SECRETARÍA TÉCNICA DE PLANIFICACIÓN DEL DESARROLLO ECONÓMICO Y SOCIAL

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ENVIRONMENTAL AND SOCIAL MANAGEMENT (FAO)

PROEZA

Poverty, Reforestation, Energy and Climate Change

Con el apoyo de:

Organización de las Naciones Unidas para la Alimentación y la Agricultura

Environmental and Social Management of the PROEZA Project

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1. Introduction

The PROEZA project is the Government of Paraguay's first effort to address its Nationally Determined Contributions (NDCs) via the Green Climate Fund (GCF). For such purpose, the project expects to generate global and national benefits for climate change adaptation and mitigation, combined with the generation of environmental, bioenergy and poverty-reduction services. It aims to achieve this by means of three key axes, which include: small-scale plantations in the landscape involving poor producers; medium-scale bioenergy plantations in environmentally-friendly systems (especially preserving biodiversity corridors and riverside forests which protect basins)[1]; and enhanced institutional capacities to provide technical support to producers, with quality standards and good forestry, environmental and social practices.

Due to its characteristics, the project seeks to generate environmental and social benefits in the most impoverished sectors of the country, in a highly degraded and deforested geographical region of Paraguay, which is the Eastern Region, east of the Paraguay River. Although the project is expected to have positive impacts, some impacts on the environment and human health which may be generated by forestry activities must also be considered.

The purpose of this document is to ensure that investments are consistent with the environmental principles and policies of the United Nations Food and Agriculture Organization (FAO). Such investments must also be aligned with national policies, as well as with environmental and social laws and regulations. To this end, an Environmental and Social Management based on these guidelines has been put together to ensure the following:

- Identify, evaluate and manage the environmental and social risks and impacts of the project.
- Adopt a mitigation hierarchy:
    - Avoidance of adverse environmental and social impacts is the priority;
    - Where avoidance is not feasible, minimize or mitigate risks to acceptable levels; and then
    - Where residual impacts remain, compensate for/offset them whenever technically and financially feasible.
- Promote sustainable agriculture and food systems.

2. Description of PROEZA Project

The ***project objective*** is to improve the resilience of poor and extreme poor households vulnerable to the impacts of climate change and to increase the forest cover in environmentally sensitive areas of Eastern Paraguay. Building on preparatory diagnostic work undertaken by INFONA and SEAM with support from the UN REDD Program, the ***project area*** comprises 64 Municipal Districts located in eight Departments of Eastern Paraguay: Concepción, San Pedro, Canindeyú, Caaguazú, Guairá, Alto Paraná, Caazapá and Itapúa. These 64 Municipal Districts were selected due to their high environmental and social vulnerability[2].

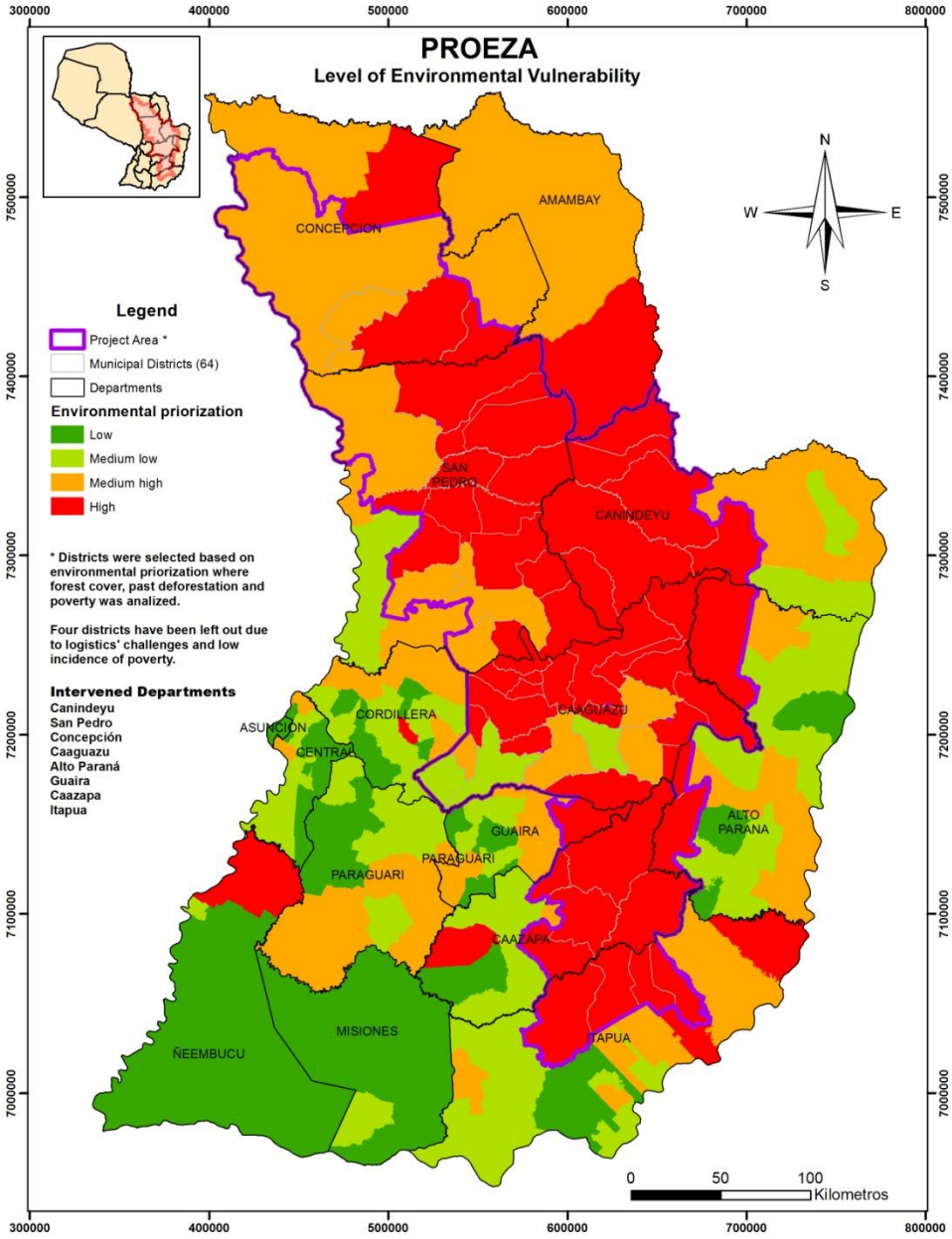
[1] See Biodiversity management plan in Annex 5 below.

[2] Mapping multiple benefits of REDD+ in Paraguay, 2016: statistics were assessed regarding carbon density in biomass, poverty index, future deforestation risk and proximity to wood consuming industry.

Projected Area

Departments:

- Concepción
- San Pedro
- Canindeyú
- Caaguazú
- Guairá
- Caazapá
- Itapúa
- Alto Paraná



PROEZA's objective will be achieved through the following complementary and mutually reinforcing components:

a) Component I "Planting for the Future"

This component focuses on vulnerable households living in poverty and extreme poverty that receive support through the Government's social protection program *"Sembrando Oportunidades"* (see Section C.1). Given the extremely high vulnerability of these families to firewood and water scarcity due to extreme climatic events (see Section C.2), PROEZAs' intervention will fortify *Tekoporã* with agro-ecological and climate-smart components through training, capacity building, investments in conservation

agriculture, and afforestation with native and exotic tree species. This will be further strengthened by an environmental conditional cash transfer (E-CCT) payment.

PROEZA will actively engage 30,000 poor and extreme poor households in the project area, comprised of approximately 153,000 women, men and children (5.1 persons/household)[3]. The project will improve the environmental and social resilience of these families, offering them technical support and economic incentives to establish climate-smart agroforestry production systems and/or multifunctional "Close-to-Nature" planted forests (CTNPF) on their land (average area of 0.8 ha per family), totaling approximately 24,460 ha. The project will offer 6 proven[4] agroforestry climate-smart production systems that combine income generation with environmental protection. The proposed production systems include:

- Fuelwood and timber producing mixtures of native and exotic fast growing tree species (mixtures of 20% and 50%) combined in strips in CTNPFs not only provide firewood and timber but also non-timber forest products and environmental public goods, protect the soil and water courses and the micro-climate of the agro-ecosystem, thereby reducing vulnerability to drought and extreme climatic events. Ten promising native tree species have been assessed through the feasibility study to be included in the CTNPFs, although the models are open to include other native species depending on demand and interest of the beneficiaries as long as multi-functionality is granted.
- Restoration of degraded forest land through farmer assisted promotion of the natural regeneration of native tree species. To reestablish the forest and its productivity, farmers will be trained and incentives paid to undertake diverse measures including first inventory of saplings, pruning, liberation and maintenance cuts.
- Climate-smart agroforestry systems with native tree species: Eucalypts, combined with citrus production or mate tea plants; or mate tea shrub cultivation under the canopy of degraded natural forest.

These production systems (and combinations thereof) strive to enhance the economic and environmental resilience of vulnerable households by providing firewood and income in the short run, and by accumulating capital in the growing tree stock in the medium and long term. CTNPFs serve as savings accounts of poor rural families that can cut and sell individual valuable trees when there is an unforeseen expenditure. But they also create a micro-climate that increases the capability of the household's agro-ecosystem to retain humidity, prevent soil erosion and regulate the water cycle. The successful implementation of these models will be achieved through the following intervention strategies:

- Intensive social and technical assistance to the families for the establishment of the chosen agro-forestry systems, including payment for their wages and tree saplings, fertilizers and other inputs needed. The social workers (SAS, STP) will inform beneficiaries of PROEZA and give them orientation regarding the offer of PROEZA to intervene through contracted service providers. These will be selected from the NGOs and private service providers that work in Paraguay in sustainable forest

[3] Prioritization of the participating households is based on the following criteria:
- located in zone of highest environmental vulnerability including: closeness to fuelwood consuming industry, risk of deforestation, low vegetation cover and high land degradation
- female-headed and/or indigenous household
- minimal area of 0.8 ha of suitable land available
- peaceful land occupation and interest of initiated land titling process
- successful trajectory with Tekoporã determined by SAS
- availability and interest of all household members to participate in the training and cultivation activities
- sufficient labour from household members or community available and interested
- no substitution of native forest and commitment to conserve afforested forest cover

[4] The proposed technical models build on a yearlong experience of technical and financial cooperation supported by the FAO, GIZ, KfW and the WB (PRODERS) – see Feasibility Study for more detail on the selected models.

management, agroforestry, afforestation, bio-energy and land tenure issues, with capacities that have been built-up during the last decades through important private investment but also with the support of international development cooperation[5].

- PROEZA will develop a specific targeting strategy to ensure female-headed households (FHH) are given priority access to project benefits. The project would provide FHH the means to participate effectively and benefit from the project while trying to avoid an increment in women's time burden. An indigenous people's participation framework has been prepared to guarantee their prior informed consent on all project interventions and develop a strategy for their participation.
- Incentive and training to collect seeds of native trees species and produce saplings for own needs and other project beneficiaries, especially of rare and valuable native species to improve *in-situ* conservation and reproduction of genetic resources.
- Payment of incentives (environmental conditional cash transfers E-CCT) will be linked to successful implementation of the models/systems and will be made in the first 4-5 years until the production models produce a positive cash flow.
- The E-CCT offered through PROEZA will be operated as follows: if at the end of a given year the productive agroforestry/CTNPF model has been managed and maintained successfully and key indicators like survival rate of plants, the species mix and composition, pruning activities done, etc. are met, then the technical assistance report will trigger the payment of the annual instalment of E-CCT to the beneficiary.
- PROEZA's money transfers to the beneficiaries' schemes will benefit from the experience and good practices learned from the money transfer schemes currently used by the ISO 9001 certified SAS with its *Tekoporã* program *via* debit cards or electronic cash transfer offered by mobile telephone service providers[6].
- Auditing of the successful planting and achievement of project objectives will be done by EC member institutions. The project will support them in strengthening this strategic, non-outsourceable function, with the intention to also obtain the ISO 9001 certification for all the processes related to this project.

Since 88% of beneficiaries cook on open fire[7], this component would provide social and technical assistance to introduce/build 7,500 improved cooking stoves to eliminate smoke in the house, reduce time used for firewood collection (mainly by women), and reduce household wood consumption and pressure on the resource base. This would be achieved by improving combustion efficiency by at least 25%. These stoves will benefit not only the users but also provide financial returns to artisanal-scale manufacturers who produce them locally and thus would be able to respond to future demand.

The data obtained through the social baseline survey indicates that 1/3 of the beneficiaries do not have secure land rights. This situation could be due to land titling processes that are unfinished, or not yet started. Once the beneficiaries indicate their willingness to participate in the project, the task of determining the legal status of their land will be undertaken by the government (based on existing information in the SNC, INDI, INDERT and SAS databases) and supported by the entity contracted by the Project to support the beneficiaries through the formalization process. INDERT's efforts to improve the formalization of rights under the SIRT project provide a solid base on which PROEZA will build to support

[5] Salient examples of CSOs are Guyrá Paraguay, WWF Paraguay, Fundación A Todo Pulmón, Fundación Moisés Bertoni, WCS, and in the private sector ITAIPU, an extensive list or private nurseries and others.
[6] http://www.sas.gov.py/pagina/88-certificado-iso-9001.html
[7] STP Ficha Social/ Ficha Hogar Data 2016

land right formalization in the project area and to further strengthen land tenure security. The security of use and benefit will promote long-term investment and livelihood security. Therefore, project households will receive legal and administrative support to invest the income received from E-CCT payments to cover the cost of the land titling process in close coordination and support of INDERT and related projects. This is crucial not only to combat poverty and secure household asset, but also to set the basis for a future payment for environmental services scheme.

In addition to addressing households' domestic needs, the project aims to allow these households to generate surplus production destined for markets, which will be an important new source of income especially in FHH. To ensure optimal impacts, the project will also support the project beneficiaries in establishing market linkages and in marketing their produce in order to achieve tangible economic benefits from the investment. Given the nature of the production models, marketing tools such as branding and labeling will be explored to differentiate and increase the value of these products on the markets and where possible strive to achieve price-premiums.

b) Component II "Sustainable Landscapes and Responsible Markets"

Through this Component, the Government of Paraguay (GoP) will offer medium sized land owners (300 ha each) a strong incentive to increase the production of forest biomass in an environmentally sustainable way, adopting certified "New Generation Forest Plantations" (NGFPs) through which high yield forest plantations will have to be combined with natural forests in biodiversity reserves and watershed protection strips. The guiding principles for NGFP are:[8]

- Maintain ecosystem integrity
- Protect and enhance high conservation values
- Develop through effective stakeholder engagement processes
- Contribute to economic growth and fair employment practices

Concessional credit will be offered for the establishment of 24,000 ha of highly productive NGFPs for bioenergy, timber and silvo-pastoral production in the project zone. This will require the inclusion of 20% of the area with restored natural forests for watershed and riparian zone protection and biodiversity conservation corridors. Concessional financing will be used to compensate for *the opportunity costs associated with the production of public environmental goods and services.* Concessionality of the loans will be on a sliding scale with a higher concessionality as the ratio of area used for protection versus production increases.

Clients would be selected using criteria that include:

- Land located in project areas;
- Higher concessionality of loan needed due to lower IRR;
- Bigger portion of the project area for riparian protection zones and native forest reserve;
- Biological connectivity function with natural forests and other adjacent NGFP projects;
- Larger proportion of native species compared with fast growing exotic species.

The EC will oversee fulfillment of the criteria and participate in the disbursement of the allocated finances. This initiative is the first of a series of initiatives planned by Paraguay to promote sustainable sources of biomass from planted forests and management of natural forests to close the energy gap. This project component is rather small but has the objective to pave the way for NGFP financing throughout Paraguay, where long-term investment in sustainable certified forestry needs to be created.

[8] http://newgenerationplantations.org/en/what/ World Bank Country Partnership Strategy (CPS) for Paraguay

c) Component III "Good Governance and Law Enforcement"

Through this component, technical assistance will be provided by FAO and institutional capacities will be strengthened of forest, land use, environment and energy regulating entities such as INFONA, SEAM, SAS and VMME to support Paraguay's sustainable bioenergy development path. This technical assistance will support and facilitate the normative adjustments and institutional changes needed to improve the business climate for afforestation as the Government plans to prepare an additional project proposal to meet the National Reforestation Program target of 450,000 ha. Specifically, INFONA and SEAM's capacities for forest and environmental law enforcement need to be strengthened to effectively reduce deforestation and illegal timber and firewood exploitation, trade and consumption. This involves securing compliance with the compulsory legal forest reserve and restoration of riparian zones. VMME capacities to verify sustainable bioenergy consumption by the industry will also need to be reinforced.

Project design and institutional architecture relies on most implementation activities to be carried out by private financial, technical and social service providers: successful and efficient delivery of project benefits to beneficiaries by these private and non-governmental entities depends on supervision and auditing capacities of the public institutions that have delegated delivery of those services to the private sector. Therefore, this project component will strengthen capacities and offer training, mechanisms and instruments to all the institutions that are part of the Executive Committee to oversee and audit them. More details on institutional strengthening can be found in the Budget (Integrated Financial Model).

3. Description of Project Intervention Area – Baseline

a) Environmental Aspects

i. Climate

The area where the PROEZA project will be applied is classified as having a humid subtropical climate. As per historical measurements conducted between 1971 and 2000, the total spatial distribution of rainfall ranges between 1,200 mm/year and 1,800 mm/year, with precipitation rates increasing from West to East. In general, throughout the total Eastern Region of the country, the maximum rainfall is registered in the months of November, October, March and April.

The annual average temperature in the area is 22ºC, averaging 29ºC in the hottest month (January) and 19ºC in the coldest month (July) of the year (DGEEC-National Directorate of Statistics and Census, 2002).

Annual evapotranspiration is approximately 1,000 mm/year, resulting in an annual water excess between 300 and 800mm for the area, whereas the shortage is between 0 and 200 mm per year (Monte Domecq and Báez, 2001).

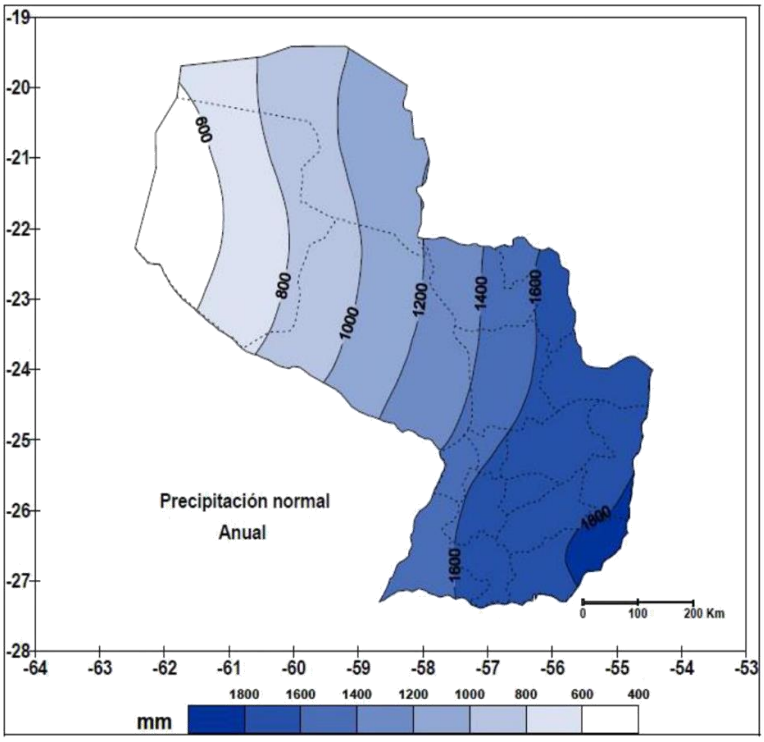


Figure 1. Spatial distribution of annual average rainfall in Paraguay, 1961-1990.
Source: DMH (Meteorological and Hydrological Directorate) – DINAC (National Directorate of Civil Aeronautics), FP – UNA (Polytechnic School of the University of Asunción) (2001)

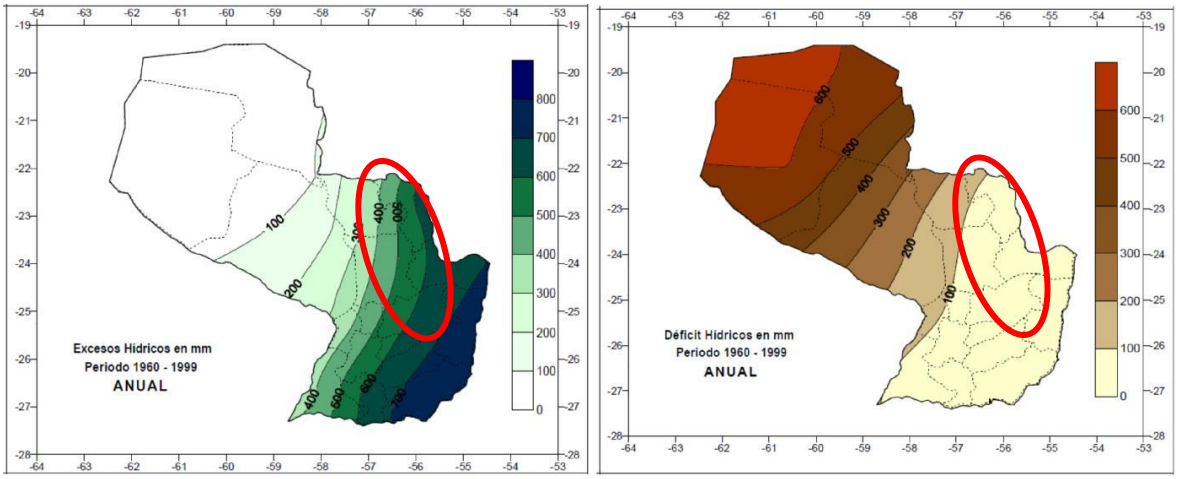


Figure 2. Spatial distribution of annual average water excess and shortages in Paraguay, 1961-1990. Source: DMH (Meteorological and Hydrological Directorate) – DINAC (National Directorate of Civil Aeronautics), FP – UNA (Polytechnic School of the University of Asunción) (2001)

ii. <u>Soils</u>

The soils in the Eastern Region are mainly rich in iron and clay, and originated in volcanic rock, such as granite, basalt and sands. They are generally fertile soils, especially in the southern area of the country, covered by old lush forests. However, this region is exposed to erosion caused by deforestation and

frequent rainfall (Naumann and Coronel, 2008). The northern area of the country drains towards the Apa River, a tributary of the Paraguay River, where there is influence of calcareous soils. In the southern side of the basin lies a large territory composed of gray hydromorphic soils. The soil of the Paraná River basin is of volcanic origin. It is deep, clayey and red.

Figure 3 shows the different uses of land in Paraguay. In the PROEZA project area the land is used for:

- Livestock breeding (Natural and Implanted Pastures)
- Mechanized agriculture
- Non-mechanized agriculture
- Urban areas
- Continuous native forests
- Protected areas. NO ACTIVITIES WILL BE CONDUCTED BY PROEZA IN PROTECTED AREAS.

