA partners ensured the inclusion and active participation of women in multi-stakeholder dialogues within jurisdictions, as well as monitored the participation of women in project activities.

c) Respect for human rights: The project ensured respect for human rights principally through jurisdiction-wide multi-sector dialogues that facilitate agreements among producers, communities, companies, local governments and other stakeholders regarding environmental and social performance indicators that measure progress toward LED-R. The conceptual framework underlying the STA's shared approach to regional development identifies five pillars, including human well-being and equitable social systems, which are assessed on the basis of indicators that include protections of human rights that are regionally appropriate and use existing official data where possible.

2.9 Lessons learned.

In carrying out this project, we learned a series of very useful lessons, both about how to better approach the design and implementation of LED-R in our focal regions (and beyond), as well as how to work better and more efficiently within individual partner organizations and as an Alliance. The Alliance aims to build regional support for a new model of rural development that rapidly slows deforestation and improves well-being. As we learned in our in-depth analysis of Brazil's success in reducing deforestation in the Amazon region, command and control policies can achieve spectacular success in rapidly lowering deforestation rates, but are unsustainable on their own in the long run. For declines in deforestation to be sustainable and well-being to be raised, strong incentives—both positive and negative--must be perceived and realized in the transition to LED-R by political leaders, powerful private sector elites and farm sectors (including smallholder farmers), as well as by indigenous and traditional communities Those incentives are largely absent today. Other key lessons learned are:

- **The deforestation agenda is not a priority of many local governments.** The environmental agenda is competing with many other priorities for local/regional governments in the face of scarce resources. Even within the environmental agenda, electoral calculations may result in prioritizing urban environmental needs over sustainable rural development and reducing deforestation.
- **Multi-stakeholder dialogues are patchy and largely neglected.** The importance of local and regional multi-stakeholder processes cannot be underestimated, as they provide the basis for long-term governance and success of REDD+ and LED-R. Whereas substantial international and national attention has been paid to technical aspects of REDD+ Readiness—including MRV systems and financial and legal architecture—in the decade since REDD+ was introduced to international climate negotiations, relatively little attention has been paid to how multi-stakeholder processes can be initiated and moved forward.
- **There are no silver bullets.** The profusion of corporate commitments to zero deforestation sources of palm oil, soy, beef and other commodities will be very difficult to implement in the absence of regional LED-R strategies built through multi-stakeholder processes. These commitments do, however, help to drive these multi-stakeholder dialogues in some key regions because they represent real market signals—and market threats to farm sectors where these commodities are produced.
- **Small-scale farmers are generally excluded from REDD+ and LED-R processes.** With numerous small landholdings, usually without formal land titles, it is more difficult to include them in supply chain initiatives, support them through rural extension, or finance them through credit programs.
- *There is a lack of alignment across policies and initiatives within regions*. Many policies and initiatives that influence land-user decisions are still at odds with one another. However, the opportunity to enhance alignment is significant, for example, through inputs from local processes and experiences. Multi-stakeholder dialogues can broaden support for shared regional performance reference levels and milestones. Innovative new approaches that demonstrate enhanced alignment can spread quickly among regional governments.

Lessons learned related to project design and expectations include:

- In general, we underestimated the time, effort and resources required:
  - o To build trust and efficient communication among partners in a new alliance.
  - o To build a common understanding (of LED-R, TPS, etc.) and agenda among the diverse alliance members
  - o To engage sectors (diverse productive, smallholders, government), build a rapport with them, and gain their support for LED-R.

          ○ To bring stakeholders together for landscape-wide plans, in an equitable manner (in many regions, hierarchies exist; e.g., smallholder groups may not be on a level playing field with agribusiness, commodities buyers, or government officials)

- It is important to understand as much as possible about the power dynamics among stakeholders (and even key individuals) and identify the coalition of individuals and institutions that could drive the LED-R process.