Soil degradation caused by deforestation is probably the clearest example of an environmental issue having a direct impact on the rural communities in the Project's area of influence. This situation is particularly dramatic due to the fragility of the soil in such area (PRODERS 2012).

The use of traditional practices at environmentally fragile sites is the cause of the increasing soil erosion and alteration of the hydrological cycles, contributing to the growing decline in productivity, and more importantly, to the decrease in the food security of the poorest rural communities, often driving the poor to seek new land for survival (PRODERS 2012).

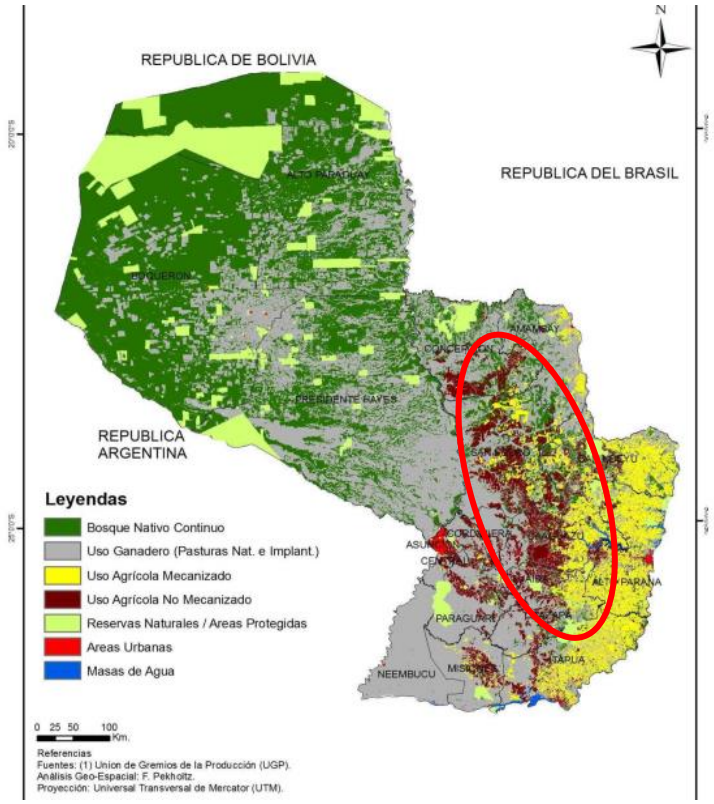


Figure 3. Land Use Map of Paraguay.
Source: STP (2012)

iii. Water and hydrological resources

Paraguay is located in La Plata River Basin, one of the most extensive basins, with the largest volume in the American continent. Paraguay is rich in ground and surface water resources, having an availability of 63,000 m3/inhabitant/day. Out of the total of this basin, the Paraná River watershed accounts for 58%, with a surface of 1,510,000 km^2 and that of the Paraguay River for 42% with 1,095,000 km^2. (Third National Communication on Climate Change 2016).

The main rivers having the largest volume are the Paraguay and Paraná rivers, stretching over a total surface of 2,600 and 4,500 km, respectively. The Paraguay River divides the country's territory into the Eastern and Western regions and it is navigable by larger vessels. In the national territory, it stretches from the north of Chaco until its confluence with the Paraná River in the south of the country, in the department of Ñeembucú. The Apa, Tebicuary, Aquidabán and Pilcomayo rivers are important tributaries (Naumann and Coronel, 2008).

In turn, the Paraná River marks the boundary between the national territories from the north of the Eastern Region in the department of Amambay in the border with Brazil until the south in the department of Ñeembucú in the border with Argentina. The binational *Binacional Itaipú* hydropower dam (shared with Brazil) and the binational *Binacional Yacyretá* hydropower dam (shared with la Argentina) were built at this site.

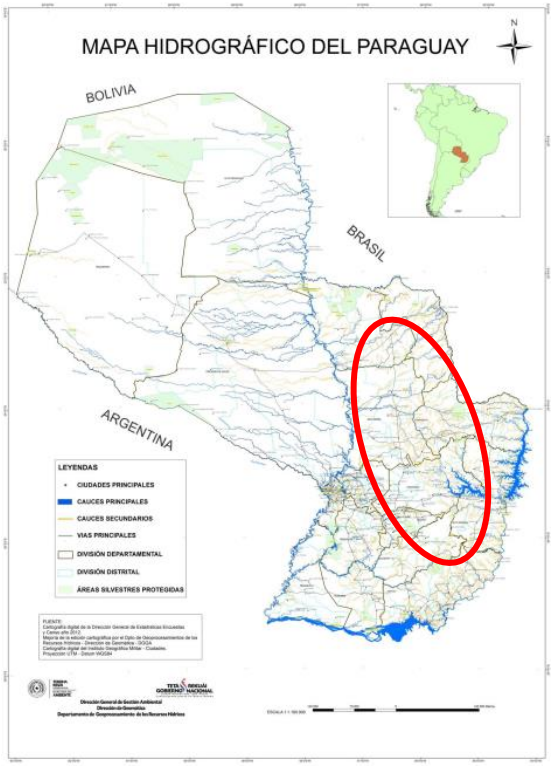


Figure 4. Hydrographic map of Paraguay
Source: SEAM- Secretariat of the Environment (2016)

iv. Biodiversity and Forests

The country has great biological and floristic diversity, because of the confluence of four large ecoregions: the Upper Paraná Atlantic Forest (BAAPA in the Spanish acronym), Chaco (both Dry and Humid), Pantanal and Cerrado, home to a mosaic of very diverse ecosystems, resulting from the past and present climate evolution process. The great diversity of species is comprised of forest formations of high biological diversity. There are also wetlands integrated through a complex of grasslands and forests, subject to regular flooding, providing shelter to a great diversity of migratory birds and fish. These ecoregions are estimated to have approximately 8,000 to 13,000 plant species and 100,000 invertebrate species, out of which 4,490 plants, 2,434 invertebrates, 297 fish, 681 bird, 182 mammals, 159 reptiles and 85 amphibians have been classified. (MNHNP- National Museum of Natural History of Paraguay, 2015).

The current deforestation rate ranks Paraguay as the sixth country in the world with the greatest forest reduction, with a loss of approximately 325,000 hectares per year, according to the Food and Agriculture Organization of the United Nations (FAO, 2014). This already includes the two regions of the Republic, i.e. the Western region which is the Chaco and the Eastern region. The implementation of the PROEZA project will not generate any additional environmental issues on top of the already existing alteration of the natural ecosystem and the loss of forest cover. The project will help achieve important outcomes and progress for the recovery and restoration of flora and fauna diversity.

Lastly, the joint national plan PNC ONU-REDD+ Py/SEAM/INFONA/FAPI (2016) shows the deforestation behavior for 2000-2005-2011 and 2011-2013-2015 (Figure 5).

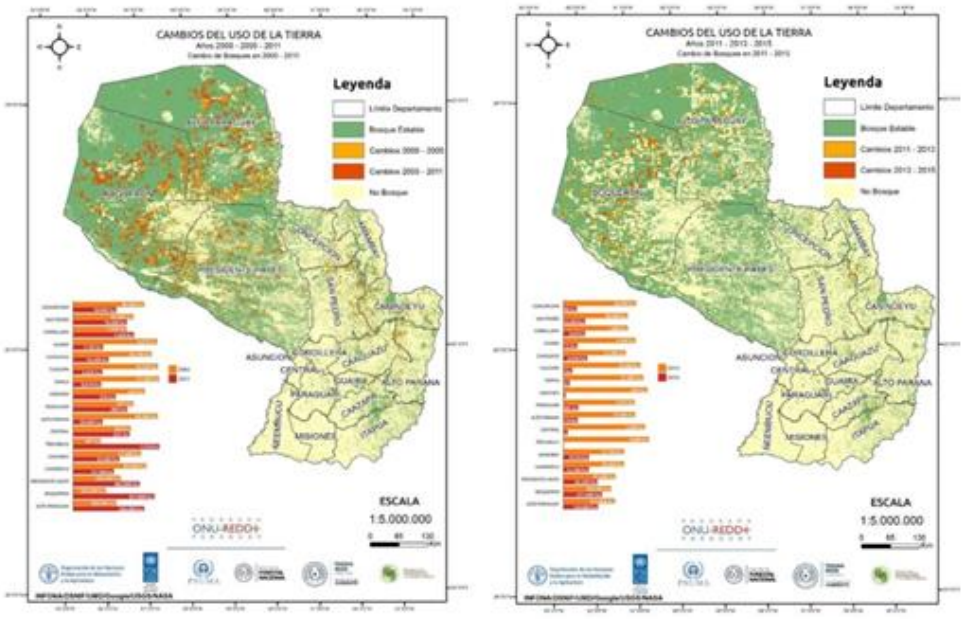


Figure 5. Deforestation Behavior for 2000-2005-2011 and 2011-2013-2015. Source: PNC ONU-REDD+ Py/SEAM/INFONA/FAPI (2016)

Paraguay is divided into 11 Eco regions pursuant to SEAM Resolution No. 614/13 "Whereby the Eco regions for the Eastern and Western Regions of Paraguay are established ", 6 (six) of which are in the Eastern Region and 5 (five) in the Western Region.

The Ecoregions house various ecosystems each, which characterize national diversity and provide sustenance to numerous species of fauna and flora. Figure 5 shows the location of the ecoregions in the national territory.

The PROEZA project includes de following regions:

1) Ecoregion of Aquidabán, with a surface of 10,700 Km^2.
2) Ecoregion of Alto Paraná with a surface of 33,510 Km^2.
3) Ecoregion of Selva Central, with a surface of 38,400 Km^2.
4) Ecoregion of Litoral Central, with a surface of 26,310 Km^2.

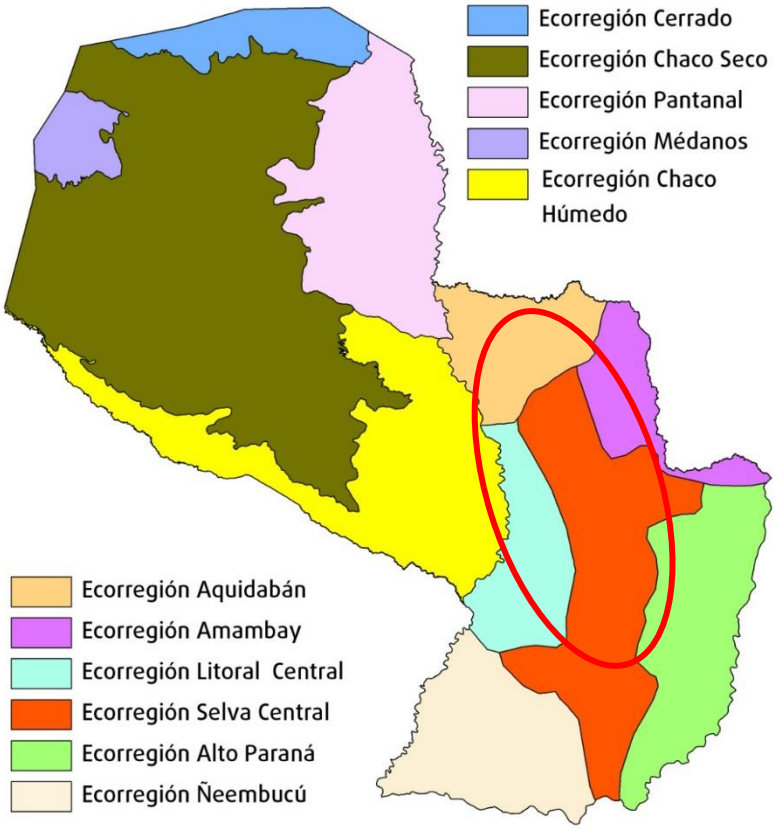


Figure 6. Eco Regions of Paraguay. Source: Secretariat of the Environment (2013). Resolution No. 614/13

As for the ecosystems and the biodiversity existing in them, Paraguay has a protected area system of 50 Protected Wilderness areas with a total surface of 6,066,207 hectares, accounting for 14.9% of the total surface of the territory of Paraguay, as per the report of National System of Protected Wilderness Areas (SINASIP) (2007). Deforestation is one of the greatest issues, threatening ecosystems and biodiversity.

The joint national plan PNC ONUREDD+ Py/SEAM/INFONA/FAPI (2016) confirms the above, asserting that "Environmental consequences translate into a loss of biological diversity, disruption of the services provided by forests such as temperature regulation and hydrological regulation, and the reduction of carbon sinks. The reduction of Carbon Dioxide Sinks (CO^2) increases the levels of CO2 and greenhouse gases (GHG) in the atmosphere, hence leading to increased global warming" (SEAM, 2016).

It has been verified that the PROEZA project area contains 11 (eleven) Protected Wilderness Areas (ASP in the Spanish acronym). In general, Figure 7 shows the ASPs located in the PROEZA project´s area of influence, which are:

- No. 12, San Rafael National Park, under public management.
- No. 13, Caazapá National Park, under public management.
- No. 35, Tapyta Private Reserve, under public management.
- No. 23, Capiibary Ecological Reserve, under public management.
- No. 28, Cerro Dos de Oro Protected Landscape, under public management.
- No. 14, Yvyturuzú Managed Resource Reserve, under public management.
- No. 31, Isla Susu Natural Monument, under public management.
- No. 42, Tagatiya mí Private Reserve, under public management.
- No. 40, Cerrados del Tagatiya Private Reserve, under public management.
- No. 34, Ka'i Rague Private Reserve, under public management.
- No. 48, Laguna Blanca Private Reserve, under public management.

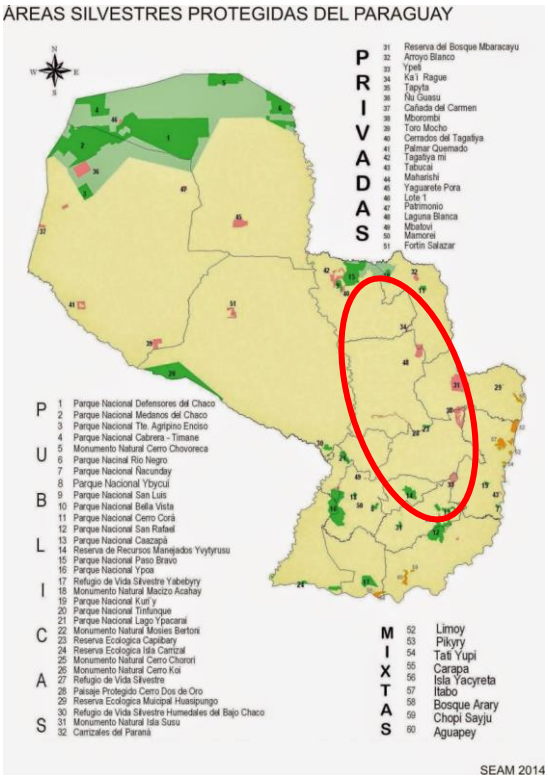


Figure7. Protected Wilderness Areas of Paraguay.
Source: SEAM, 2014.

Spanish	English
Privadas	Private
Públicas	Public
Mixtas	Mixed

b) Social Aspects

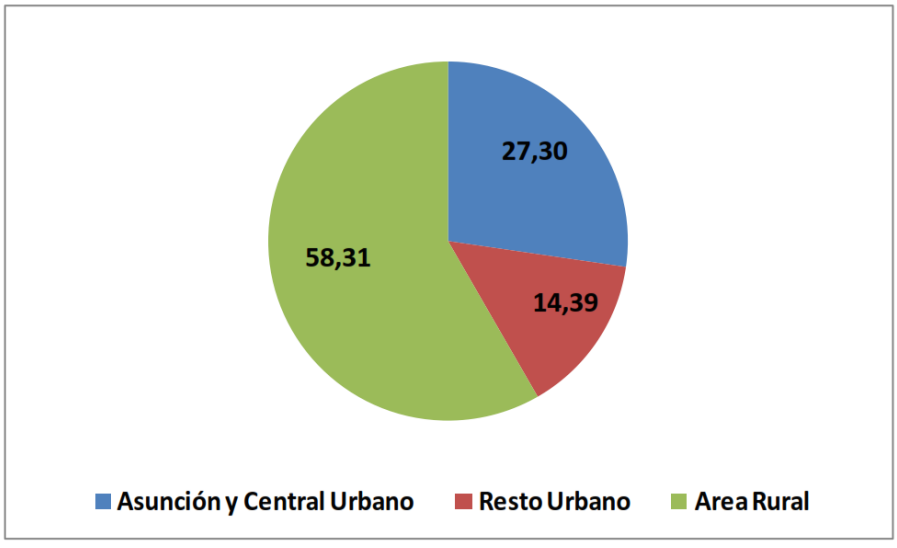
i. Beneficiary Profile

The accelerated growth of rural population over the last few decades has driven many small rural farmers to a poverty-stricken life of subsistence in marginal rural land areas.

From another perspective, Paraguay is multicultural and bilingual. The current indigenous population accounts for merely 1.6% of the total population but a large percentage of inhabitants has indigenous ancestors; the remaining population is comprised of immigrants of various backgrounds (STP-DGEEC, Secretariat for Technical Planning – General Directorate of Statistics, Surveys and Census 2015).

Paraguay is one of the countries with the greatest inequality in Latin America. One of the reasons for the persisting high levels of poverty is the unequal distribution of income among the population. The Gini coefficient (2015) ranks Paraguay as 0.4714 (STP-DGEEC, 2015).

Between 2011- 2015, in the urban area the Gini coefficient remained at approximately 0.44, except for 2012, where it dropped to 0.4147; and in the rural area the Gini coefficient varied between 0.5657 and 0.4613. Ten percent (10%) of the wealthiest population receives 45% of the total income and 40% of the poorest population receives merely 10% of the total income. As for consumption, 10% of the wealthiest population consumes 91 times more than 10% of the poorest (STP-DGEEC, 2015).



Graph 1. Distribution of the poor population, by geographical domain (%). Year 2015. Source: EPH - STP (Permanent Household Survey – Secretariat for Technical Planning) 2015

Spanish	English
Asunción y Central Urbano	Asunción and Urban Central Sector
Resto Urbano	Remaining Urban Sector
Área Rural	Rural Area

In the 2011-2015 period, poverty at a national level shows a constant downward trend, dropping from 32.43% to 22.24%. (Graph 1). During this period, the decline was more significant in rural areas where the incidence of poverty dropped by 12.3 percentage points, whereas in the urban area, the decrease was of 8.5 points approximately (STP-DGEEC, 2015).

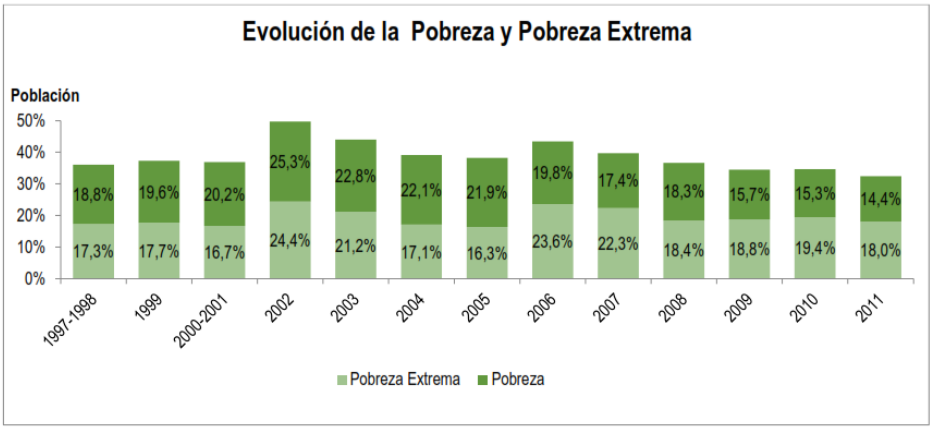
The profile of Tekoporã beneficiaries includes families living in poverty and vulnerability counting among their members: boys and girls between the ages of 0 to 14, teenagers between 15 and 18, pregnant women, disabled persons, and indigenous families (SAS, 2016).

In reference to the indigenous population, the III National Census of Population and Housing for Indigenous Peoples (2012) reported 112,381 inhabitants belonging to indigenous peoples of the linguistic families of Mataco Mataguayo, Guaraní, Zamuco, Maskoy and Guaikurú.

ii. Economic Activity

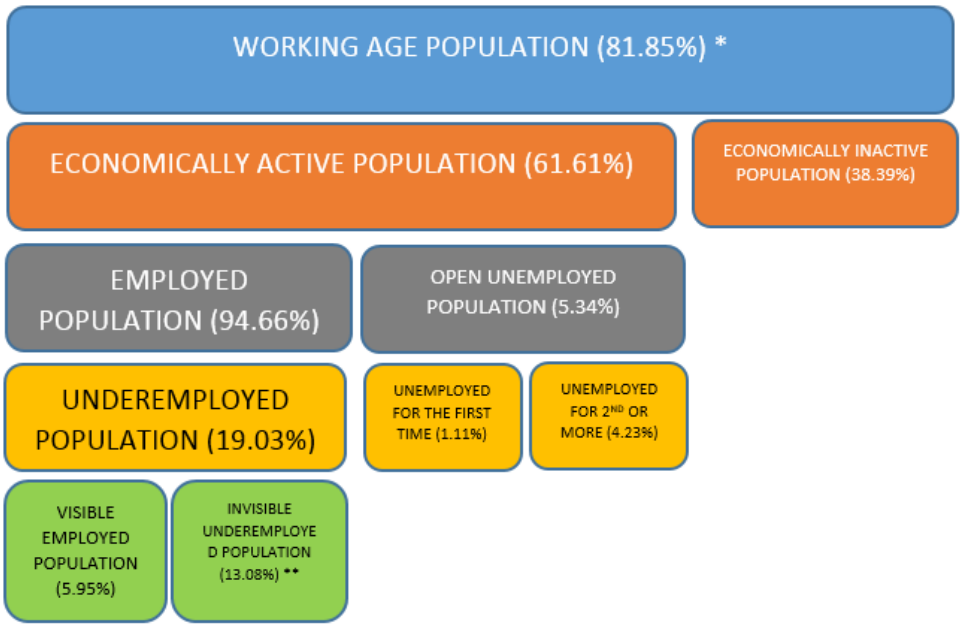
As at 2015, the Paraguayan population living in poverty was 22.24% of the total population (STP-DGEEC, 2015), accounting for approximately 1,534,000 people with incomes per capita under the cost of a basic family shopping basket estimated for such year.

Specifically, in the rural area, poverty affects 32.49% of the population, whereas in the urban area 15.44% of the population lives in poverty, representing in absolute terms a total of 895,000 and 640,000 people, respectively (STP-DGEEC, 2015).



Graph 2. Evolution of Poverty and Extreme Poverty. Source: DGEEC 2012

Most of the population works in the Tertiary Sector (Electricity and Water, Business, Financial Institutions, Community and Personal Services) accounting for 60.9% of the total, whereas the Secondary Sector (Manufacturing industries, Construction, Mines and Quarries) employs a minority of the population, accounting for 19.1% of the total. The Primary Sector (Agriculture, livestock farming, Hunting and Fishing) employs 20.09% of the population (STP-DGEEC, 2015).

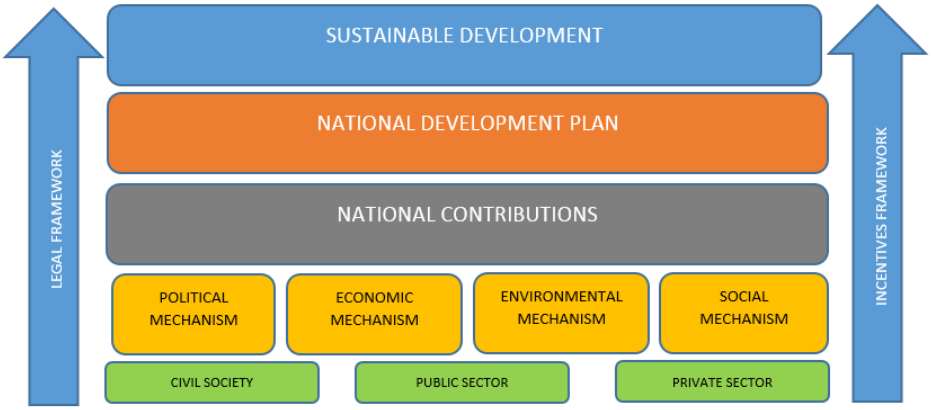


(*) Does not include the Departments of Boquerón and Alto Paraguay
(**) Only for wage earners

4. National Institutional and Legal Framework

Public Policies relevant to PROEZA

At an international level, Paraguay has signed and ratified the most relevant international environmental treaties, such as the United Nations Framework Convention on Climate Change (UNFCCC), which it ratified in 1993 (Law 251). Under such framework, the country delivered its First National Communication (2001), Second National Communication (2011), Third National Communication (2017), Intended Nationally Determined Contributions (INDCs) in 2015 and the Biennial Update Report (2015), the National Adaptation Strategy on Climate Change (NAS-CC) (2015) and the National Adaptation Plan on Climate Chante (NAP-CC) (2016), the National Mitigation Strategy – Phase 1 (2014), and it conducted the Green House Gas Inventories (GHGI) in 1990 and 1994 (reported in the First National Communication, 2011), in 2000 (reported in the Second National Communication, 2011), in 2011 (reported in the Biennial Update Report (BUR), 2015), the National Action Plan pursuant to the Decennial Strategy of the Convention to Combat Desertification (2016). Although it currently has no NAMA, the National Adaptation Plan (NAP) will include the NAPAs to be applied by sectors (SEAM 2017).



Other international conventions ratified by Paraguay, covering aspects related to the environment and the conservation of biodiversity are: Combat Against Desertification (Law 970/96), the Convention on Wetlands (RAMSAR, Law 350/94), the Convention on Biological Diversity (Law 253/93), and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES, Law 583/73), among other relevant conventions for the sectors of forestry and natural resources.

The National Forestry Institute (INFONA in the Spanish acronym) coordinates the National Reforestation Plan, and as part of such framework it has set a general goal of 450,000 hectares of forest plantations, out of which 290,000 would be destined to the production of solid timber and 160,000 for energy purposes. These goals must be attained by 2030.

The Secretariat of the Environment (SEAM), in turn, is the institution in charge of formulating, coordinating, executing and overseeing National Environmental Policy. It is also the focal point of climate change management, via the National Office of Climate Change (ONCC in the Spanish acronym), which is responsible for sectorial and national coordination. To include climate change management in the national planning and management process, it was necessary to have an institutional framework, in which to focus all the national efforts executed.

For such purpose, via Decree No. 14.943 of October 9th, 2001, the National Program for Climate Change (NPCC) was implemented. With the implementation of the National Program for Climate Change (NPCC), dependent on the SEAM, two instances for attaining the intended goals were established:

- The National Climate Change Committee (NCCC) is a collegiate inter-institutional body, acting as an instance for deliberation, consultation and resolution of the National Climate Change Policy. Such Committee assumes the duties and powers set forth in Article 3 of Decree No. 14.943/01, the highlights of which are: a) Defining, supervising and assessing National Policy on Climate Change; and b) Cooperating with the National Office of Climate Change (ONCC) for the correct application of the National Policy on Climate Change.
- The National Office of Climate Change (ONCC) is the executive instance of the National Policy on Climate Change.

The President of the Republic, via Decrees No. 10.174 (Nov-2012) and No. 2285 (Nov-2014) declared that the following matters were of national interest: i) The implementation of the National Reforestation Plan (NRP) and, ii) The programs and forestry undertakings that enable and promote the sustainable use of soil and the promotion of biomass generation for the energy and pulp industries. In 2015, the President

created a Special Support Committee (CEA in the Spanish acronym) for the implementation of programs within the framework of the National Reforestation Plan (Decrees No. 3050 and 3077). The Committee was comprised of the ministries of Finance, Agriculture and Livestock, Industries and Trade (MIC), Ministry of Public Works and Communications (MOPC), Environment (SEAM), Legal Counseling of the President of the Republic, and the National Forestry Institute (INFONA). On the other hand, via decree No. 4050 (Sept-2015) the President authorized the MOPC, via the Vice Minister of Mining and Energy (VMME in the Spanish acronym), to establish certification, control and promotion systems for the use of bioenergy from forest plantations or from managed native forests. The President mandated that these actions must be coordinated with the MIC, INFONA, SEAM and, specifically with the STP, to support the projects linked to micro and small farmers. The implementation of the National Reforestation Plan enjoys political priority at the highest level, being understood not only as an instrument for boosting the economy, balancing the energy matrix, contributing to the mitigation of greenhouse gases and reinforcing the adaptation of family farming to climate change, but also as an important instrument for combatting rural poverty.

The government put together the first National Development Plan 2014-2030 (hereinafter NDP 2030), setting forth the priorities and lines of action for all government sectors. The Plan focuses the formulation of public policies on three strategic pillars:

1. Reduction of poverty and social development;
2. Inclusive economic growth;
3. Adequate insertion of Paraguay in the world.

Each strategic pillar interacts with four crosscutting themes, one of which is environmental sustainability. Lastly, the Plan has several guiding strategies in each pillar, some of which include a sustainable and adequate habitat, the valuation of natural capital, and the sustainability of the global habitat.

The NDP 2030 was the basis for the INDCs presented at COP21 in Paris, in December 2015: a reduction of 20% in the projected emissions by 2030 (10% unilateral, 10% conditional). The INDCs highlight several economic, social and environmental objectives related to the mitigation of and adaptation to climate change listed in the NDP 2030. The PROEZA project intends to address directly some of these objectives, such as: effective control of deforestation; biomass, increasing national income through the sale of environmental services, increasing the use of renewable energy by 60% (% of share in the energy matrix), reducing the use of fossil fuels by 20% (% of share in the energy matrix) and increasing the efficiency of agricultural production systems. Besides, PROEZA will contribute directly to the following lines of action set forth in the NDP2030: "Promoting the sustainable arrangement of forestry in ecosystems, promoting reforestation activities to protect and generate income, reducing illegal deforestation and forest degradation" and "Managing the risks linked to variability and climate change: developing prevention and risk-mitigation mechanisms, with a new focus on key production management for a renewed, protected, sustainable and competitive type of agriculture ".

Institutional Arrangements for Execution

The activities of the PROEZA Project will support and reinforce the implementation of several of the national strategies and programs mentioned above, particularly in the crosscutting issues of Poverty, Reforestation, Energy and Climate Change, pursuant to the National Development Plan of Paraguay and its national level contributions. The country's regulatory framework and the interest shown by the main agricultural export groups in certifying that they comply with the current environmental legislation and

that their products are “deforestation free”, form the basis for projecting that private investment in multipurpose forest plantations of native and exotic species will gain great importance in the future.
Six ministries and government entities in charge of agriculture, forestry, social protection, indigenous peoples, and the environment will supervise and control project execution, through an Inter-Ministry Steering Committee (SC) chaired by the Secretariat for Technical Planning of Economic and Social Development. The SC will delegate the administrative and financial management of the project to a private financial institution, via the PROEZA Trust, which in turn will hire a Project Managing Agency to deal with the direct execution of the Project, through the hiring and supervision of the private providers of technical, social and financial services, who will be in charge of executing project activities. Such service providers will have environmental and social capacity, will provide technical assistance and must consider possible risks and impacts.

Legal framework applicable to PROEZA

Forestry and Environmental legislation:

- The Forestry Act (422/1973) makes it mandatory for owners of land having surfaces of over 20 hectares, to keep 25% of such land with native forest cover or to reforest a surface equal to 5% of the surface of such land.
- Law 3001/2006 which creates the Environmental Services Regime making it mandatory for those land owners, who fail to comply with the legal reserve or reforestation requirement mentioned above, to purchase Environmental Services Certificates (ESCs) until they offset such deficit.
- The Law for the Restoration of Forests that Protect Water Courses (4241/2010) makes it mandatory to restore protective forests with native species along water courses. This regulatory framework and the interest shown by important groups of agricultural exporters in certifying that they comply with the current environmental legislation and that their products are “deforestation free”, provides grounds for projecting that private sector investment in CTNPFs having native species will gain importance in the future.
- Finally, Law 294/93 requires Environmental Impact Assessment for production activities, including forest plantations and the management of native forests. Pursuant to this law, the project will apply for the relevant environmental permit for the project, as a whole.

5. FAO Environmental and Social Standards

At the programme and field level, FAO Environmental and Social Standards (ESS) 1-9[9] are designed to help manage and improve FAO environmental and social performance through a risk and outcome based approach.

The nine ESS standards set out specific requirements relating to different social and environmental issues. Projects approved and supported by FAO must meet these environmental and social standards.

FAO Environmental and Social Standards used in this assessment, relate to the following areas:

[9] http://www.fao.org/3/a-i4413e.pdf

ESS 1: Natural Resource Management

- Promote direct action to enhance resource use efficiency.
- Focus on ways to ensure the transition to sustainable practices.

ESS 2: Biodiversity, Ecosystems and Natural Habitats

- Avoid agricultural, livestock, fisheries, aquaculture and forestry practices that could have adverse impacts on biodiversity, ecosystems, ecosystem services or critical habitats.
- Sustainably manage the ecosystems in order to maintain the services and benefits they provide.
- Ensure that exchange of genetic resources conforms to access and benefit sharing measures in force in the country (ies) involved.

ESS 3: Plant Genetic Resources for Food and Agriculture

- Prevent actions resulting in loss of PGRFA diversity by promoting their effective conservation (in situ and ex situ);
- Safeguard against actions resulting in unintended environmental and social consequences;
- Promote sustainable crop improvements and production and enhanced productivity;
- Ensure that the transfer of PGRFA conforms with the measures relating to access and benefit sharing, IPR and farmers' rights which are in force in the country(ies) involved.

ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture

- Promote sustainable management of animal and aquatic genetic resources;
- Prevent loss of valuable livestock and aquatic genetic diversity;
- Safeguard against actions resulting in unintended environmental and social consequences.

ESS 5: Pest and Pesticide Management

- Promote Integrated Pest Management (IPM), reduce reliance on pesticides and avoid adverse impacts from pesticide use on the health and safety of farming communities, consumers and the environment.

ESS 6: Involuntary Resettlement and Displacement

- Prohibit forced eviction.
- Avoid, and when avoidance is not possible, minimize adverse social and economic impacts from restrictions on land or resource use or from land and resource acquisition
- Improve or at least restore living conditions of persons who are physically or economically displaced, through improving and restoring their productive assets and security of tenure.

ESS 7: Decent Work

- Promote direct action to foster decent rural employment.
- Promote fair treatment, non-discrimination and equal opportunity for all workers.
- Protect and support workers, particularly disadvantaged and vulnerable categories of workers.
- Promote the application of international labour standards in the rural economy,
- Promote the application of international labour standards in the rural economy, including the prevention and elimination of child labour in agriculture.

ESS 8: Gender Equality

- Provide equal access to and control over productive resources, services and markets.
- Strengthen women and men's participation in decision-making in rural institutions and policy processes.

- Ensure that all stakeholders benefit equally from development interventions and that inequality is not reinforced or perpetuated.

ESS 9: Indigenous Peoples and Cultural Heritage

- Ensure that the UN Declaration on the Rights of Indigenous Peoples is respected in all FAO's projects and programmes;
- Promote the right to self-determination and development with identity of indigenous peoples (right to decide the kind of development that takes place among their people and on their lands and territories, in accordance with their own priorities and conceptions of well-being);
- Guarantee the application of the principle of Free, Prior and Informed Consent (FPIC) of indigenous peoples affected by the project.
- Recognize, respect and preserve the rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems of Indigenous Peoples;
- Protect cultural heritage and avoid its alteration, damage or removal.

Application of the standards is determined during FAO's social and environmental screening and categorization process. Where it is determined that a project may present certain risks and/ or impacts and requirements of the relevant standard (s) are triggered.

6. Stakeholder Engagement

Project symbol:
Project risk classification: MODERATE

Table 1: Stakeholder consultations[10]

Identification of stakeholder(s)	Date	Participants	Location
Beneficiaries (consultation in farms through rural extensionists)	06/16 to 08/16	9,188	Caaguazú and San Pedro
Civil society, NGOs, governmental staff	16/12/16	56	Asunción
Beneficiaries, Civil society, NGOs	20/12/16	47	Caaguazú
Civil society, NGOs, governmental staff	21/12/16	14	Alto Paraná
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Beneficiaries, Civil society, NGOs	06/01/17	11	Canindeyú
Beneficiaries, Civil society, NGOs	11/01/17	15	Concepción
Beneficiaries, Civil society, NGOs	12/01/17	8	San Pedro

[10] It is a summary of the full report developed in Spanish by the STP's General Direction for Public Policy Analysis. See Annex 2 below.

Table 2: Table: Project Stakeholders, Roles and Responsibilities

Main Stakeholder/Group	Relevant Roles and Responsibilities
Poor and extremely poor farmers	Beneficiaries component 1
Medium size farmers	Beneficiaries component 2
Civil society around and in little towns close to the project area	Indirectly beneficiaries
ONG and private sector	Service providers
Governmental organizations directly involved in the implementation (STP, INDI, INFONA, MAG, SAS, SEAM, VMME)	Members of the Executive Committee and Steering Committee

1. Summarize key risks and impacts identified from the stakeholder engagement/ consultation

A. Difficulties in promoting a long term activity with poor people and extremely poor people that need a daily subsistence income.
B. Due to the number of beneficiaries and the dispersion among the landscape, it will be necessary an extra effort for providing technical assistance and monitoring the results. It implies in more costs.
C. Increase the socio-economic difference between the smallholders that are beneficiaries of the project and no beneficiaries, promoting more self-exclusion.
D. The sustainability of the project will be highly conditioned to the additional and increased support that should be provided by the government.

2. Have the applicable documents adequately addressed the key risks and impacts in #1?

[X] Yes [ ] No

3. What tools or approaches have been used, e.g. focus groups, rapid rural appraisals, etc?

A. Direct consult to potential beneficiaries using rural extensionist.
B. Seminars for discussing the project components and exploring some risk and measures of mitigation.

4. Has there been a free, prior and informed consent (FPIC) agreement on the process and the decision made? (i.e. an indigenous peoples' plan)

For indigenous people, the INDI (Instituto Paraguayo del Indígena) has expressed the commitment to realize the free, prior and informed consent once the project is approved by the Green Climate Fund and therefore it has presented a consultation plan.

5. Do the directly-affected communities feel that their concerns are responded to in a timely and appropriate manner?

The affected communities (beneficiaries) were consulted and they expressed the interest with the project implementation. In general terms the expected social impacts of PROEZA are positive.

6. Have any of the stakeholders raised any concerns about the project?

During the consultation process, some adverse comments have been raised about the component 2 of the project regarding possible negative impacts that could be generated by the planted forest: i) increase of the water demand for the trees in the agroforestry systems, multifunctional planted forest and reforestation, and ii) expansion of the reforestation area over the property of smallholders promoting migration. A Component 3 has been included in PROEZA to strengthen the institutional capacity of the governmental organizations mainly INFONA and SEAM for the application of the ESS safeguards, also on the reforestation to be promoted through the component 2. Also it is important consider that PROEZA will not promote a land market. On the contrary PROEZA will support smallholders to ensure the land tenure.

7. Project Environmental and Social Screening

Would the project, if implemented? Not Applicable No Yes Unknown	Not applicable	No	Yes	Unknown
I. FAO VISION/STRATEGIC OBJECTIVES				
Be in line with FAO's vision?			X	
Be supportive of FAO's strategic objectives?			X	
II. FAO KEY PRINCIPLES FOR SUSTAINABILITY IN FOOD AND AGRICULTURE				
Improve efficiency in the use of resources?			X	
Conserve, protect and enhance natural resources?			X	
Protect and improve rural livelihoods and social well-being?			X	
Enhance resilience of people, communities and ecosystems?			X	
Include responsible and effective governance mechanisms?			X	
ESS 1 NATURAL RESOURCES MANAGEMENT				
Management of water resources and small dams				
Include an irrigation scheme that is more than 20 hectares or withdraws more than 1000 m3/day of water?		X		
Include an irrigation scheme that is more than 100 hectares or withdraws more than 5000 m3/day of water?		X		
Include an existing irrigation scheme?		X		
Include an area known or expected to have water quality problems?		X		
Include usage of non-conventional sources of water (i.e. wastewater)?		X		
Include a dam that is more than 5 m. in height?		X		
Include a dam that is more than 15 m. in height?		X		
Include measures that build resilience to climate change?			X	
Tenure				
Negatively affect the legitimate tenure rights of individuals, communities or others?		X		
ESS 2 BIODIVERSITY, ECOSYSTEMS AND NATURAL HABITATS				
Make reasonable and feasible effort to avoid practices that could have a negative impact on biodiversity, including agricultural biodiversity and genetic resources?			X	
Have biosafety provisions in place?	X			
Respect access and benefit-sharing measures in force?	X			
Safeguard the relationships between biological and cultural diversity?	X			
Protected areas, buffer zones and natural habitats				
Be located such that it poses no risk or impact to protected areas, critical habitats and ecosystem functions?			X	
ESS 3 PLANT GENETIC RESOURCES FOR FOOD AND AGRICULTURE				
Planted forests				
Have a credible forest certification scheme, national forest programmes or equivalent or use the Voluntary Guidelines on Planted Forests (or an equivalent for indigenous forests)?			X	

ESS 4 ANIMAL - LIVESTOCK AND AQUATIC- GENETIC RESOURCES FOR FOOD AND AGRICULTURE				
Involve the procurement or provision of pesticides?	X			
Aquatic genetic resources				
Adhere (Aligned) to the FAO Code of Conduct for Responsible Fisheries (CCRF) and its related negotiated instruments?	X			
Be aligned, where applicable, with FAO's strategic policies established in the FAO Technical Guidelines for Responsible Fisheries (including aquaculture)?	X			
Livestock genetic resources				
Be aligned with the Livestock Sector Strategy including the animal disease, public health and land degradation provisions?	X			
ESS 5 PEST AND PESTICIDES MANAGEMENT				
Involve the procurement or provision of pesticides?			X	
Result in increased use of pesticides through expansion or intensification of production systems?		X		
Require the disposal of pesticides or pesticide contaminated materials?		X		
ESS 6 INVOLUNTARY RESETTLEMENT AND DISPLACEMENT				
Avoid the physical and economic displacement of people?			X	
ESS 7 DECENT WORK				
Adhere to FAO's guidance on decent rural employment, promoting more and better employment opportunities and working conditions in rural areas and avoiding practices that could increase workers' vulnerability?			X	
Respect the fundamental principles and rights at work and support the effective implementation of other international labour standards, in particular those that are relevant to the agri-food sector?			X	
ESS 8 GENDER EQUALITY				
Have the needs, priorities and constraints of both women and men been taken into consideration?			X	
Promote women's and men's equitable access to and control over productive resources and services?			X	
Foster their equal participation in institutions and decision-making processes?			X	
ESS 9 INDIGENOUS PEOPLES AND CULTURAL HERITAGE				
Are there any indigenous communities in the project area?			X	
Are project activities likely to have adverse effects on indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?		X		
Are indigenous communities outside the project area likely to be affected by the project?		X		
Designed to be sensitive to cultural heritage issues?		X		

8. Risk Classification

Project title:	**Proeza** - Poverty, Reforestation, Energy and Climate Change

A. RISK CLASSIFICATION

[ ]	Low	[X]	Moderate	[ ]	High

1. Record key risk impacts from the E&S Screening Checklist

A. Risk: Activities to be implemented in protected areas buffer zones.
B. Involve planted forest development.
C. Involve the procurement or provision of pesticides.
D. There are indigenous communities in the project areas.

Moderate Risk:

a. Projects with identified potential adverse environmental and /or social impacts.
   A. Affectation to native species that use buffer zones for vital activities.
   B. Affectation to natural development of native biodiversity.
   C. Natural processes could be affected including in soil and water.
   D. Socio, cultural and ethnical aspects could be affected. It will be necessary FPIC.

b. Potential impacts are not unprecedented in the project area.
   The activities been implemented by stakeholders, indigenous peoples and private sector *as business as usual* already cause the aforementioned impacts. In essence, they are not new potential impacts to be generated exclusively by PROEZA implementation. There are some precedents.

c. Potential impacts are limited to the project's footprint.
   The PROEZA potential impacts could affect mainly the areas where the activities will be developed or closely around those areas but in all cases inside the project footprint area. In any case, it is foreseen a generalized adverse impact through all the footprint project area or outside it under PROEZA implementation.

d. Potential impacts are neither irreversible nor cumulative.
   The potential impacts are reversible and they are not cumulative, if applied correctly the model practices promoted by PROEZA.
   The potential impacts will be treated both from individual farms and cumulatively, as following:
   Component 1.-
   Individual farms: The average plot size estimated in the project is 0.8 hectares/household disseminated around 30,000 households in the footprint project area. There is a very low possibility to have cumulative adverse impacts and on the contrary, the socio-economic positive impacts will be well distributed around poor households.
   Cumulative: However, potential impacts could present an incremental effect in areas around the protected areas (buffer zone) where wildlife develops vital activities. In this case, additional special considerations should be taken to mitigate that effect, as for instance, PROEZA will promote only integrated pest management for controlling pests and diseases that could affect the productive

models to be implemented in buffer zones. Moreover, on other hand and considering a positive cumulative impact, the project activities that include tree planting and environmental stabilization, while also improving the livelihoods of communities living in and around those areas will enhance the protection of the protected zones. It is therefore understood that while the intention of this safeguard is to ensure that no inadvertent project actions jeopardize protected areas, in this case the project is specifically designed to strengthen their protection with a cumulative effect.

Component 2.-
Individual farms.- The same GCF - FAO environmental and social standards applied to component 1 will be applied to farms in component 2 ensuring a individual mitigation of potential impacts.
Cumulative.- INFONA and SEAM should provide a clear landscape planning to ensure that the models will be implemented in areas with natural potential regarding the models' demanding conditions, avoiding to affect native forest, ensuring the recovering of riparian and riverside areas with native species, protecting water springs and mitigating possible cumulative adverse impacts.

e. Potential adverse impacts can be addressed by the use of recognized good management or pollution abatement practices, and there is a demonstrated record of their successful use in the project area (upstream and downstream).
Through applying good measures and practices the potential impacts could be mitigated (see Biodiversity management plan). The models have been developed from practical experiences in Paraguay and therefore the proposal are proved.