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3   Case/success story

3.1   Please see attached Result Examples:

1   An NGO Alliance for Replicating and Adapting LED-R Innovations (previously submitted on March 16, 2016)
2   Local governments, property owners, and private companies protect forests and water sources through Reciprocal Water Agreements (ARAs)
3   Building regional governance for sustainable and resilient community-based management of Amazon floodplain fisheries
4   Alliance of Secretaries of the Environment in Southeast Mexico

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4   Project's accounts for last year:

4.1 The following is a budget summary for Y3 of the grant. All deviations exceeding 10% are explained below.

Earth Innovation Institute (Formerly IPAM International Program)
Accelerating LED-R Transitions-Brazil, Peru, Mexico
Contract: QZA-0186, QZA 12/0549
2015 Rollover Budget to Actual

Overall Budget Summary   January 1, 2015- December 31, 2015

Budget Line	Budget (USD)	Budget (NOK)	Actual (USD)	Actual (NOK)	Variance NOK	Variance %	Note
Salaries	286,047	2,337,818	296,372	2,314,089	-23,729	-1%	
Benefits	143,024	1,168,909	123,209	948,202	-220,707	-19%	Note A
Workshops/Meetings	18,600	152,015	22,416	178,329	26,314	17%	Note B
Travel	36,800	300,761	31,340	248,444	-52,317	-17%	Note C
Consultants	36,050	294,631	43,939	354,135	59,504	20%	Note D
Subcontracts	677,160	5,534,320	701,831	5,707,818	173,498	3%	
Publications/Transl.	12,053	98,507	13,587	107,169	8,662	9%	
Telephone/Postage	5,038	41,175	5,548	43,874	2,699	7%	
Supplies	1,300	10,625	4,127	32,465	21,840	206%	Note E
Other Costs	6,000	49,037	6,438	54,055	5,018	10%	
Administrative Costs	91,984	751,770	93,427	751,750	-19	0%	
Total	**1,314,056**	**10,739,567**	**1,342,235**	**10,740,331**	**764**	**0%**	

Budget Summary by Country   January 1, 2015 - December 31, 2015

Countries	Budget (USD)	Budget (NOK)	Actual (USD)	Actual (NOK)	Variance NOK	Variance %	Note
Brazil	492,283	4,023,352	617,331	4,906,503	883,151	22%	Note F
Mexico	409,841	3,349,561	363,176	2,936,518	-413,044	-12%	Note F
Peru	411,932	3,366,656	361,728	2,897,311	-469,345	-14%	Note F
Total	**1,314,056**	**10,739,569**	**1,342,235**	**10,740,331**	**764**	**0%**	

Budget Summary by Location   January 1, 2015 - December 31, 2015

Location	Budget (USD)	Budget (NOK)	Actual (USD)	Actual (NOK)	Variance NOK	Variance %	Note
Headquarters	636,896	5,205,249	576,923	4,616,438	-588,811	-11%	Note G
Partners	677,160	5,534,320	737,133	6,123,131	588,811	11%	Note G
Total	**1,314,056**	**10,739,569**	**1,314,056**	**10,739,569**	**0**	**0%**	

Note A: Benefit costs were reduced so as not to exceed the total grant.
Note B: The expenditures for workshops and meetings was greater than budgeted due to a number of unexpected opportunities associated with COP21 (including a booth at the Global Landscapes Forum, a side event at the COP, and the opportunity to sponsor a number of key participants from focal regions).
Note C: Staff travel was reduced so as to use funds toward workshops and meetings, as well as other activities critical for achieving project outputs and outcomes.

Note D: Since some activities originally planned for Y2 were shifted to Y3 (see Annual Report Y2), consultant costs that were lower in Y2 were increased in Y3 to complete those activities, as well as to take advantage of other emergent opportunities (see also Note F).
Note E: Greater than anticipated expenses for meeting and office supplies were incurred.
Note F: Slower spending in Mexico and Peru in previous years had a knock-on effect in Y3 of the project. Despite this, all planned activities for Y3 were carried out. Spending on activities, personnel and other expenses was greater than budgeted in Brazil due to a variety of emergent opportunities to move forward LED-R processes in all jurisdictions.
Note G: Variance is primarily due to change in the rate of exchange between USD and NOK.

Date   June 20, 2016

Signature

Claudia Stickler
Scientist, Earth Innovation Institute

Attachments:
EII Grant Audit Accelerating LED-R Transitions 123115.pdf
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