2. Has the project site and surrounding area been visited by the compiler of this form?

[X] Yes [ ] No

B. STAKEHOLDER CONSULTATION/ ENGAGEMENT

Identification of stakeholder(s)	Date	Participants	Location
Beneficiaries (consultation in farms through rural extensionists)	06/16 to 08/16	9,188	Caaguazú and San Pedro
Civil society, NGOs, governmental staff	16/12/16	56	Asunción
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Beneficiaries, Civil society, NGOs	12/01/17	8	San Pedro

1. Summarize key risks and impacts identified from the stakeholder engagement

A. Difficulties in promoting a long term activity with poor people and extremely poor people that need a daily subsistence income.

B. Due to the number of beneficiaries and the dispersion among the landscape, it will be necessary an extra effort for providing technical assistance and monitoring the results. It implies in more costs.
C. Increase the socio-economic difference between the smallholders that are beneficiaries of the project and no beneficiaries, promoting more self-exclusion.
D. The sustainability of the project will be highly conditioned to the additional and increased support that should be provided by the government.

2. Have any of the stakeholders raised concerns about the project?

During the consultation process, some adverse comments have been raised about the component 2 of the project regarding possible negative impacts that could be generated by the planted forest: i) increase of the water demand for the trees in the agroforestry systems, multifunctional planted forest and reforestation, and ii) expansion of the reforestation area over the property of smallholders promoting migration. A Component 3 has been included in PROEZA to strengthen the institutional capacity of the governmental organizations mainly INFONA and SEAM for the application of the ESS safeguards, also on the reforestation to be promoted through the component 2. Also it is important consider that PROEZA will not promote a land market. On the contrary PROEZA will support smallholders to ensure the land tenure.

9. Project Risk Certification

Entity Number: 645606
Project Title: Poverty, Reforestation, Energy and Climate Change - PROEZA Project
Recipient Country(ies): Paraguay

Risk Certification
The table below summarizes the environmental and social risks identified in relation to the proposed action.

The proposed action is classified as: Moderate

Safeguard Triggered	Risk Identified	Answer	Risk Classification	Reference Guidance	Additional Description (if any)
2	2.1 - Would this project be implemented within a legally designated protected area or its buffer zone?	Yes	**Moderate**	It is noted that while the project are includes protected zones, no project activities will be carried out inside these protected areas. Moreover, the project activities that include tree planting and environmental stabilization, while also improving the livelihoods of communities living in and around those areas will enhance the protection of the protected zones. It is therefore understood that while the intention of this safeguard is to ensure that no inadvertent project actions jeopardize protected areas, in this case the project is specifically designed to strengthen their protection	No activities of Proeza are planned to be implemented inside of Protected Areas. In PA buffer zones activities will be executed following the Law 294 Environmental Assestment and the Law 352 of Protected Areas.

3	3.4 - Would this project establish or manage planted forests?	Yes	**Moderate**	• Adhere to existing national forest policies, forest programmes or equivalent strategies. • The observance of principles 9, 10, 11 and 12 of the Voluntary Guidelines on Planted Forests suffice for indigenous forests but must be read in full compliance with ESS 9- Indigenous People and Cultural Heritage. • Planners and managers must incorporate conservation of biological diversity as fundamental in their planning, management, utilization and monitoring of planted forest resources. • In order to reduce the environmental risk, incidence and impact of abiotic and biotic damaging agents and to maintain and improve planted forest health and productivity, FAO will work together with stakeholders to develop and derive appropriate and efficient response options in planted forest management.	
5	5.1 - Would this project procure, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	Yes	**Moderate**	• Preference must always be given to sustainable pest management approaches such as Integrated Pest Management (IPM), the use of ecological pest management approaches and the use of mechanical/cultural/physical or biological pest control tools in favour of synthetic chemicals; and preventive measures and monitoring, • When no viable alternative to the use of chemical pesticides exists, the selection and procurement of pesticides is subject to an internal clearance procedure http://www.fao.org/fileadmin/templates/agphome/documents/Pests_Pesticides/Code/E_SS5_pesticide_checklist.pdf • The criteria specified in FAO's ESM Guidelines under ESS5 must be adhered to and should be included or referenced in the project document. • If large volumes (above 1,000 litres of kg) of pesticides will be supplied or used throughout the duration of the project, a Pest Management Plan must be prepared to demonstrate how IPM will be promoted to reduce reliance on pesticides, and what measures will be taken to minimize risks of pesticide use. • It must be clarified, which person(s) within (executing) involved institution/s, will be responsible and liable for the proper storage, transport, distribution and use of the products concerned in compliance with the requirements.	
9	9.2 - Are there indigenous peoples living in the project area where activities will take place?	Yes	**Moderate**	A Free Prior and Informed Consent process is required. **If the project is for indigenous peoples,** an Indigenous Peoples' Plan is required in addition to the Free Prior and Informed Consent process. Please contact the ESM/OPCA unit for further guidance. In cases where **the project is for both, indigenous and non-indigenous peoples,** an Indigenous Peoples' Plan will be required only if a substantial number of beneficiaries are Indigenous Peoples. project activities should outline actions to address and mitigate any potential impact.	

				Please contact ESM/OPCA unit for further guidance.	
9	9.4 - Would this project be located in an area where cultural resources exist?	Yes	**Moderate**	To preserve cultural resources (when existing in the project area) and to avoid their destruction or damage, due diligence must be undertaken to: a) verify that provisions of the normative framework, which is usually under the oversight of a national institution responsible for protection of historical and archaeological sites/intangible cultural heritage; and b) through collaboration and communication with indigenous peoples' own governance institutions/leadership, verifying the probability of the existence of sites/intangible cultural heritage that are significant to indigenous peoples. In cases where there is a high chance of encountering physical cultural resources, the bidding documents and contract for any civil works must refer to the need to include recovery of "chance findings" in line with national procedures and rules.	

10.Environmental and Social Analysis

Due to its characteristics given that it poses moderate environmental and social risks, PROEZA project is classified as MODERATE RISK one. The Project contemplates a smaller scale of plantations (ranging from 0.8 to a couple of hundred hectares) dispersed over the landscape, preserving biodiversity corridors, focused on the restoration and decrease in degradation of remaining forests, which are expected to generate mainly positive outcomes (with resources from the Green Climate Fund). The project also includes medium-scale plantations for component 2 (using resources from parallel financing), which will qualify for carbon accounting only for projects that comply with the Performance Standards, as verified through a due diligence process that will be conducted by the Project Management Agency or national entities, which have the capacity to apply them.

The following is a summary of the main potential risks and impacts:

Component 1 *Plantando Futuro* (Planting the Future)

This component is aimed at aiding approximately 30,000 families, living in vulnerable social conditions, to establish about 24,460 hectares of mixed and agroforest plantations, in a large area of the landscape, stretching over 8 departments in the Eastern Region of Paraguay. It expects to provide support to climate-smart agroforestry and close-to-nature planted forests, in pieces of land with an average surface of 0.8 hectares per family. This component will be supported by existing social protection programs and it will include matters such as land titles, product marketing and the introduction of better cooking stoves.

Potential Risks and Impacts: The environmental and social risks of this component are low and it is expected to yield positive environmental and social benefits due to its design and implementation characteristics. No relevant negative environmental or social impacts are expected. The following table shows the potential risks and impacts under each of the Performance Standards of component 1 investments:

Standard	Potential Impact
ESS 1: Natural Resource Management	• Forestry practices may be carried out unsustainably, there may be overexploitation and poor planning.
ESS 2: Biodiversity, Ecosystems and Natural Habitats	• Positive impacts for biodiversity and ecosystems are expected due to the increase in restored surfaces of native forests and mixed plantations.
ESS 3: Plant Genetic Resources for Food and Agriculture	• Not applicable.
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture	• Not applicable.
ESS 5: Pest and Pesticide Management	• Potential inappropriate use of pesticides and other agricultural chemical products, posing potential risks for producers and their families, as well as for the environment.
ESS 6: Involuntary Resettlement and Displacement	• No impacts are expected, as there are no plans for land acquisition, appropriation or resettlement. Participation is voluntary and based on the demand of farmers in their own farms. • Potential decrease in resources due to working in an area of forestry having longer-term returns.
ESS 7: Decent Work	• Potential accidents due to activities such as land clearing, soil preparation, planting, pruning, thinning, and harvesting timber and non-timber forest products. • Child labor risk at farms.
ESS 8: Gender Equality	• Potential unequal participation due to gender discrimination or discrimination of other vulnerable groups including Indigenous Peoples.
ESS 9: Indigenous Peoples and Cultural Heritage	• Potential discrimination in participation and benefits for Indigenous Peoples. • Lack of prior consultation and consent in land investments and other project activities. • Lack of technical assistance and training in culturally appropriate practices and in native languages of indigenous peoples. • No activities which may affect tangible or intangible cultural heritage are expected.

Component 2 Sustainable Landscapes

This component will promote financial instruments for establishing 24,000 hectares of the so-called “New Generation Forests” on medium-size private property (plantation surface estimated between 50-200 hectares, maximum)

Potential Risks and Impacts: The following table shows the potential risks and impacts of each Performance Standard:

Standard	Potential Impact
ESS 1: Natural Resource Management	• Potential lack of compliance with national legislation on environmental or other type of matters. • Risks due to investors' lack of an adequate Environmental and Social Management System. • Risk of forest fires • Conversion risks (clearcutting) of remaining native forests replacing them with forest plantations.
ESS 2: Biodiversity, Ecosystems and Natural Habitats	• Poor farm and production planning, impacting ecosystems or environmental services. • Mono-crops lacking any planning and the application of poor forestry practices may impact existing or remaining ecosystems. • Exotic species may propagate to native ecosystems.
ESS 3: Plant Genetic Resources for Food and Agriculture	• Not applicable
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture	• Not applicable
ESS 5: Pest and Pesticide Management	• Risks linked to the use, storage and inappropriate application of pesticides, herbicides or other chemical products.
ESS 6: Involuntary Resettlement and Displacement	• Risk of establishing plantations on land subject to conflict and land claims, or where people have been displaced against their will, including Indigenous Peoples. • No impacts due to land acquisition or appropriation and new resettlement are expected. Participation is voluntary and it is based on the demand of producers in their own farms. • Risk of land being concentrated in the hands of medium-scale land owners. • Social risks due to conflicts with neighboring communities.
ESS 7: Decent Work	• Potential non-compliance with the principles of this Performance Standard, regarding labor aspects including agreements and other aspects required by law and conventions. • Risks related to workers' health and safety (working without proper protection, etc.).
ESS 8: Gender Equality	• Not applicable.
ESS 9: Indigenous Peoples and Cultural Heritage	• Potential of establishing plantations, on land subject to ancestral or current claims by Indigenous Peoples. • No activities which may affect tangible or intangible cultural heritage are expected.

Component 3 Forestry Governance

This component includes support for public institutions enabling them to provide technical assistance and ensure capacity in sustainable forest management, land use, environmental and social aspects, and regulation on renewable energy.

Potential risks and impacts: Environmental risks are minimal for this component, which is mainly technical and aimed at supervising investments. The impacts of poor management and lack of training may lead to

environmental impacts due to lack of compliance with regulations and good practices. Social impacts or conflicts may also be generated by poor performance in project supervision, monitoring and evaluation.

11.Environmental and Social Commitment Plan

Part I. Mitigation action plan

The main environmental mitigation and management measures are summarized in the following tables.

a. Component 1

Standard	Potential Impact	Mitigation Measures	Responsible party/parties
ESS 1: Natural Resource Management	• Forestry practices may be carried out unsustainably, there may be overexploitation and poor planning.	• Applying good forestry practices • Offering support with technical assistance in sustainable forestry management and farm planning • Avoiding plantations in unsuitable areas, including natural prairies and wetlands	• Project management agency • Training, supervision and monitoring of Executive committee institutions (MAG, SEAM, INFONA) • Service providers and subcontractors for promotion and planting, with social and environmental capacity
ESS 2: Biodiversity, Ecosystems and Natural Habitats	• Positive impacts for biodiversity and ecosystems are expected due to the increase in restored surfaces of native forests and mixed plantations.		
ESS 3: Plant Genetic Resources for Food and Agriculture	• Not applicable.		
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture	• Not applicable.		
ESS 5: Pest and Pesticide Management	• Potential inappropriate use of pesticides and other agricultural chemical products, posing potential risks for producers and their families, as well as for the environment.	• Training and technical assistance in Integrated Pest Management • Adequate equipment for safe handling of pesticides • Use of appropriate pesticides, monitoring their use and application in farms	• Project management agency • Training, supervision and monitoring of Executive committee institutions (MAG, SEAM, INFONA) • Service providers and subcontractors for promotion and planting, with social and environmental capacity
ESS 6: Involuntary Resettlement and Displacement	• No impacts are expected, as there are no plans for land acquisition, appropriation or resettlement. Participation is voluntary and based on the	• Due diligence of land ownership status of the farms involved to ensure that the area to be planted belongs to the beneficiaries	• Project management agency • Training, supervision and monitoring of Executive committee

	demand of farmers in their own farms. • Potential decrease in resources due to working in an area of forestry having longer-term returns.	• Including economic impact considerations in social evaluation to ensure maintenance and improvement of income levels	institutions (MAG, SEAM, INFONA) • Service providers and subcontractors for promotion and planting, with social and environmental capacity
ESS 7: Decent Work	• Potential accidents due to activities such as land clearing, soil preparation, planting, pruning, thinning, and harvesting timber and non-timber forest products. • Child labor risk at farms.	• Providing training in good forestry management, in due time and form, for small producers • Training in and monitoring of child labor in farms • Prohibiting use of child labor in project activities. Alternative activities for women heads of household	• Project management agency • Training, supervision and monitoring of Executive committee institutions (MAG, SEAM, INFONA) • Service providers and subcontractors for promotion and planting, with social and environmental capacity
ESS 8: Gender Equality	• Potential unequal participation due to gender discrimination or discrimination of other vulnerable groups including Indigenous Peoples.	• Guaranteeing broad participation processes, including vulnerable groups, based on the social evaluation of the sub-projects. • Special focus on women heads of household, elderly citizens, and other groups who may have more limited participation due to the production activities of the counterparty	• Project Management Agency • Training, supervision and monitoring by institutions who form part of the executive committee, (MAG, SEAM, INFONA) • Service providers and subcontractors for promotion and planting, with social and environmental capacity
ESS 9: Indigenous Peoples and Cultural Heritage	• Potential discrimination in participation and benefits for Indigenous Peoples. • Lack of prior consultation and consent in land investments and other project activities. • Lack of technical assistance and training in culturally appropriate practices and in native languages of indigenous peoples. • No activities which may affect tangible or intangible cultural heritage are expected.	• Developing the project in line with the Planning Framework for Indigenous Peoples • Preparing projects involving indigenous communities, based on consultation and free and informed participation to obtain consent • Providing technical support in due time and form	• Project management agency • Training, supervision and monitoring of Executive committee institutions (MAG, SEAM, INFONA) with the support of INDI • Service providers and subcontractors for promotion and planting, with social and environmental capacity

b. Component 2

Standard	Potential Impact	Mitigation Measures	Responsible party/parties
ESS 1: Natural Resource Management	• Potential lack of compliance with national legislation on environmental or other type of matters. • Risks due to investors' lack of an adequate Environmental and Social Management System. • Conversion risks (clearcutting) of remaining native forests replacing them with forest plantations. • Risk of forest fires.	• Reviewing producers E&S Standards. • Ensuring application of E&S Standards depending on the context. • Implementing action plans to improve the E&S Standards. • Forest fire emergency plan.	• Producers and companies are the main responsible parties for their environmental and social management systems. • Project management agency or Financial Intermediary for due diligence. • Supervision and monitoring of executive committee institutions (MAG, SEAM, INFONA).
ESS 2: Biodiversity, Ecosystems and Natural Habitats	• Poor farm and production planning, impacting ecosystems or environmental services. • Mono-crops lacking any planning and the application of poor forestry practices may impact existing or remaining ecosystems. • Exotic species may propagate to native ecosystems.	• Reviewing producers' E&S Standards. • Ensuring application of E&S Standards. • Implementing action plans to improve the E&S Standards. • Conducting due diligence on principles of ESS2. • Ensuring planning of plantations without any impacts to native eco systems, particularly natural grasslands and wetlands. • Supervision and monitoring of Good Forestry Practices aligned with the Environment, FAO Guide for Planted Forest,	• Producers and companies are the main responsible parties for their environmental and social management systems (ESMS) • Project management agency or Financial Intermediary for due diligence • Supervision and monitoring of executive committee institutions (MAG, SEAM, INFONA)
ESS 3: Plant Genetic Resources for Food and Agriculture	• Not applicable		
ESS 4: Animal - Livestock and Aquatic - Genetic Resources for Food and Agriculture	• Not applicable		
ESS 5: Pest and Pesticide Management	• Risks linked to the use, storage and inappropriate application of pesticides, herbicides or other chemical products.	• Conducting due diligence on principles of ESS5. • Supervision and monitoring of pest management measures and promoting integrated pest management with a reduction as far as possible in the use of agrochemicals that are noxious to health.	• Producers and companies • Project management agency or Financial Intermediary for due diligence • Supervision and monitoring of executive committee institutions (MAG, SEAM, INFONA).

ESS 6: Involuntary Resettlement and Displacement	• Risk of establishing plantations on land subject to conflict and land claims, or where people have been displaced against their will, including Indigenous Peoples. • No impacts due to land acquisition or appropriation and new resettlement are expected. Participation is voluntary and it is based on the demand of producers in their own farms. • Social risks due to conflicts with neighboring communities. • Risk of land being concentrated in the hands of medium-scale land owners.	• Conducting due diligence on principles of ESS6. • Reviewing producers E&S Standards. • Ensuring application of E&S Standards. • Implementing action plans to improve the E&S Standards.	• Producers and companies • Project management agency or Financial Intermediary for due diligence • Supervision and monitoring of executive committee institutions (MAG, SEAM, INFONA)
ESS 7: Decent Work	• Potential non-compliance with the principles of this Performance Standard, regarding labor aspects including agreements and other aspects required by law and conventions. • Risks related to workers' health and safety (working without proper protection, etc.).	• Reviewing producers' ESMS • Conducting due diligence on principles of E&S7 • Regular supervision and monitoring of the application of workplace health and safety	• Producers and companies • Project management agency or Financial Intermediary for due diligence • Supervision and monitoring of executive committee institutions (MAG, SEAM, INFONA)
ESS 8: Gender Equality	• Not applicable.		
ESS 9: Indigenous Peoples and Cultural Heritage	• Potential of establishing plantations, on land subject to ancestral or current claims by Indigenous Peoples. • No activities which may affect tangible or intangible cultural heritage are expected.	• Consultation with indigenous people around the plantations.	• Conducting due diligence on principles of E&S9 • Consultation of Indigenous Peoples living around the plantations

Part II. Mitigation implementation

Budget

Item	Cost	Source
4 environmental specialists in Project Management Agency	3,000 USD per month/ 7 years (approx.)	PROEZA Project
4 social specialists in Project Management Agency	3.000 USD per month / 7 years (approx.)	PROEZA Project
2 specialists in Indigenous Peoples	2.500 USD per month / 7 years (approx.)	PROEZA Project
Institutions (annual) monitoring costs	Established in the Full Project budget	PROEZA Project – and institutional budgets Institutional reinforcement
Maintaining the ESMS of component 2 producers	Variable	component 2 participating producers

Item	Cost	Source
Environmental and social training for component 1 producers	Established in the Full Project budget	PROEZA Project – Institutional reinforcement
Technical training for supervising public institutions	Established in the Full Project budget	PROEZA Project – Institutional reinforcement
Putting together the Environmental Impact Study	1.5% of the Project amount	PROEZA Project

Time frame

Component 1		Year						
ESS	**Mitigation measures**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1 y 2	Applying good forestry practices							
	Offering support with technical assistance in sustainable forestry management and farm planning							
	Avoiding plantations in unsuitable areas, including natural prairies and wetlands							
5	Training and technical assistance in Integrated Pest Management							
	Adequate equipment for safe handling of pesticides							
	Use of appropriate pesticides, monitoring their use and application in farms							
6	Due diligence of land ownership status of the farms involved to ensure that the area to be planted belongs to the beneficiaries							
	Including economic impact considerations in social evaluation to ensure maintenance and improvement of income levels							
7	Providing training in good forestry management, in due time and form, for small producers							
	Training in and monitoring of child labor in farms							
	Prohibiting use of child labor in project activities.							
	Alternative activities for women heads of household.							
8	Guaranteeing broad participation processes, including vulnerable groups, based on the social evaluation of the sub-projects.							
	Special focus on women heads of household, elderly citizens, and other groups who may have more limited participation due to the production activities of the counterparty							
9	Developing the project in line with the Planning Framework for Indigenous Peoples							
	Preparing projects involving indigenous communities, based on consultation and free and informed participation to obtain consent							
	Providing technical support in due time and form							

Component 2		Year						
ESS	**Mitigation measures**	**1**	**2**	**3**	**4**	**5**	**6**	**7**
1	Reviewing producers E&S Standards.							
	Ensuring application of E&S Standards depending on the context.							
	Implementing action plans to improve the E&S Standards.							
	Forest fire emergency plan.							
2	Reviewing producers E&S Standards.							
	Ensuring application of E&S Standards.							
	Implementing action plans to improve the E&S Standards.							
	Conducting due diligence on principles of ESS2.							
	Ensuring planning of plantations without any impacts to native eco systems, particularly natural grasslands and wetlands.							
	Supervision and monitoring of Good Forestry Practices aligned with the Environment, FAO Guide for Planted Forest.							
5	Conducting due diligence on principles of ESS5.							

	Supervision and monitoring of pest management measures and promoting integrated pest management with a reduction as far as possible in the use of agrochemicals that are noxious to health.							
6	Conducting due diligence on principles of ESS6.							
	Reviewing producers E&S Standards.							
	Ensuring application of E&S Standards.							
	Implementing action plans to improve the E&S Standards.							
7	Reviewing producers E&S Standard.							
	Conducting due diligence on principles of E&S7							
9	Consultation with indigenous people around the plantations.							

12.Monitoring and Evaluation

FAO will monitor and evaluate its overall performance against the objectives and requirements of the Environmental and Social Standards within its project Quality Assurance System. During implementation and monitoring, the E&S risk management process will focus on monitoring the project against the ESS to track progress and establish relevant operational controls to verify compliance. Monitoring will be adjusted according to experience and actions required, as well as by feedback from stakeholders. Monitoring of activities will involve direct participation of affected stakeholders. Monitoring reports will be produced and these will provide an accurate and objective record of project implementation, including compliance with the ESS and improvement in project quality.

Preparation stage

This stage involves the promotion of the project and the agroforestry systems, multifunctional planted forest and reforestation. The monitoring and evaluation will focus on:

- Preparing the environmental and social profiles of the agroforestry systems, multifunctional planted forest and reforestation.
- Creating a data base of project environmental and social information, and compliance with safeguards.
- Developing reports and standard checklists for farm planning and survey of capacities.
- Establishing base lines for environmental and social monitoring indicators, including among others: the use of pesticides and adoption of Integrated Pest Management practices, carbon and biodiversity base lines, assessment of beneficiaries' existing economic activities

Implementation stage

During implementation, there are several aspects to be supervised and evaluated, including:

- Implementation of environmental and social measures
- Preparation of compliance reports at farm or producer-group level
- Preparation of environmental and social follow-up reports for the Executive community

Post-closure stage

- Generating project-level information on environmental and social compliance
- Evaluating lessons learned
- Considering positive environmental impacts such as carbon capture and biodiversity benefits
- Calculating the economic and financial impact of sub-projects

Mid-term and final review of project

- Preparing a review of compliance with environmental and social measures and with the environmental safeguards of FAO
- Evaluation of environmental and social impact (including economic and financial impacts) of investments, as a whole.

13.Capacity Development for Environmental and Social Standards

At the producer level	At an institutional	Project Management Agency and Service Providers
COMPONENT 1		
• Training workshops on Good Forestry Practices • Workshops on Integrated pest management • Organizational and social reinforcement • Specialized workshop for vulnerable groups and Indigenous Peoples	• Training in Integrated Pest Management for forestry activities • Training in environmental and social management of forestry projects • Training in performance standards • IT equipment and vehicles for supervision purposes • Training in georeferencing and sizing to beneficiary farm in the PROEZA project area. • Installing monitoring systems for georeferencing the families involved. • Training courses on environmental topics (environmental protection and management, as well as other topics), social aspects (psychological and other types of support), technical skills (repair and maintenance of machinery and equipment), financial matters (management of economic and other resources) offered to beneficiaries and field officers.	• Training in social and environmental safeguards of the IFC and FAO • Training workshops on Good Forestry Practices • Workshops on Integrated Pest Management
COMPONENT 2		
• Courses and workshops on forestry certification. • Training in environmental and social management of forestry projects. • Workshops on Integrated Pest Management.	Financial Intermediaries • Training in performance standards. • Courses and workshops on forestry certification. • Training in environmental and social management of forestry projects. Government • Training in performance standards. • Courses and workshops on forestry certification. • Training in environmental and social management of forestry projects. • Workshops on Integrated Pest Management. • IT equipment and vehicles for supervision purposes. • Training in climate change and geographic information systems.	• Training in performance standards. • Courses and workshops on forestry certification. • Training in environmental and social management of forestry projects. • Workshops on Integrated Pest Management.

14.Disclosure

Project risk classification: MODERATE

Disclosure of relevant project information helps stakeholders understand the risks, impacts and opportunities of a project

1. The applicable information was released:

A. Date: 25/01/2017; 30/05/2017
B. Location (s): http://www.stp.gov.py/v1/marco-ambiental-y-social-del-proyecto-proeza/
C. Language: Spanish and English

2. Has there been any response to the applicable information that warrants changes to the proposal mitigation?

[**X**] No [ ] Yes

15.Grievance Review Mechanism

Any negative impact of PROEZA should be analyzed, solve and mitigated as soon as possible in order to avoid problems and tensions.

The grievance redress mechanism is a tool to avoid conflicts looking for a very expedite resolution of problems. At the same time, this mechanism is cost – efficient as it does not require specific external professional to solve problems.

The objectives of the mechanism as efficient conflict resolution process are to create a mechanism:

- For affected people to communicate their dissatisfaction.
- To pick up complains that in another circumstances will not be received and any corrective solutions could be applied.
- That shows to the beneficiaries and people that results are important but also processes in which some mistakes could happen.
- To approach the project staff to people in order to solve arisen problems.

15.1 Process

The Grievance redress mechanism (GRM) responds to complaints by people who feel they have been adversely affected, is being affected or could be affected by the PROEZA project, during the planning or implementation phase. The idea is that GRM should promote a quick conflicts resolution to avoid long judicial process in tribunals in cases of complaint or dispute.

The mechanism comprises the following stages:

1. The affected person should be clearly identified in the complaint document or orally to proceed with the analysis of the grievance. If any member of the EC or another receives the complaint document about any issue or situation of PROEZA, the document should be sent to the Chair of the EC to deal with it in consultation with the other EC members. In any case the confidentiality of the complaint should be preserved during the process.
2. If the situation is so complex or the complainer do not accept the resolution, the complaint should be sent to a superior level until a solution or acceptance is achieved.
3. In any case it is important to consider that the complaint should firstly arrive to the national authorities before coming to FAO. It is worth noting that priority will be given to all possible in house resolutions before coming to FAO.
4. For each complaint received, a written receipt will be sent within five (5) calendar days; and, a resolution proposal will be made within thirty (30) calendar days thereafter.
5. Pursuing the resolution, the person in charge for dealing with the complaint could interact with the complainer or could call for interviews and meetings to better understand the reasons.
6. All the received complaint, the answer and the resolutions should be adequately registered.

15.2 Grievance principle

The principles to be followed during grievance resolution process will include: fairness, respect of human rights, compliance with national regulations, consistency with standards, equality, transparency honesty and respect for each other.

15.3 Grievance structure

Executive Committee STP: Chair, legal representation	**Should response in 5 working days.** Minister Jose Molinas Secretaría Técnica de Planificación del Desarrollo Económico y Social Estrella 505 esq. 14 de Mayo, Asunción - Paraguay sg-stp@stp.gov.py +595 21 450 422
⇩	
Steering Committee STP, INDI, INFONA, MAG, SAS, SEAM, VMME	Any organization could receive a grievance and should provide acknowledge of the receipt, inviting to the person to have a specific meeting for documenting the case. If the case is relevant, the receiver should sent the information to all the steering committee members and call for a meeting to deal with the problem. The response should be send into the next 5 working after the steering committee meeting. **For contact information see:** STP: www.stp.gov.py/v1 INDI: www.indi.gov.py INFONA: *www.infona.gov.py* MAG: *www.mag.gov.py* SAS: *www.sas.gov.py* SEAM: *www.seam.gov.py* VMME: *www.ssme.gov.py*
⇩	
FAO Representative	**Should response in 5 working days in consultation with STP.** Rolf Hackbart FAO-PY@FAO.ORG Rolf.hackbart@FAO.ORG
⇩	
FAO Regional Office for Latin American and the Caribbean	**Should response in 5 working days in consultation with the FAO Representative.** Julio Berdegué Julio.Berdegue@FAO.ORG RLC-ADG@FAO.ORG Phone: +56 2 2923 2251
⇩	
Office of the Inspector-General (OIG)	**To report potential fraud and misconduct by confidential fax:** (+39) 06 570 55550 **By email:** Investigations-hotline@fao.org **By Confidential Hotline:** (+ 39) 06 570 52333

Internal process in national organization

Level 1: Executive Committee. The complaint could come in writing or orally to the EC directly. At this level, received complaints will be registered, investigated and solved by the EC.
Level 2: Steering Committee. If the complaint have not been solved and could not be solve in level 1, then the chair of the EC should send it to level 2.

FAO process

Level 3: FAO Representative. The assistance of the FAO Representative could be requested only if national authorities have already exhausted all the grievance resolution options and the problem has not been resolve.
Level 4: FAO Regional Office for Latin American and the Caribbean. FAO Representative will request if necessary the advice of the Regional Office to resolve a grievance, or will transfer the resolution of the grievance entirely to the regional office, if the problem I high complex.
Level 5: The FAO Regional Representative will request only on very specific situations or complex problems the assistance on the FAO Inspector General who pursuits its own procedures to solve the problem.

15.4 Resolution

Upon acceptance a solution by the complainer, a document with the agreement should be signed with the agreement.

15.5 Dissemination of the grievance redress mechanism

This mechanism will be disseminated to stakeholders and communities through:

a) PROEZA´s STP web page.
b) FAO Paraguay web page.
c) Inception workshop once the PROEZA has been approved.
d) Technical assistance provided in farms. The specialist in field will communicate every visit about the grievance mechanism to beneficiaries.
e) Training technical courses as a part of the information to be provided to beneficiaries and stakeholders.
f) Specific brochure about the PROEZA´s grievance mechanism (both languages).
g) Other communicational material to be design and prepared during project implantation.

Annex 1. Institutional arrangements for the environmental assessment and management of PROEZA

Component 1.

1. Selection of Beneficiary Families and the Technological Packages to be applied.

1.1. Once hired the service providers they will conduct a promotional workshops in the 64 districts, where they promote the project and identify interested families. The meetings will be documented, with attendance lists and resolutions made. The environmental and social technical specialists must also ensure that a proper social and environmental assessment is performed, in keeping with the area and population involved. In cases involving Indigenous Peoples, the approach must be aligned with the Planning Framework for Indigenous Peoples, and prior, free and informed consent must be obtained before moving on to the next phase of preparation. This process must also be properly and fully documented, as part of the project's monitoring and evaluation process.

1.2 At the same time, the service providers will receive inputs and recommendations from the Executive Committee – SAS, MAG, INFONA, SEAM, INDI, VMME, STP - regarding specific families that are motivated and interested. The calls to tender for service providers and vendors, both for technical services and consumables (seeds, equipment, etc.) must be reviewed by the environmental specialist to ensure compatibility with the Environmental and Social Framework (ESF), specifically including the requirements for the purchase, storage, use of pesticides and proper disposal of containers, if any.

1.3. Based on items 1.1. and 1.2 above, service providers will make at least one technical visit to the interested families, on the one hand, to confirm their interest, commitment and capacity to participate in the project; and on the other hand, to confirm the technological package to be applied. Durante this phase, service providers may count on the support of the field staff of any of the member institutions of the Executive Committee, to achieve greater efficiency in their approach to the communities. The strategies already implemented include, the "Family Guides" of the SAS, the outreach sessions of the MAG or INFONA, among other such strategies.

1.4. Once the family's commitment and the technological package are confirmed, each service provider will register the family and the package in their annual work plan.

1.5. Between 0-4 and four months after the start of the project, all service providers apply this process, i.e. the process of selecting the beneficiaries and the technological packages to be implemented.

2. Approval of Annual Work Plan

2.1. Once having enrolled the necessary number of participating families, each service provider hands in their annual work plan to the Project Management Agency, for review and approval.

2.2. There may follow a period of questions and answers, and adjustments, between the Project Management Agency and the service provider (month 5).

2.3 Once the Project Management Agency has approved the annual work plans submitted by each service provider, it forwards the full compiled annual work plan to the Executive Committee, for their review and approval.

2.4. There may be a period of questions, answers, and adjustments, between the Executive Committee and the Project Management Agency (month 6)

2.5. The expiry of month 6 after the start of the project will mark the completion of the first cycle, comprised of family selection and technological package allocation, approval of service providers' annual work plans, and the start of technical assistance for the participating families.

3. Implementation of Cycle 1, Start of Process with Cycle 2

3.1. Month 7 after the start of the project, marks the beginning of the implementation phase and the provision of technical assistance. The technical assistance visits must also consider whether progress is being made in the implementation processes of environmental measures involving good practices and other generic measures for the type of small investments involved in component 1. These processes may include proper farm management, use of personal protection equipment, and social aspects such as equity in the distribution of project benefits as well as other topics.

3.2 At the same time, a team appointed by the service providers, one each, starts the selection and approval process mentioned above, so that they can be ready to start the technical assistance to the families of Cycle 2, twelve months after the start of the project (Months 8-9: selection of families and technological packages, as per the process described above; month 10: review and approval of the work plan, between the service provider and the Project Management Agency; month 11: review and approval of the work plan, between the Executive Committee and the Project Management Agency; month 12: start of technical assistance with the families of cycle 2 of the project, start of cycle planning)

3.3 A post-project evaluation of the effectiveness of the social and environmental measures of the project must be conducted, as per the monitoring and evaluation plan of the Environmental and Social Management Framework (ESMF).

Environmental and Social Management Duties

Project Management Agency

- Hiring environmental and social specialist(s)
- Ensuring the inclusion of best environmental and social practices in the design of sub-projects and technical assistance.
- Considering the environmental conditions of farms and the situation and interests of beneficiaries.
- Conducting consultation processes (and FPIC- free, prior and informed consent- in cases involving Indigenous Peoples).
- Providing technical assistance in best execution practices.
- Reporting to the Trust (Executive Committee) on the actions carried out in environmental and social aspects, pursuant to the service agreements.
- Putting together mid-term and final reviews regarding the implementation of safeguards and lessons learned.
- Managing licenses and permits required by the sub-projects.

- Field supervision of preparation, technical assistance and planting activities.
- Reporting to the Executive Committee on progress and any necessary adjustments for the Project Management Agency.
- Approval and provision of the licenses and permits required.

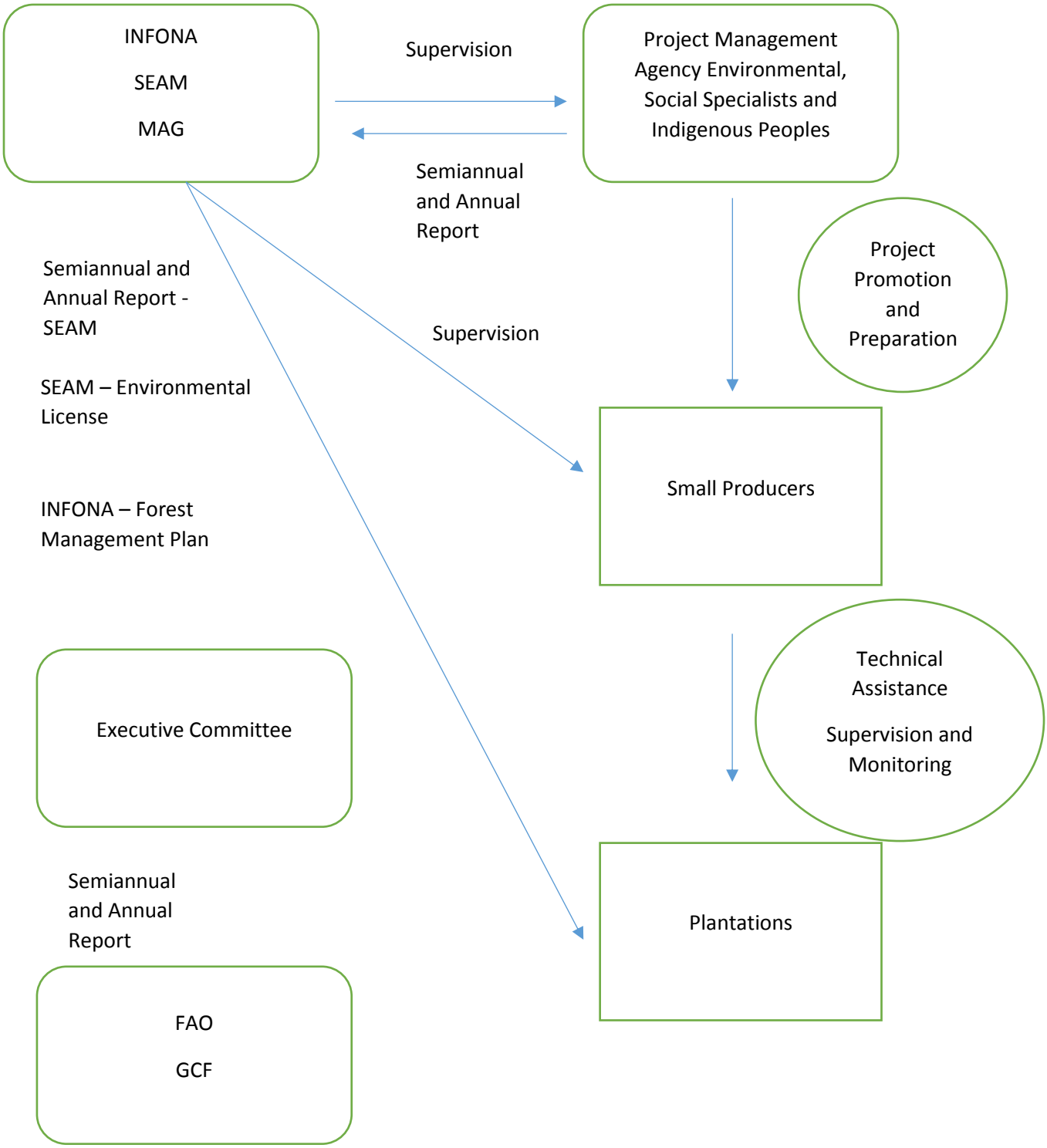
Executive Committee

- Supporting FAO's environmental and social supervision.
- Reporting to FAO on compliance with the Environmental and Social Framework, and to the GCF via FAO.
- Mid-term and final reviews, including environmental and social aspects.

Social Action Secretariat (SAS)

- Georeferencing and measuring beneficiary farms in the PROEZA project area by means of geographic information systems (software, training and equipment).
- Installing georeferencing monitoring systems in the family farms involved, training staff on how to manage them by means of equipment and trained human resources.
- Offering training courses to beneficiaries and field officers on environmental topics (environmental protection and management, and other topics), social aspects (psychological and other types of support), technical aspects (repair and maintenance of machinery and equipment), financial matters (management of economic resources and other such topics).

Component 1 Flowchart- **Institutional arrangements for the environmental evaluation and management of the project**



Component 2

Approval of Medium-Size Plantation Projects

Component 2 is a parallel financing component. This implies that not all the investments made will necessarily credit their carbon benefits to the PROEZA project, given that compliance with the environmental and social safeguards cannot be ensured. For PROEZA (and hence GCF and FAO) to be able to credit to the total project these contributions, the sub-investments in bioenergy forest and other types of plantations, such contributions must qualify via a due diligence process, ensuring that they have complied with the Performance Standards and that the producers and companies have an ESMS in place for environmental and social management.

The evaluation stages and procedures are as follows:

1. Selection, rating and training of Financial Intermediaries

Project design contemplates one financial intermediary, the AFD (*Agencia Financiera de Desarrollo*). Other financial intermediaries may be added during implementation. Although these financial intermediaries do go through due diligence to ensure environmental legal compliance, they do not currently include the Performance Standards (PS) or Equator Principles. The capacity to do so must be established by means of specialized training. Once training has been conducted and the due diligence capacity has been verified as per the PS, the financial intermediaries can verify directly the investments that will be eligible for the project.

2. Investment evaluation

The investment projects wishing to participate in the project, either based on their own will to participate, or as a result of the promotion and capacity enhancing activities of the project, must go through an evaluation process to verify their application of the Performance Standards. This process will initially only require support from the Project Management Agency to evaluate the projects.

3. Supervision, Monitoring and Evaluation

The Project Management Agency and the financial intermediaries must put in place a supervision program to ensure compliance with the PS and with any actions that may have resulted from the evaluation of the producers' ESMF.

Environmental and Social Management Duties

Project Management Agency

- Evaluating producers' ESMF
- Considering the application of PS to projects
- Calculating carbon benefits
- Reporting on compliance of projects as a whole, with respect to environmental and social management

SEAM-MAG-INFONA

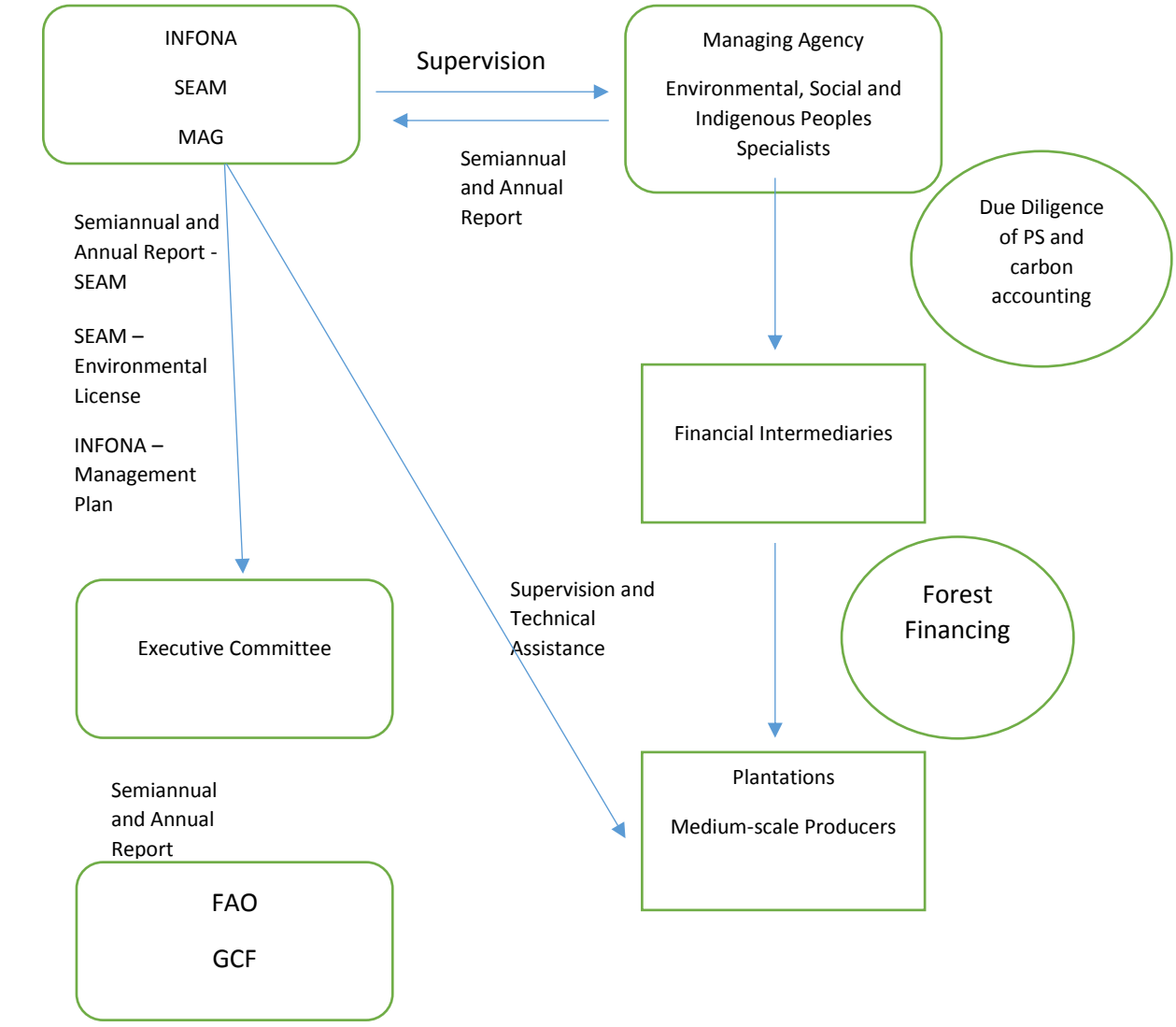
- Supporting the dissemination of forest certification

- Supervising legal and regulatory compliance
- Supervising plantations
- Reporting to the Executive Committee
- Establishing technical assistance standards for producers and training

Producers

- Keeping an ESMF in place
- Certification of plantations and complying with PS

Component 2 Flowchart – **Institutional arrangements**



Annex 2. Stakeholder consultation/Stakeholders action plan

Consultation process

This part of the document describes the experiences of the stakeholder workshops conducted as an essential step to complete the PROEZA full project proposal and its subsequent presentation to the Green Climate Fund (GCF) Board. Both the PROEZA socialization workshop, held in October of 2016, and the results of the stakeholder workshops reported on here, were very well received. The participants were very active, expressing their opinions in both verbal and written form, during the sessions and on surveys provided them.

Between July and August 2016, technicians of the Ministry of Agriculture´s PRODERS, consulted with the farmers the objective to know the interest of the same in carrying out forestry activities in their Farms, which are located in several micro-watersheds and settlements. In the consultations, forestry activities were highlighted such as reforestation, agroforestry, native forest management, protection of watercourses and water springs. The farmers included in the consultation process were selected based on their efficiency in the implementation of the PRODERS project. Among the most outstanding results, it was observed that of a total of 9,188 consulted farmers, 3,155 farmers showed interest in forestry activities in their farms, whose total area reaches 3,581 hectares. This result indicate the great acceptance of forest products by farmers, information to be taken into account for the PREOZA project.

Within the framework of the PROEZA project, and as a last step before the presentation of the full project proposal to the GCF, the PROEZA working group decided to conduct stakeholder workshops focused on different sectors - public, private, NGOs, civil society, beneficiaries - in order to obtain their views on how the project is defined, and receive their comments and suggestions.

The PROEZA inter-institutional working group organized 7 workshops in the period December 2016 – January 2017 - 1 for each of the Departments involved in the project – following the schedule presented below:

Identification of stakeholder(s)	Date	Participants	Location
Beneficiaries (consultation in farms through rural extensionists)	06/16 to 08/16	9,188	Caaguazú and San Pedro
Civil society, NGOs, governmental staff	16/12/16	56	Asunción
Beneficiaries, Civil society, NGOs	20/12/16	47	Caaguazú
Civil society, NGOs, governmental staff	21/12/16	14	Alto Paraná
Beneficiaries, Civil society, NGOs	04/01/17	14	Itapúa
Beneficiaries, Civil society, NGOs	06/01/17	11	Canindeyú
Beneficiaries, Civil society, NGOs	11/01/17	15	Concepción
Beneficiaries, Civil society, NGOs	12/01/17	8	San Pedro

The design for each of the workshops consisted of the presentation of the project history/background, the project's structure and its components, the 5 technical production packages, followed by questions and answers during which a survey was also distributed to gather more information from the participants Thus, the total estimated time for each workshop was 125 minutes.

Workshop 1: National Level, Asunción

The national workshop was conducted on December 16, 2016, hosted by the National Forestry Institute (INFONA). More than 50 people from 20 different institutions participated, from both the public and private sectors, NGOs and civil society, as shown in the following table.

NUMBER OF PARTICIPANTS PER ORGANIZATION WORKSHOP

NRO.	Organization	Assistants
1	INFONA	17
2	STP	7
3	Ministry of Agriculture and Livestock (MAG)	5
4	School Ag. Sciences – National University	4
5	Paraguay Rural Association (ARP)	3
6	FECOPROD ((Fed. of Production Coops.)	2
7	ITAIPU bi-national	2
8	SEAM (Environment Secretariat)	2
9	SENAVITAT (Housing Secretariat)	2
10	MOPC (Min. of Public Works and Comm.)	2
11	A Todo Pulmón (NGO)	1
12	FEPAMA (Association of wood producers)	1
13	FOREST CONSERVATION FUND	1
14	FOUNDATION YVY PORA	1
15	WWF	1
16	MH (Finance Ministry)	1
17	FCBT (Tropical Forest Conservation Fund)	1
18	GP	1
19	SOLIDARITY (NGO)	1
20	UNIQUE WOOD (Private sector)	1
TOTAL		**56**

In general, participants were very positive regarding the project. They were very active during questions and answers, expressing their concerns and offering suggestions. Suggestions provided on the surveys systematized, the most frequent of which are presented in the following table:

MAIN SURVEY RESULTS

Most common suggestions	Frequency
Strengthen institutions to enhance their capabilities	11
Transparency (accountability)	11
Monitoring and evaluation	10
Ensure the commitment of those involved	9
Communication between the implementors and beneficiaries	8
Management efficiency	7
Plurality in the formation of Committees	6
Ensure sales	6

Technical assistance	6
Use of data to check compliance	5
Good management	5
Other	36

Among the most-mentioned suggestions is that the project should strengthen the institutions involved to improve their technical capabilities, and that the project be transparent and accountable. Another high priority suggestion was that the project be monitored and evaluated frequently.

Workshop 2: Coronel Oviedo – Caaguazú Department

The second workshop took place in the city of Colonel Oviedo, Caaguazú Department, on December 20, 2016, in the departmental government building, and was led with the support of the Departmental Development Council. There were 47 participants from 21 institutions, highlighted by the participation of representatives of 13 towns, and 10 representatives of the Caaguazú departmental government. The following table shows the number of attendees per organization.

NUMBER OF PARTICIPANTS PER ORGANIZATION

NRO.	Organization	Participants
1	Caaguazú Dept. Govt.	10
2	INFONA	5
3	Juan M. Frutos municipality	5
4	STP	4
5	Public Ministry	2
6	Caaguazú municipality	2
7	Cecilo Báez municipality	2
8	Colonel Oviedo municipality	2
9	La Pastora municipality	2
10	San José de los Arroyos municipality	2
11	Raul A. Oviedo Standing Committee	1
12	Cooperative COPOFIEL	1
13	MAG, La Pastora	1
14	(illegible)	1
15	(illegible)	1
16	Carayaó municipality	1
17	José D. Ocampos municipality	1
18	Nueva Londres municipality	1
19	Raul A. Oviedo municipality	1
20	Vaquería municipality	1
21	Yhu municipality	1
TOTAL		**47**

The project was well-received and the participants responded positively, which provided for good commentary and suggestions. In particular, the importance of ensuring the sustainability of the project was mentioned as well as the fact that it should not be subject to politics. Likewise, the importance of the indigenous communities was highlighted, since part of the geographic location of the project includes

districts with important indigenous communities. Among the suggestions collected from the survey were the following:

MAIN SURVEY RESULTS

Most Common Suggestions	Frequency
Inter-agency Coordination	9
Technical assistance	9
Management efficiency	6
Create awareness regarding environmental controls	5
Monitoring and evaluation	3
Training for vulnerable populations	3
Working together with the beneficiaries	2
Conduct studies regarding to the biology of the soils within the project	2
Provision of inputs and seedlings	2
Strengthen institutions to enhance their capabilities	2
Long-term financing	2
Establish methods to select beneficiaries with the municipalities	2
Benefit to producers	2
Ensure the commitment of stakeholders	2
Other	6

During this workshop, many comments reference the importance of inter-agency coordination for the project to be successful. For example, several participants pointed to the necessity of good coordination between the implementing institutions and municipalities in areas where the project will be implemented. Another observation that arose frequently among the participants was the importance of adequate technical assistance for the implementation of the project, which will lead to greater ownership by the participating families, resulting in project sustainability.

Workshop 3: Ciudad del Este - Alto Paraná Department

The third day workshop took place in city of Ciudad del Este, Department of Alto Paraná, on Wednesday, December, 21, 2016 in the municipal government building of Alto Paraná. This event was attended by 14 people from 13 institutions, and it was carried out with the support of the Departmental Development Council. The following table shows the number of attendees and their corresponding institutions.

NUMBER OF PARTICIPANTS PER ORGANIZATION

NRO.	Organization	Participants
1	CRS	1
2	MAG/Minga Guazú	1
3	SENATUR	1
4	ANDE (Nat'l Electric Co.)	1
5	UIP (Industrial Assoc.)	1
6	Regional Heath Council	1
7	ARP	1
8	Chamber of Commerce	1
9	Itaipú bi-national	1

10	SAS	1
11	INFONA	1
12	STP	2
13	YASEMA	1
TOTAL		**14**

As in the previous workshops, there was a positive reception from the participants regarding the PROEZA project and the event generated important suggestions and comments. Among the most frequent suggestions offered by attendees was once again the need for adequate technical assistance for the implementation of the project. Another recommendation was to focus the project entirely toward small producers.

The need to raise awareness regarding environmental controls and the enforcement of existing laws was mentioned, in order to make the implementing institutions more efficient. Finally, emphasis was given to the importance of communicating project activities and results through communication and mass media, offering information to those that want to know more about the project. The Main Survey Results table follows:

MAIN SURVEY RESULTS

Most Common Suggestions	**Frequency**
Technical assistance	2
Re-orient the project to small producers, large producers destroy the environment	1
That the institutions apply the law	1
Share project results through videos	1
Concessionary loans, titling, focused on small-scale producers	1
Raise awareness among those responsible for environmental controls	1
Empowerment of the beneficiaries	1
Require that large producers obey the law	1
Ease of access to information about the project	1
Municipalities and institutions working together	1

Workshop 4: Pirapo – Itapua

The fourth journey was held in the city of Pirapó, Department of Itapúa. On the occasion, the total number of participants of the day was 14 people of different institutions. At opposite other days, it was observed that representative of the productive sector participated, as can see in the following table.

NUMBER OF PARTICIPANTS PER ORGANIZATION

NRO	**Organization**	**Participants**
1	Association of farmers	3
2	Alto Verá Municipality	2
3	Edelira Municipality	3
4	ACP	1
5	Itapúa Poty Municipality	1
6	San Pedro del Paraná Municipality	3
7	Yerba Mate associarion	1
	Total	**14**

In this journey a lot of suggestions and observations were obtained through the questionnaire share to the attendees.

MAIN SURVEY RESULTS

Most Common Suggestions	**Frequency**
Improve coordination among organizations	11
Grant for small farmers	7
Technical assistance	7
Followup and continuity with the Project	7
More organization and Support among technicians	6
Participation of authorities	5
It is the unique way to achieve afforestation	4
Suitable sharing in time and shape of resources	4
Wages for the farmers included in the project	4
Logistic Support	4
Jointly work between farmers and technicians	3
Ensure access to market	3
Take into consideration the productive cycle of species	2
Respect to the recommendations of the farmers committee	2
Beneficiaries selection	1
Common objectives for farmers	1

Workshop 5: Curuguaty – Canindeyu

The fifth journey was developed in the city of Curuguaty, Department of Canindeyú. It was attended by 11 participants from different institutions, as could be seen in the following table.

NUMBER OF PARTICIPANTS PER ORGANIZATION

NRO	**Organization**	**Participants**
1	Jopoi Rekavo	2
2	C. de M. 15 de M.	1
3	Municipalidad de Curuguaty	2
4	Comité de productores	1
5	Municipalidad de Itanará	1
6	Municipalidad de Villa Ygatimi	1
7	STP	3
Total		**11**

As for the suggestions collected through the questionnaires distributed to the participants, a good acceptance of the project was noted. Among some interesting comments, participants expressed that component 1 of the project is a good and safe way to generate income and preserve nature, and that it is economically and ecologically sustainable. Other comments concerned that in the short term the project should ensure the empowerment of beneficiaries, as well as ensure technical assistance to them. These comments are similar to those that had emerged in previous days.

MAIN SURVEY RESULTS

Most Common Suggestions	Frequency
Stakeholders empowering	2
Ensure access to market	2
Coordinate the execution between different institutions	5
Technical assistance is needed	4

Workshop 6: Horqueta – Concepcion

The sixth informative journey took place in the district of Conception, Department of Canindeyú. The meeting was attended by a total of 15 participants from different institutions and organizations, as shown in the following table.

NUMBER OF PARTICIPANTS PER ORGANIZATION

NRO	Organization	Participants
1	MAG	3
2	Municipalidad de Belén	2
3	Municipalidad de Loreto	1
4	Municipalidad de Horqueta	1
5	Municipalidad	1
6	Líder	4
7	UNOSP	1
8	STP	2
Total		**15**

With regard to the suggestions collected through the questionnaires shared to the participants, a good acceptance of the project was once again perceived. Among the most frequent collective proposals, participants indicated that technical assistance to farmers is needed, while suggesting effective coordination between the different institutions that carry out this project. Other suggestions related to the beneficiaries needs to have the enough resources for the effective implementation of crops, as well as for each of the parties involved to fulfil the responsibilities assumed. As was mentioned in previous days, part of the participants also suggested that should be engaged some control agencies to follow up the project.

MAIN SURVEY RESULTS

Most Common Suggestions	Frequency
Technical assistance	11
More coordination among national institutions	9
Provide enough resources	6
Accomplishment of commitments	6
Grants are important to engage people	5
Allow to have more incomes for small holders	4
It is need control organizations	4
All institutions should be engage	3
Beneficiaries sensibilization	3
Good administration of resources and transparency	2

Workshop 7: Gral. Resquin – San Pedro

The seventh journey was held in the city of Gral. Resquín, Department of San Pedro. It was attended by 8 participants from the local municipalities, as registered in the following table.

NUMBER OF PARTICIPANTS PER ORGANIZATION

NRO	Organization	Participants
1	Lima Municipality	1
2	Choré Municipality	2
3	Gral Resquín Municipality	1
4	Liberación Municipality	2
5	STP	2
Total		**8**

The group expressed collective suggestions that refer to the management of the project, such as good planning, execution and control, as well they requested a good joint work of the institutions with the farmers. Once again it was included among the suggestions, the technical assistance to the beneficiaries and that the project should has an assured commitment that allows to have continuity in the time. Overall, the perception about the PROEZA was very positive, encouraging to begin as soon as possible.

MAIN SURVEY RESULTS

Most Common Suggestions	Frequency
The selection of beneficiaries should be well done	2
Transparent implementation	2
It is important to have a continuity of the Project implementation	2
Technica assistance	2
Good planning, execution and control	4
Work close with the farmers to strenghten the project	3

Final considerations

The stakeholder workshops constitute a participatory mechanism for key stakeholders who will benefit in the implementation of the project, in addition to achieving a better understanding of the programs and services that the Government promotes through the various institutions involved in the process, with the purpose of contributing to the improvement of the standard of living of the most vulnerable populations who are most affected by the tack of climate variability.

The information collected from participants is fundamental to establish a constructive dialogue with the promoters and leaders that represent the districts in the project impact zone, in order to generate synergy and greater opportunities for all. Some concluding points reading the importance of the stakeholder engagement process begun in December 2016 include:

- They promote greater knowledge of public policies supported by the Government of Paraguay in the area of adaptation to climate change.
- They presented participants with a series of issues relevant to the project in order to obtain feedback and key points.

- They contribute to the empowerment and ownership of the project by the most vulnerable populations.
- They contribute to the coordination and joint efforts among the various agencies of the national government.
- They encourage the exchange of views among different interest groups.
- They support, in a public way, the work of public officials and institutions that lead the process.
- They generate information-sharing about the project and thus constitute a mechanism for accountability.

Stakeholder engagement plan

Stakeholders identification

Stakeh. group	Key stakeholders	Summary of specific interest
Governmental organizations	**Executive Committee:** STP: Ministry of Planning for Social and Economic Development. INDI: The National Institute for Indigenous Development. INFONA: National Forestry Institute. MAG: Ministry of Agriculture and Livestock. SAS: Social Action Secretariat. SEAM: Environment Secretariat. VMME: Vice Ministry for Mines and Energy.	Political interest on result achievements for increasing the standard of life of the beneficiaries.
	PROEZA working group: INFONA, MAG, SAS, SEA and VMME – MOPC.	Both, political interest and technical capacity improvement.
	Others: Itaipu Binational Housing Secretariat (SENAVITAT) Ministry of Economy	Climate change mitigation. Increase wood availability. National income increase.
Indigenous organizations	**Third level:** Federation for Self-Determination of Indigenous Peoples, Kuña Guaraní Aty Organization, Continental Council of the Guaraní Nation, Organization of Peasant and Indigenous Women, Indigenous Regional Federation of the Chaco.	Political strengthening of the indigenous organizations.
	Second level: Mbya Rekoapy Association, Association of Indigenous Communities of San Pedro, Association of Independent Communities, Opy Porä Association, Association of Guaraní Indigenous Communities of Alto Paraná, Association of Mbya Mba´e Pu Porä Communities, Association of Lower Canindeyú Indigenous Communities, Association of Ache Communities.	Results achievements for increasing the standard of life of the indigenous beneficiaries and promoting a transformational change of indigenous people. Strengthening of organizational capacities through PROEZA implementation.
Indigenous people in footprint area	14,800 indigenous people in 8 Departments (Concepción, San Pedro, Guairá, Caaguazú, Caazapá, Alto Paraná, Canindeyú, Itapúa)	Direct beneficiaries. Income increase, changing of standard of life and adaptation to climate change.

No indigenous people (peasants) in footprint area	138m200 peasants in 8 Departments (Concepción, San Pedro, Guairá, Caaguazú, Caazapá, Alto Paraná, Canindeyú, Itapúa)	Direct beneficiaries. Income increase, changing of standard of life and adaptation to climate change.
Private sector	Small and Medium farmers that have access to concessional credits.	Direct beneficiares. Income increase.
	Paraguayan Federation of Wood Manufacturing companies (FEPAMA), and the Paraguayan Livestock Association (ARP), Federation of Production Cooperatives (FECOPROD)	Increase availability of wood in market and promote sectorial grown.
No governmental organizations	A todo Pulmon ONG. Foundation Yvy Porá WWF Tropical Forest Conservation Fund (FCBT) Solidarity	Technical services provider and organizational development opportunities.
Academy	School of Agronomy – National University of Asuntion	Technology development and options for science application.

Engagement plan

Activity	Information to be handled	Timing
Steering Committee (SC)	Financial information and results achievements.	Twice in year
Executive Committee (EC)	Operational administrative information.	Day – to – day
General informative PROEZA event. National, regional and local stakeholders, open to all who are interested from the public and private sectors, and NGOs and the public at large, as well as beneficiaries	Impacts, outcomes and output.	Bi-annual
Direct contact with beneficiaries	Technical information and training	As scheduled (at least 6 times on year)
Local development councils	Operational planning and results achieved	Every month for assessment and adjust planning.
NPRP and CCNC	Results achievements, impact and outcomes.	Regularly (at least quarterly)
Public information through press notes.	Results achievements, impact and outcomes.	Every month and after the Steering Committee meeting.

Dissemination of the stakeholder engagement plan

This plan will be disseminated to stakeholders and communities through:

a) PROEZA´s STP web page.
b) Inception workshop once the PROEZA has been approved.
c) Every time that the stakeholder groups mentioned above meet.
d) Specific brochure about the PROEZA´s stakeholder engagement (both languages).
e) Meetings to be held by the different governmental participating organizations with the stakeholder.
f) Other communicational material to be design and prepared during project implantation.

ANNEX 3. Consultation to Indigenous Peoples/Indigenous Peoples Planning Framework

Risks based on answers to trigger questions

Trigger questions	Risk level (based on answers)		
	Low	Moderate	High
1. Are there any indigenous communities in the project area?		**YES**	
2. Are project activities likely to have adverse effects on indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	**NO**		
3. Are indigenous communities outside the project area likely to be affected by the project?	**NO**		

Characterization of risk level

LOW: At project assessment there are no indigenous peoples in the project area and there are no apparent risks associated with project activities.	
MODERATE: There are indigenous peoples in the project area and/or project activities could affect indigenous peoples outside the project area. The project activities will impact without major disruption indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions and governance systems. Project activities should be designed to address and mitigate any potential impacts.	At project assessment there are indigenous peoples in the project area but there are no apparent risks associated with project activities.
HIGH: There are indigenous peoples in the project area or outside the project area who are adversely affected by the proposed project activities. In these cases, an Indigenous Peoples Plan will be prepared in full consultation with the affected communities and with advice from the Project Task Force. The IPP will have to be approved by the indigenous community, as well as by the FAO unit responsible for indigenous people.	

Consultation

Consultation, as it relates to indigenous communities, has a specific and technical definition in Paraguay, and reflects the country's commitment to national and international norms regarding the methodology used to ensure the participation of indigenous peoples in the implementation of projects affecting them. Free, prior and informed consultation is recognized as a fundamental right and as a protection of the indigenous worldview and culture, and a duty of the government to apply when working with indigenous communities.

For example, the government adheres to articles within its own constitution (Chapter V, Article 62), the International Labor Organization (Convention, 169, article 6), and the United Nations Declaration on the Rights of Indigenous Peoples (article 19) to foster equal rights, good faith, multi-culturism and adequate, timely access to information in working with indigenous communities.

Previous experiences with consultations have informed the one initiated by the PROEZA Working Group. In 2011, SEAM, INFONA and FAPI *(Federación por la Autodeterminación de los Pueblos Indígenas)* signed the UN REDD program agreement to address carbon emissions and climate change. During the design phase of the program, FAPI was instrumental in coordinating the 6 – stage consultation process that informed indigenous peoples and their organizations about climate change and REDD+ nationwide, and provided for their express consent to participate or not. The result of this process was the creation of

guidelines for the implementation of the UN REDD Program from the perspective of the indigenous communities. The protocol for free, prior and informed consent of indigenous communities that was produced by UN REDD informed the consultation framework and participation plan for PROEZA.

In 2015, the SAS approved its own 5 - stage consultation protocol via resolution N° 043/2015. Building on this initiative and aiming to give preferential attention to indigenous families within its cash transfer program Tekoporâ, that same year the SAS also approved the "Module for the Inclusion of Indigenous Families to the Tekoporâ program", through resolution N ° 1110 / 2015. The module sets forth the specific procedures required for indigenous families to receive a uniform amount of money, among other items.

The PROEZA Working Group has utilized the framework described above to design and initiate its indigenous consultation plan, which to date includes the following advances:

1. Draft Consultation Plan Framework: With the participation of consultants and staff from the FA and the STP.
2. Meeting with the President of INDI: To present the proposed framework, based on the prior experiences mentioned above. The President and his technical staff approved the framework. The parties agreed to form an ad hoc working group to develop the consultation plan, within the framework of INDI's inter agency Food and Nutrition Security group.
3. Final Draft of Consultation Plan Developed: As of May 5, 2017.
4. Field Application of Consultation Plan: During the period June – July 2017.

Specific plan for the PROEZA Project

The concept of consultation for the purposes of this project has a very specific and technical definition as it relates to indigenous communities, and reflects Paraguay's commitment to national and international norms on the subject of the mechanism used to ensure the of participation of indigenous peoples in the implementation of plans, projects or other measures affecting indigenous communities. Free, prior and informed consultation relates is recognized as a fundamental right and as a protection of the indigenous worldview and culture, and a duty of the Government of Paraguay to apply for working together in communities.

Chapter V, article 62 of the Paraguayan Constitution states: *"The Constitution recognizes the existence of indigenous peoples, defined as groups of cultures prior to the creation and organization of the Paraguayan State", and article 65 designates, "indigenous peoples are guaranteed the right to participate in the economic, social political and cultural life of the country, in accordance with its customary uses".*

Further, the Paraguayan Government is a subscriber to the International Labor Organization's Convention, 169, article 6 of which states: *"When applying the dispositions of this convention, governments should: I. Consult the peoples concerned through appropriate procedures and in particular through their representative institutions, whenever legislative or administrative measures which may affect them directly... IV provision. The consultations carried out in application of this Convention should be made in good faith and in a manner appropriate to the circumstances, with the aim of reaching an agreement or obtain consent about the proposed measures."*

Similarly, in the United Nations Declaration on the rights of indigenous peoples, article 19 expresses: *"States shall consult and cooperate in good faith with the indigenous peoples concerned through their representative institutions before adopting and implementing legislative or administrative measures that affect them, in order to obtain their free, prior and informed consent".*

Guiding Principles

The following guiding principles will be applied to carry out the consultation activities called for within the project framework:

- **Equal Rights.** To ensure recognition of the prerogative which is inherent in all people, by their human condition.
- **Good Faith.** To ensure honest and fair interaction that is not misleading, and based on the value of one's word, build a harmonious and honest relationship respecting agreements that ensure trust.
- **Multiculturism.** Based on respect for cultural and geographical diversity, which implies the handling of relationships in horizontal, equal manner.
- **Adequate, Timely and Accessible Information.** The facilitation of program information in a timely and accessible manner to the indigenous culture.

Inter-Agency Coordination in the Consultation

The procedure presented in this document is a guide for the relationship between public institutions involved in this project and the indigenous communities which are located in the departments and districts of the proposed project area. This procedure is intended to obtain the consent of indigenous communities to the implementation of measures envisaged in the PROEZA project and the consent is binding.

Summary of the already executed consultation meetings[11]

First approach.- During the PROEZA formulation process, the Ministry of Agriculture and Livestock through the National Project Management and Coordination Directorate (Dincap), more specifically through the Sustainable Rural Development Project (PRODERS), made a series of presentations and enabled consultation spaces with representatives and leading leaders of the indigenous communities of the Departments of Guaira and Caazapá on the objectives and status of the PROEZA proposal; this initiative fell within the activities of Consultations for the selection of Indigenous Communities beneficiaries of the PRODERS Project of the Ministry of Agriculture and Livestock.

Inter-institutional coordination and operational route of the Consultation.- Within the framework of the preparation process of the PROEZA project for this first stage of the FPIC, a national technical team was set up to coordinate the Inter-institutional Consultation, composed of the Technical Secretariat for Planning, the National Institute of Indigenous Affairs and FAO, in May 2017. This working group developed the preparatory roadmap for FPIC, which included 3 key milestones: i) training on WGVDs, ii) organization of the first meeting with representatives of 3rd level indigenous organizations to define the work plan for the implementation of the Consultation and the guiding procedure for the relationship with the indigenous communities that are located in the departments and districts of the proposed area, and iii) the baseline identification.

Representatites consultation 1 (C.1).- Following the consultation roadmap, the meeting was coordinated with representatives of Third Level Indigenous Organizations, held on May 31, 2017. Participants were leaders and representatives of indigenous organizations representing their partner organizations (Federation for Self-Determination of Indigenous Peoples, Kuña Guaraní Aty Organization, Continental

[11] See more and extensive information in **Indigenous peoples planning framework**.

Council of the Guaraní Nation, Organization of Peasant and Indigenous Women, Indigenous Regional Federation of the Chaco).

Representattives consultation 2 (C.2).- The second meeting was coordinated with representatives of Indigenous Organizations of second level, of the 8 departments, territory defined for the execution of PROEZA. It was held on July 26, 2017 with the participation of: Mbya Rekoapy Association, Association of Indigenous Communities of San Pedro, Association of Independent Communities, Opy Porä Association, Association of Guaraní Indigenous Communities of Alto Paraná, Association of Mbya Mba´e Pu Porä Communities, Association of Lower Canindeyú Indigenous Communities, Association of Ache Communities.

Process

Department	Number of Districts with Indigenous Communities	Total number of Communities	Total Population	Number of Group Workshops	Number of Community Workshops
Concepción	7	25	3.604	2	3
San Pedro	12	38	3.720	2	3
Guairá	2	13	2.543	2	3
Caaguazú	12	58	9.321	4	3
Caazapá	4	27	3.430	4	3
Alto Paraná	8	39	5.464	4	3
Canindeyú	9	124	12.420	8	3
Itapúa	11	30	1.965	2	3
Total	**65**	**354**	**42.487**	**28**	**24**

Total districts: 65
Total indigenous communities: 354
Total population: 42,487
Total Group Workships: 28
Total Community Workshops: 24

Planning

- Conduct a general analysis of the situation of the community in particular.
- Conduct visits to the identified communities
- Preparation of informational materials about the project adapted for better communication with indigenous communities.
- Develop a consultation questionnaire.
- Briefing with the local municipality.
- Set the day, date, time, place and the necessary logistics.
- Make and distribute invitations to the leaders in the participating communities, for at least 2 people in each community, encouraging the participation of women.

Creation of the technical team that will carry out the consultations:

To carry out the consultations the Executive Committee will create technical coordinating team at the central level and the necessary local technical support teams follows: an inter-agency team that is responsible for the planning of the previously-mentioned activities will be led by the STP, who will define a methodology suitable for each territory and accompany the implementation of the planned

consultations. This team will be comprised mainly of technicians from INDI, the MAG's Department of Technical Assistance to Indigenous Peoples (ATCI), the PRODERS project, and the Paraguay Inclusive Program (PPI), with the support of the priority area of indigenous peoples and food security and nutrition FAOPY.

Local Technical Support Teams:

These will be legal and technical teams from the different programs and/or projects that are being implemented by Executive Committee member agencies, from the STP's Planting Opportunities Program and Arovia, INDI's joint program of food safety and nutrition (PC SAN), and from the MAG's previously-mentioned programs, and in close coordination with the departmental and municipal authorities among others. These teams will be the principal point of initial contact with the indigenous communities.

Tentative schedule: 60 days from the project approval date.

N°	Department	Work Plan	
		Month 1	Month 2
1	Concepción	Workshop 1: Consultation	Workshop 2: Consent
2	San Pedro	Workshop 1: Consultation	Workshop 2: Consent
3	Guairá	Workshop 1: Consultation	Workshop 2: Consent
4	Caaguazú	Workshop 1 y 2: Consultation	Workshop 3 y 4: Consent
5	Caazapá	Workshop 1 y 2: Consultation	Workshop 3 y 4: Consent
6	Alto Paraná	Workshop 1y 2: Consultation	Workshop 3 y 4: Consent
7	Canindeyú	Workshop 1, 2, 3 y 4: Consultation	Workshop 5, 6, 7 y 8: Consent
8	Itapúa	Workshop 1: Consultation	Workshop 2: Consent

Content Development:

Activity 1: A brief diagnosis of the situation in terms of the natural resources of each community, identifying the number of hectares used for cultivation, for forest, and used for housing and services such as school, other.

Activity 2: Interactive presentation of the PROEZA project, taking into account the predominant language of the participants. Delivery of a copy of the presentation in paper format to each participant. Answer all queries performed by the participants (until all questions answered) respecting the times of the participants.

Activity 3: Identification of the community contacts and PROEZA representatives locally, and facilitating phone contacts.

Activity 4: Definition of procedure of communication, monitoring and frequency of meetings to achieve consent.

Activity 5: Signing of the meeting minutes and the agreements reached.

Activity 6: The second consultation day is to receive the response and consent from the community Consent can also be given on the first day workshop carried out.

Activity 7: Signing of the community consent document.

Activity 8: Define the procedure for the resolution of conflicts.

Activity 9: According to the case, a meeting will be set for consensus-building to resolve conflicts.

Activity 10: Synopsis and notes of meetings for each district.

Recommendations provided by the indigenous people during the consultation process[12]

Activities	Recommendation	Comment
Impact Statement: PROEZA promote incentives to mitigate climate change through planting fast growing trees in mixtures with valuable native species in an environmental friendly and socially responsible way at the same time that rural poverty and extremely poverty is reduced as a path to increase resilience and adaptation to climate change. On the other hand, PROEZA's adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change through the diversification of production and options to increase family income through intensive social and technical assistance for the establishment of climate-smart agroforestry production systems and/or multifunctional "Close-to-Nature" planted forests (CTNPF) generating mitigation. **Outcome Statement:** As PROEZA's adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change, the beneficiaries are 153,000 people living in poverty and extreme poverty in the project area affected by climate change, of which 76,000 are women and 14,800 are indigenous. The indirect beneficiaries are the 141,306 poor and extremely poor households (720,000 people/360,000 women) registered in Tekoporã (social protection programme) that could also be benefited from the transformational change to be promoted by PROEZA. Also, 7,500 household will introduce improved cooking stoves benefiting the family and mainly the women by reducing their exposure to high level of emissions by cooking with traditional stoves.		
General recommendation	C.1.5 They recommend reaching communities that rent their land, prioritize deforested communities, without forests no one can live well, that the project has a relevant cultural focus of each people. C.1.8 Another important recommendation, explain well to people what exotic species mean and take care that promotion as an income opportunity is prioritized because it can lead to loss of culture. C.2.9 Respect the timing of the indigenous communities for the implementation of the Project.	One of the criteria for defining the initial working area of PROEZA inside the footprint area is the high level of exposure of beneficiaries. Indigenous people could decide about the CTNPF model to be established in their property, however the models to be promoted should be around of the most natural possible, avoiding the issues of exotic forest species. Indigenous people will be firstly assistance taking into consideration that need special timing.

[12] Representatives of Third Level Indigenous Organizations - May 31, 2017 (Federation for Self-Determination of Indigenous Peoples, Kuña Guaraní Aty Organization, Continental Council of the Guaraní Nation, Organization of Peasant and Indigenous Women, Indigenous Regional Federation of the Chaco); and Representatives of Second Level Indigenous Organizations of the 8 departments - July 26, 2017 (Mbya Rekoapy Association, Association of Indigenous Communities of San Pedro, Association of Independent Communities, Opy Porä Association, Association of Guaraní Indigenous Communities of Alto Paraná, Association of Mbya Mba´e Pu Porä Communities, Association of Lower Canindeyú Indigenous Communities, Association of Ache Communities).

	C.2.10 Consultation in the communities, in the territory, must be done once the project is approved and it must be started with an ATY GUAZÚ (departmental meeting) and then reach the communities.	It has been already agreed during the consultation phase and this request will be attend.
Output 1: Climate-smart agroforestry production systems and multifunctional "Close-to-Nature" planted forests (CTNPF) stablished 30,000 poor and extreme poor households in the project area.		
1.1. Select, hire and audit the Project Management Agent (PMA) and the Environmental Cash Transfer Agent (ECTA)		
1.2. Provide support to improve governance and coordination and support the EC in leading the programme.	C.2.7 Projects must be considered as having medium- and long-term periods to achieve results (at least 10 years).	Paraguayan government is expecting to develop a second phase after PROEZA implementation period.
1.3. Provide assistance to vulnerable households through the Social Protection Programme	C.2.4 That the members designated by the community become technical promoters to accompany the implementation process and be paid.	As much as possible it will be select as promoters also well qualified technical indigenous people.
1.4. Make social conditional cash transfer (CCT)		
1.5. Provide technical assistance to beneficiaries	C.1.6 The technicians who work on the project must respect the knowledge of the Indigenous peoples and avoid using technical jargon, the language should be expressed in a simple way so they can understand.	Promoters will receive special training to assist indigenous people.
	C.1.1 Take into account the cultural calendar for tree planting; indigenous people have deep knowledge about plants.	CTNPF models will be implement through agreement and respecting also traditional knowledge.
	C.2.2 Young people should be involved in order to contribute to the establishment of their communities through the strengthening of their skills in trades and the revitalization of traditional knowledge and practices, such as: handicrafts, production of honey, yerba mate, medicinal plants, others.	Special technical assistance on the mentioned matters will be provided through PROEZA, building a training programme focused on young indigenous people.
	C.2.4 That the members designated by the community become technical promoters to accompany the implementation process and be paid.	As much as possible it will be select as promoters also well qualified technical indigenous people.

	C.2.8 Forestry activities should also support communities to generate income linked to the forest market.	Technical assistance will be provided on both themes, agro-productive practices and also on market access.
1.6. Make investments and wage payments to beneficiaries for the establishment of CTNPF, agroforestry and restoration models	C.1.4 Any proposal for indigenous communities should contribute to cultural strengthening and for this it is very important to consider the medicinal plants or trees that Indigenous Peoples use for the treatment of diseases, each village has its own tree.	Indigenous people could decide about the CTNPF model to be established in their property, however the models to be promoted should be around of the most natural possible, including also medicine plants and/or trees.
	C.2.5 The activities in which the members of the communities participate must be remunerated by the Project, not be considered as counterpart due to the cost of the time invested.	PROEZA will provide financial support to promote the establishment of CTNPF in poor and extremely poor household, in this sense some cost should be covered.
	C.2.6 Support the recovery (collection, storage, reproduction) of seeds of native species with emphasis on medicinal plants, the exchange of seeds and knowledge between communities and peoples. C.1.7 The project may include plants that are used in handicrafts so as to support women in strengthening them.	Models to be promoted should be around of the most natural possible, including also medicine or handicrafts plants and/or trees. Lessons learned and experience exchange are considered as technical assistance technics to be put in place to capacity building.
1.7. Make environmental conditional cash transfer (E - CCTs) to beneficiaries 1.8. Operate forest administration, supervision and control in the project area (INFONA)		
2. More efficient and sustainable technology for domestic firewood consumption.		
2.1 Introduce improved cooking stoves	C.1.2 For the construction of the improved stove it is considered that it can be done in the center of the kitchen so that members of the family can sit around it and look at each other in the face, they emphasized that for the natives the circular system is very important; it is the moment of the day when many things are shared, information, the planning of the day, etc. C.1.3 They point out that the fire must be in the center not in a corner; it is a sacred place for families.	The improved stove will be install where the family will decide.

3. Certified "New Generation Forest Plantations" (NGFPs) through which high yield forest plantations will be combined with natural forests in biodiversity reserves and watershed protection strips stablished by medium sized land owners		
3.1. Offer incentives, credit and promote establishment of NGFPs to the private sector 3.2. Make environmental audits (INFONA/SEAM)		
4. Normative adjustments and institutional changes needed to improve the business climate for afforestation approved		
4.1. Support institutional capacity of INFONA, SEAM, SAS and VMME.	C.2.1 The project should support actions that strengthen the organization of the communities themselves. C.2.3 That the communities themselves actively participate in the implementation of the Project, by being resource managers; the project should not be implemented through other non-indigenous organizations.	Technical support will also be provided to the organizations of the indigenous communities. The basis of technical assistance is the cooperation among indigenous organizations and non-indigenous organizations along exchange of experiences and knowledge. Without the national organizations that are engaged in the project implementation, it will not be possible to promote cooperation to the beneficiaries and project could not be implemented. Cooperation is essential.
4.2 Review and strengthening the legal framework and promote certification systems	C.2.11 Support communities in the management of documentation required to facilitate the marketing of their products.	As mentioned, technical support will also be provided to the organizations of the indigenous communities.

Indigenous peoples planning framework

Activities	Expected positive and negative impacts on indigenous	Measures to mitigate the impacts	Measures to ensure that affected populations receive appropriate benefits	Responsible
Impact Statement: PROEZA promote incentives to mitigate climate change through planting fast growing trees in mixtures with valuable native species in an environmental friendly and socially responsible way at the same time that rural poverty and extremely poverty is reduced as a path to increase resilience and adaptation to climate change. On the other hand, PROEZA's adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change through the diversification of production and options to increase family income through intensive social and technical assistance for the establishment of climate-smart agroforestry production systems and/or multifunctional "Close-to-Nature" planted forests (CTNPF) generating mitigation. **Outcome Statement:** As PROEZA's adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change, the beneficiaries are 153,000 people living in poverty and extreme poverty in the project area affected by climate change, of which 76,000 are women and 14,800 are indigenous. The indirect beneficiaries are the 141,306 poor and extremely poor households (720,000 people/360,000 women) registered in Tekoporã (social protection programme) that could also be benefited from the transformational change to be promoted by PROEZA. Also, 7,500 household will introduce improved cooking stoves benefiting the family and mainly the women by reducing their exposure to high level of emissions by cooking with traditional stoves.				
Output 1: Climate-smart agroforestry production systems and multifunctional "Close-to-Nature" planted forests (CTNPF) stablished 30,000 poor and extreme poor households in the project area.				
1.1. Select, hire and audit the Project Management Agent (PMA) and the Environmental Cash Transfer Agent (ECTA)	No expected impact.	N/A	Training should be provided to PMA and ECTA to deal with indigenous population on management and cash transfer.	FAO/EC
1.2. Provide support to improve governance and coordination and support the EC in leading the programme.	No expected impact. Positive impact.	N/A	Additional to the INDI, it should be include on the EC a representative of the indigenous population in agreement with the EC members.	FAO/PMA

1.3. Provide assistance to vulnerable households through the Social Protection Programme		Ensuring that social protection programme staff is well trained on supporting indigenous people taking into consideration their own culture.		Social Action Secretary (SAS)
	Positive impact.		Reviewing the Social	
1.4. Make social conditional cash transfer (CCT)		The social protection assistance should applied at the same time with a development programme as PROEZA for avoiding the dependency.	protection programme list to ensure that the beneficiaries are the most vulnerable and poor people in the most affected areas.	Social Action Secretary (SAS)
	Positive impact.		Assess the staff to be sure	
1.5. Provide technical assistance to beneficiaries		Ensuring that technical assistance staff on supporting indigenous people is well trained taking into consideration their own culture. As much as possible use indigenous technicians for providing technical support.	that it is able to provide the correct technical assistance and ensure its permanent upgradation.	INFONA/SEAM/MAG/ FAO
	Positive impact.		Provide “just in time” and	
1.6. Make investments and wage payments to beneficiaries for the establishment of CTNPF, agroforestry and restoration models		Ensure the use of the resources on the establishment of CTNPF, agroforestry and restoration models by the	enough technical assistance to ensure the use of agroforestry implementing good practices to ensure success in the	Social Action Secretary (SAS)

		indigenous population.	implementation of the models.	
1.7. Make environmental conditional cash transfer (E - CCTs) to beneficiaries	Positive impacts.		Clear definition of the conditions to be assess before to make the cash transfer.	STP/FAO/ECTA
1.8. Operate forest administration, supervision and control in the project area (INFONA)	No expected impact.	N/A		EC/INFONA/SEAM/FAO
2. More efficient and sustainable technology for domestic firewood consumption.				
2.1 Introduce improved cooking stoves	Positive impact.	The decision should be taken by the women who will deal in a daily basis with the improved stove.	Technical staff that will ensure the establishment of the agroforestry models, also should provide technical assistance to women for maintaining the improved cooking stoves in good performance.	VMME/STP/PMA/FAO
3. Certified "New Generation Forest Plantations" (NGFPs) through which high yield forest plantations will be combined with natural forests in biodiversity reserves and watershed protection strips stablished by medium sized land owners				
3.1. Offer incentives, credit and promote establishment of NGFPs to the private sector 3.2. Make environmental audits (INFONA/SEAM)	No expected impact.	In any case it is important to monitor closely the incentives to the private sector to be sure that land tenure rights of indigenous populations is not being affecting.	NGFP should be certified with the same environmental and social standard to be used by PROEZA.	BNF/AGD INFONA/SEAM
4. Normative adjustments and institutional changes needed to improve the business climate for afforestation approved				
4.1. Support institutional capacity of INFONA, SEAM, SAS and VMME.	No impact expected.	N/A		EC/STP/FAO

4.2 Review and strengthening the legal framework and promote certification systems	Positive impact.		Indigenous people should be also considered as beneficiaries for the certification system and also by the environmental services payment systems.	EC/INFONA/SEAM

Monitoring and report

Activities	Measures to ensure that affected populations receive appropriate benefits	Monitoring	Reporting	Responsible
Output 1: Climate-smart agroforestry production systems and multifunctional "Close-to-Nature" planted forests (CTNPF) stablished 30,000 poor and extreme poor households in the project area.				
1.1 Select, hire and audit the Project Management Agent (PMA) and the Environmental Cash Transfer Agent (ECTA)	Training should be provided to PMA and ECTA to deal with indigenous population on management and cash transfer.	PMA and ECTA will provide that have under their staff, high level specialist on indigenous matter.	Yearly	FAO/EC
1.2 Provide support to improve governance and coordination and support the EC in leading the programme.	Additional to the INDI, it should be include on the EC a representative of the indigenous population in agreement with the EC members.	Minutes will provide evidence that in a yearly round basis, representative of different indigenous population will be part of the EC decision process.	Yearly	FAO/PMA
1.3 Provide assistance to vulnerable households through the Social Protection Programme				Social Action Secretary (SAS)
1.4 Make social conditional cash transfer (CCT)	Reviewing the Social protection programme list to ensure that the beneficiaries are the most vulnerable	The list of the PROEZA´s beneficiaries will be	Yearly	Social Action Secretary (SAS)

	and poor people in the most affected areas.	reviewed on a yearly basis.		
1.5 Provide technical assistance to beneficiaries	Assess the staff to be sure that it is able to provide the correct technical assistance and ensure its permanent upgradation.	A specific assessment system is running to ensure the qualification of the technical staff on indigenous matters.	Semester	INFONA/SEAM/MAG/ FAO
1.6 Make investments and wage payments to beneficiaries for the establishment of CTNPF, agroforestry and restoration models	Provide "just in time" and enough technical assistance to ensure the use of agroforestry implementing good practices to ensure success in the implementation of the models.	A specific assessment system is running to ensure the indigenous people beneficiaries are being adequately assisted by technical staff in field.	Semester	Social Action Secretary (SAS)
1.7 Make environmental conditional cash transfer (E - CCTs) to beneficiaries	Clear definition of the conditions to be assess before to make the cash transfer.	Information provided to each beneficiary about the conditions of the cash transfer.	Yearly	STP/FAO/ECTA
1.8 Operate forest administration, supervision and control in the project area (INFONA)				EC/INFONA/SEAM/FAO
2. More efficient and sustainable technology for domestic firewood consumption.				
2.1 Introduce improved cooking stoves	Technical staff that will ensure the establishment of the agroforestry models, also should provide technical assistance to women for maintaining the improved cooking stoves in good performance.	The stove should be operative at least until the end of the PROEZA implementation period	Yearly	VMME/STP/PMA/FAO
3. Certified "New Generation Forest Plantations" (NGFPs) through which high yield forest plantations will be combined with natural forests in biodiversity reserves and watershed protection strips stablished by medium sized land owners				
3.1. Offer incentives, credit and promote establishment of NGFPs to the private sector 3.2. Make environmental audits (INFONA/SEAM)	NGFP should be certified with the same environmental and social standard to be used by PROEZA.	The background documentation of the NGFP should have an	Semester	BNF/AGD INFONA/SEAM

		certify provided by SEAM and INFONA		
4. Normative adjustments and institutional changes needed to improve the business climate for afforestation approved				
4.1. Support institutional capacity of INFONA, SEAM, SAS and VMME. 4.2 Review and strengthening the legal framework and promote certification systems	Indigenous people should be also considered as beneficiaries for the certification system and also by the environmental services payment systems.	The systems should have a specific component on indigenous people	Once systems are approved and in place.	EC/STP/FAO EC/INFONA/SEAM

Minutes of the meetings

Representatives of Third Level Indigenous Organizations - May 31, 2017

Acta de Conformidad de la Consulta con representantes de Organizaciones Indígenas de Tercer Nivel sobre el Proyecto PROEZA y el Plan de Consulta con Comunidades Indígenas

A los 31 días del mes de julio mayo de 2017, siendo a las 15:00 horas, líderes y lideresas representantes de las organizaciones indígenas considerados de tercer nivel en representación de sus organizaciones asociadas y el equipo técnico interinstitucional responsable de la elaboración del Proyecto PROEZA: Secretaría Técnica de Planificación del Desarrollo Económico y Social(STP), Instituto Paraguayo del Indígena(INDI) y la Organización de las Naciones Unidad para la Alimentación y la Agricultura(FAO), se reúnen para dialogar sobre los componentes y acciones previstas, de manera a identificar aspectos a mejorar o a incorporar en la propuesta de tal forma que se adecue a las necesidades y pertinencia cultural de los Pueblos Indígenas:

1- Federación por la Autodeterminación de los Pueblos Indígenas (FAPI) que es una federación autónoma compuesta por 12 organizaciones indígenas de las dos regiones del Paraguay, de la región oriental, forman parte las siguientes organizaciones:
   - Asociación de Comunidades Ava Guaraní del alto Paraná (ACIGAP)
   - Asociación de Comunidades Indígenas Ava Guaraní de Alto Canindeyú (AAGAC)
   - Asociación de Comunidades Indígenas Mby´a Guaraní Che'iro Ara Poty de Caaguazú
   - Asociación de Comunidades Indígenas de Itapúa – ACIDI
   - Asociación de Comunidades Indígenas Mby' a Guaraní Tekoa Yma Jehea Pave"
   - Asociación Indígena Paĩ Tabytera Rekopave de Capitán Bado

2- Organización Kuña Guaraní Aty, organización que aglutina a mujeres de la familia lingüística guaraní, Ava Guaraní, Mbya Guaraní, Guaraní Occidental, Ache, Paĩ Tavyterã y Guaraní Ñandeva .

3- Consejo Continental de la Nación Guaraní, aglutina de organizaciones indígenas del Paraguay y Brasil.

4- ENEP, Equipo Nacional de la Estrategia País, representación indígena, órgano consultivo del Poder ejecutivo.

5- Conamuri, Organización nacional de mujeres rurales e indígenas.
6- Federación Regional Indígena del Chaco (FRICCH): aglutina organizaciones indígenas de los Departamentos de Presidente Hayes y Boquerón

Luego de un debate participativo sobre la presentación resumida en forma clara y concisa del Proyecto y la propuesta de consulta elaborado por el equipo técnico, los participantes en primer lugar destacaron la importancia de la propuesta y el valor que representa para ellos las acciones previstas, será una oportunidad para recuperar el nombre del bosque que tienen la población del Pueblo Guaraní (tera ka'aguy del Pueblo

Guaraní); a continuación se resume las recomendaciones para mejorar la pertinencia del Proyecto para los Pueblos Indígenas:

- Que se tenga en cuenta el calendario cultural de plantación de los árboles, los indígenas tienen conocimiento profundo sobre las plantas.
- Para la construcción del fogón en alto se considere a que se pueda realizar en el centro de la cocina para que los miembros de la familia se pueda sentar alrededor del mismo y mirarse en la cara, destacaron que para los indígenas es muy importante el sistema circular, es el momento del día en que se comparten muchas cosas, informaciones, la planificación del día, etc.
- Resaltan que el fuego debe estar en el centro no en una esquina, es un ligar sagrado para las familias.
- Toda propuesta para comunidades indígenas debe contribuir al fortalecimiento cultural y para ello es muy importante considerar las Plantas medicinales o árboles que los pueblos indígenas utilizan para el tratamiento de las enfermedades, cada pueblo tiene su propio árbol.
- Recomienda llegar a las comunidades que arriendan sus tierras, priorizar las comunidades deforestadas, sin bosques ya nadie puede vivir mejor, que el proyecto tenga un enfoque cultural pertinente de cada pueblo.
- Los técnicos que trabajen en el proyecto deben respetar los conocimientos de los Pueblos Indígenas, evitar usar las terminologías técnicas se deben bajar de manera sencilla para que puedan entender.
- El proyecto puede incluir plantas que se utilizan en la artesanía de manera a apoyar a las mujeres en su fortalecimiento.
- Otra recomendación importante, explicar bien a la gente lo que significa las especies exóticas cuidar de que la promoción como oportunidad de ingreso sea priorizada porque puede acarrear la pérdida de la cultura.

Así también recomendaciones sobre el Plan de Consulta fueron las siguientes:

- **Las consultas hacer con los abuelos y los líderes religiosos.**
- Recomiendan, Identificar a las organizaciones indígenas de los departamentos, cuyas comunidades serán beneficiadas y adelantar con ellos la consulta Aprovechar a las organizaciones indígenas para recoger apreciaciones sobre el Proyecto y una vez que se apruebe el Proyecto se llega a las comunidades

También en cuanto a la presentación del Proyecto han recomendado los siguientes:

- Cuidar los términos que se usan en la propuesta, para no crear entusiasmo por ejemplo en término de la cocina mejorada, indicar *para las próximas presentaciones infraestructura mejorada*, porque *la cocina implica para nosotros alimentos*; además en la presentación del Componente 2 y 3, excluir la expresión sin intervención en Comunidades Indígenas.
- Propuesta de ajuste del enunciado del Componente 1: Para el fortalecimiento de la Cultura de los Pueblos Indígenas y No Indígenas, recuperando especies nativas y medicinales.
- Ajustar el nombre del componente 1: plantando futuro, por Plantar para el Futuro.

Reunión de Socialización del Proyecto PROEZA y el Plan de Consulta con Comunidades Indígenas

Planilla de Asistencia

Fecha: 31 de mayo de 2017, de 15:00 a 18:00 horas.
Lugar: Secretaría Técnica de Planificación del Desarrollo Económico y Social.
Participantes:

- ✓ STP, INDI
- ✓ Líderes y lideresas de Organizaciones Indígenas de la Región Oriental y Occidental
- ✓ Apoyo Técnico: FAO

Objetivo:

- ✓ Socializar el Proyecto PROEZA y el Plan de Consulta para con las Comunidades Indígenas.
- ✓ Recoger apreciaciones, aportes de los líderes y de las lideresas participantes que fortalezcan el componente indígena en la Propuesta y el Plan de consulta.
- ✓

N°	Nombre y Apellido	Organización/Institución	Correo/ Teléfono	Firma
	[illegible]	[illegible]	[illegible]	
	Silvia Morales	Kuña Guapuri		
	[illegible]	[illegible]	[illegible]	
	[illegible]	[illegible]	[illegible]	
	Mariano Cazadora	STP	[illegible]	
	Orlando S. [illegible]	CAPI-Chaco	[illegible]	
	[illegible]	[illegible]	[illegible]	
	[illegible]	FAO	[illegible]	
	[illegible]	F.R.C.C	[illegible]	
	[illegible]	FAO	[illegible]	
	[illegible]	FAO	[illegible]	
	[illegible]	STP	[illegible]	
	Claudia Morinigo	STP	[illegible]	
	[illegible]	FAO	[illegible]	
	LINA FRANCO	INDI	[illegible]	
	Angelica Salas	Kuña Guapuri	[illegible]	

Con el apoyo de: Organización de las Naciones Unidas para la Alimentación y la Agricultura

Representatives of Second Level Indigenous Organizations - July 26, 2017

Acta de Conformidad en el marco de la Consulta con representantes de Organizaciones Indígenas sobre el Proyecto Pobreza, Reforestación, Energía y Cambio Climático (PROEZA)

A los 26 días del mes de julio de 2017, siendo a las 09:00 horas, líderes y lideresas representantes de las organizaciones indígenas en representación de sus comunidades asociadas y el equipo técnico interinstitucional responsable de la elaboración del Proyecto PROEZA: Secretaría Técnica de Planificación del Desarrollo Económico y Social (STP), Instituto Paraguayo del Indígena(INDI) y la Organización de las Naciones Unidad para la Alimentación y la Agricultura (FAO), se reúnen para dialogar sobre los componentes y acciones previstas, de manera a identificar aspectos a mejorar o a incorporar en la propuesta de tal forma que se adecue a las necesidades y pertinencia cultural de los Pueblos Indígenas y las comunidades de los siguientes departamentos:

Departamento	Organización	Cantidad de Comunidades Asociadas
Concepción	Asociación Mbya Rekoapy	6
San Pedro	Asociación de Comunidades Indígenas de San Pedro (ACISPE)	36
Caaguazú	Asociación de Comunidades Independientes	8
Guairá	Asociación Opy Porã	6
Alto Paraná	Asociación de Comunidades Indígenas Guaraní Alto Paraná-ACIGAP	22
Itapúa	Asociación de Comunidades Mbya Mba'e Pu Porã	6
Canindeyú	Asociación de Comunidades Indígenas Bajo Canindeyú (APIC)	36
	Asociación de Comunidades Ache	6

Tras un dialogo participativo y reflexivo sobre la presentación del Proyecto, sus componentes, se desataca que los participantes han valorado este espacio de participación y manifiestan su valoración hacia el proyecto, las acciones previstas fortalecerán la cultura y la identidad indígena, ***(Ou Porã Oreve romombaretehagua ore ramói ha ore jaryi kuera).***

Se resume a continuación las recomendaciones emitidas por los participantes de manera a que fortalezcan la pertinencia de las acciones y son las siguientes:

- Que el proyecto debe apoyar acciones que fortalezcan a la organización propia de las comunidades.
- Se debe involucrar a los jóvenes con el objetivo de contribuir al arraigo en sus comunidades a través de fortalecimiento de sus capacidades en oficios y revitalización de los conocimientos y prácticas tradicionales, por ejemplo: artesanía, producción de miel, yerba mate, plantas medicinales, otros.
- Que las comunidades mismas participen activamente de la implementación del Proyecto, que sean administradores de los recursos, que no se llegue a implementar a través de otras organizaciones que no sean indígenas.

- Que los miembros designados por la comunidad se conviertan en técnicos promotores para acompañar el proceso de implementación y que sean remunerados.
- Las actividades en las que participan los miembros de las comunidades deben ser remuneradas por el Proyecto que no sea considerada como contrapartida debido al costo del tiempo invertido.
- Apoyar la recuperación (colecta, almacenamiento, reproducción) de semillas de especies nativas con énfasis en las plantas medicinales, el intercambio de semillas y conocimientos entre comunidades y pueblos.
- Se debe considerar que los proyectos necesitan un tiempo medio y largo plazo para lograr los resultados (mínimo 10 años).
- Las actividades forestales también deben apoyar a las comunidades para generar ingresos vinculados al mercado forestal.
- Respetar los tiempos de las comunidades indígenas para la implementación del Proyecto.
- La consulta se debe hacer una vez aprobado el proyecto y se debe iniciar con un ATY GUAZÚ (reunión departamental) y luego llegar a las comunidades.
- Apoyar a las comunidades en la gestión de documentaciones requeridas para facilitar la comercialización de sus productos.

Con el compromiso del equipo técnico de incorporar las recomendaciones sugeridas para la implementación del Proyecto y en conformidad y consentimiento sobre el mismo, los representantes de las organizaciones indígenas hacen constar en el presente documento:

Ramón Moriotti C.I. 1099753 Punta Pirí
C.I. N° 1597.727
1079809
Santiago Benitez 4 733 755
Mercedes Benitez C.I. 6.057041
Isidro Fernandez C.I. 4858.242.
CI 3435439
Cristino Arce Benitez.
Agustin Benitez 2435873
Dionicia Arregoviera 4.763.476.
Catalino Salabarz N° C.I 4.357860
4861608
Heriberto Vera
Roberto Benitez 5452.887

Baralicia Gimenez C.I = 4.150 796
Mariano Benitez 721 221

GOBIERNO NACIONAL

Diálogo sobre el Proyecto PROEZA y el Plan de Consulta con Comunidades Indígenas

Planilla de Asistencia

Fecha: 26 de julio de 2017, de 09:00 a 12:00 horas.
Lugar: Quinta Ykua Sati, Asunción
Participantes:
- ✓ Equipo Interinstitucional: STP, INDI e instituciones de Proeza.
- ✓ Líderes y lideresas de Organizaciones Indígenas de la Región Oriental.
- ✓ Apoyo Técnico: FAO.

Objetivo:
- ✓ Dialogar sobre el Proyecto PROEZA y el Plan de Consulta para con las Comunidades Indígenas.
- ✓ Recoger apreciaciones, aportes de los líderes y de las lideresas participantes que fortalezcan el componente indígena en la Propuesta y el Plan de consulta.
- ✓ Documentar las recomendaciones y apreciaciones sobre el Proyecto.

Nº	Nombre y Apellido	Organización /Institución	Correo/ Teléfono	Firma
1	[illegible]	APY Paraguay [illegible]	0973 178971	[illegible]
2	Baralicia Giménez	OPy Paraguay [illegible]	0971 845020	Baralicia Giménez
3	Roberto Benitez	Mbaé Purá	0983557555	R.B
4	Verónica Vera	Mbaé Purá	0985.937933	Verónica Vera
5	Dionicia Ortigoza	Asyga	0986. 974 895	Dionicia Ortigoza
6	Agustín Benítez	Asyga.	0985.976.374.	Agustín Benítez
7	Cristino Arce Benítez	Mbya Retã Apy	0983. 992. 996.	
8	Francisco Benítez	Mbya Retã Apy	0973. 334 574.	
9	Margarita Maidana	A.C.A	0971 796 274	Margarita Maidana
10	Catalina Sosa	Federación G.	0972 985 [illegible]	
11	Jorge Gonzalez	STP	0961 650 690	
12	María Teresa Oviedo	STP Comunicación	0985-133044	
13	Ponta Pires	A.P.I.C	0983. 374169	
14	Ponta Pires	A.P.I.C	0984. 768705	Santiago Benítez
15	Santiago Benítez	11		

Con el apoyo de: Organización de las Naciones Unidas para la Alimentación y la Agricultura

Diálogo sobre el Proyecto PROEZA y el Plan de Consulta con Comunidades Indígenas

Planilla de Asistencia

Fecha: 26 de julio de 2017, de 09:00 a 12:00 horas.
Lugar: Quinta Ykua Sati, Asunción
Participantes:

- ✓ Equipo Interinstitucional: STP, INDI e instituciones de Proeza.
- ✓ Líderes y lideresas de Organizaciones Indígenas de la Región Oriental.
- ✓ Apoyo Técnico: FAO.

Objetivo:

- ✓ Dialogar sobre el Proyecto PROEZA y el Plan de Consulta para con las Comunidades Indígenas.
- ✓ Recoger apreciaciones, aportes de los líderes y de las lideresas participantes que fortalezcan el componente indígena en la Propuesta y el Plan de consulta.
- ✓ Documentar las recomendaciones y apreciaciones sobre el Proyecto.

N°	Nombre y Apellido	Organización /Institución	Correo/ Teléfono	Firma
16	Ramón Hostosi	ASISPE	(0982) 410.481	
17	César Ballarin	INDI	0971/934029	
18	Mariangela Nickerson	FAO	(0985) 926088	
19	Dennicia Almada	FAO	0981) 680-539	
20	Juan Franco	INDE		

Con el apoyo de: Organización de las Naciones Unidas para la Alimentación y la Agricultura

ANNEX 4. Gender approach for PROEZA/Gender action plan

Gender Analysis/Assessment

FAO has established a Gender Equality Policy (2012), as it considers that the promotion of gender equality and women's empowerment are key elements to eradicating hunger and poverty in the world. It considers the gender gaps, faced by women, especially rural women, due to the manifest or implicit discrimination that they experience. These gaps are present in many of the productive assets, inputs, and services, including land, livestock, employment, education, outreach, and financial services.

To close these gender gaps, FAO established, as part of this policy, that its actions be guided, among others, to:

- Incorporate gender analysis in the formulation of all field programs and projects.
- All program evaluations and reviews fully incorporate gender analysis, and the areas reviewed report on gender impacts.
- Ensure that the needs and priorities of rural women are documented, heard, and channeled in all processes that FAO leads and supports.
- Ensure that none of FAO's efforts perpetuate gender inequalities or aggravate discrimination against women.

Gender gaps of peasant women[13]

In relation to poverty in Paraguay, the data reveals that there is a greater percentage of poor women in rural areas “poverty at the national level measured by income indicates that 24.5% of women are in this situation versus 23.2% of men. In the urban area, this difference decreases, and it increases in the rural area. Around 35.6% of women are in poverty compared to 32.2% of men"[14]. It is also noted that women farmers are the ones most affected by the lack of own income, since 37.3% of them are in this situation (three times more than men and more than urban women, i.e. 28.6%). The situation worsens in conditions of poverty, since 46.5% of poor rural women do not have their own income.

According to current studies on poverty from a gender perspective, a relevant indicator to consider when analyzing the economic autonomy of women is inactivity, as it entails lack of income[15]. Observing this indicator, it is verified that: "Out of the total number of working-age women (10 years and over), 48.1% are inactive (economically inactive population), i.e. they do not work or seek employment, compared to 26.2 % of the men. Of all the inactive population, 65.6% are women. Gaps in inactivity are aggravated by the area of residence. In the rural sector, 52.8% of women are inactive, compared to 21.7% of men; while in the urban sector inactivity affects 45.4% of women and 29.4% of men"[16].

[13] Based on UNDP, Poverty, unequal economic opportunities and gender. Working document 2, UNDP-UN Women, Asunción, 2015; and UN Women, gender equality and main gaps in Paraguay, Asunción, 2015.
[14] UNDP, p.24
[15] UNDP, p.25
[16] UN Women.

Legal framework for the equality of rural women

The new Law 5446 on Public Policies for Rural Women, enacted on July 20th, 2015, seeks to reverse these and other gaps. Its general objective is: "to promote and guarantee the economic, social, political and cultural rights of rural women; fundamental for their empowerment and development". This Law is framed in the legal norms of Paraguay, which establish equality and non-discrimination for women and men (Articles 46, 47 and 48); As well as the responsibility of the State to remove obstacles to achieve equality and prevent factors that maintain or promote them "(Article 46, National Constitution of Paraguay). The governing body for compliance with this Law is the Ministry of Women in coordination with the Ministry of Agriculture and Livestock (MAG) and other responsible ministries and institutions.

This law is also aligned with international treaties and conventions, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), ratified by Law 1215 of 1986. The CEDAW is the most important international instrument, of a broad and legally-binding nature with the laws of Paraguay, as it explicitly recognizes that "women continue to be subject to significant discrimination". Article 14 of this instrument and General Comment No. 34 (of 2016) specify the need to enforce the rights of rural women and the responsibility of the State to do so.

Strategy for Gender Equality

Bearing in mind that this program has women beneficiaries, living in poverty and extreme poverty, the program will plan and develop a gender strategy to contribute to "equal access and control over jobs and decent income, land and other Productive resources, "as outlined in the FAO Gender Equality Policy. The strategy will be based on the gender gaps of rural women, including indigenous women, as well as the country's legal framework, which makes the State responsible for promoting equality between women and men.

For the design of this strategy, the practical and strategic needs of the beneficiary women will be reviewed in a diagnosis, from a gender perspective. In other words, the needs of women related to reproductive, domestic and caregiving tasks, for which they are responsible, due to cultural norms and patterns will be considered, given the influence such needs have on the economic autonomy and poverty situation of women, as observed in the data presented. Based on these differentiated needs, actions will be proposed to the beneficiary women, with regards to the beneficiary men, which will contribute to their empowerment and equity between women and men.

General information

Maternal mortality rate	95 per 1,000 (2014)
Infant mortality rate	8.5 per 1,000 (2014)
Educational status of girls and boys	0 – 4 years: 77.2% (2012) Basic: 63% (53% of them are women) (2012) High school: 33% graduated (more women than men) (2012)
Adult literacy rate (disaggregated by sex)	15 - 24 years: 98% (same rate men and women) (2012) > 15 year: 95% (very similar rate between women and men) (2012)

Poverty rate	Total: 28.86% (2016) Rural: 39.72% (2016)
Labour force participation rate (disaggregated by sex)	40% women
Employment rate (disaggregated by sex)	47.2% women 50.9% men
Unemployment rate (disaggregated by sex)	8.3% (10.1% women and 6.6% men) (2016))
Political participation rate (disaggregated by sex)	Women as Party President: 9 from 27 parties (2014) Decision level on parties: 35% women (2014) Women as Senator candidate: 40.61% (election 2013) Registered in parties: 47% women; 52% men (2015) Women elected as parliamentarian: 17% (2013) By law as candidates: at least 20% should be women
Life expectancy (disaggregated by sex)	Women: 75,25 (2015) Men: 70,91 (2015)

Country of intervention

What is the legal status of women?	The new Law 5446 on Public Policies for Rural Women, enacted on July 20th, 2015, seeks to reverse these and other gaps. Its general objective is: "to promote and guarantee the economic, social, political and cultural rights of rural women; fundamental for their empowerment and development". This Law is framed in the legal norms of Paraguay, which establish equality and non-discrimination for women and men (Articles 46, 47 and 48); As well as the responsibility of the State to remove obstacles to achieve equality and prevent factors that maintain or promote them "(Article 46, National Constitution of Paraguay). The governing body for compliance with this Law is the Ministry of Women in coordination with the Ministry of Agriculture and Livestock (MAG) and other responsible ministries and institutions. This law is also aligned with international treaties and conventions, including the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), ratified by Law 1215 of 1986. The CEDAW is the most important international instrument, of a broad and legally-binding nature with the laws of Paraguay, as it explicitly recognizes that "women continue to be subject to significant discrimination". Article 14 of this instrument and General Comment No. 34 (of 2016) specify the need to enforce the rights of rural women and the responsibility of the State to do so.
What are commonly held beliefs, perceptions, and stereotypes related to gender?	The Paraguayan peasant shows characteristics from the “Guaranímestiza” culture, which has had little cultural relationship with other peoples and has experienced a geographical dispersion.

	The mix between the Guarani and the Spanish colonial and a past of wars against its neighbours are expressed in the identity of the communities that speak only Guarani, and live in an austere way, and in paternalistic relations. To be managed even in very precarious conditions and with very artisanal productive technologies, this peasant that has not reached modernism constitutes the most numerous social group and an essential part of Paraguayan identity, with traditional and conservative cultural patterns, as well as solidarity practices of reciprocity. The participation of women as a food producer is unavoidable, since their relationship with family production is integrally articulated to reproduction. In the family farm, women do not separate their productive role from reproductive, because the family unit is an integrated whole. The lack of understanding of this reality is what leads to erroneous perceptions of the "inactivity" of rural women. To understand this issue is fundamental, not only to discriminate productive activities of the reproductive that rural women carry out in an extremely dynamic way, but also to give real value to their social and economic contribution.
What is the division of labour among women and men?	They are responsible for 99% of domestic activities, including the reproduction of the workforce and the transmission of traditional values. On the other hand, they are also part of the agricultural workforce on the farm, a role shared with men and other family members. This allocation of traditional roles in rural society has had a major negative impact on women, as any behaviour that does not conform to the culturally established is seen as "threat". Exercised social control becomes an impediment to the development of its capacities. The cultural patterns of gender that shape people's lives have established the position of men and women in rural society. Children exercise their freedom in the field outside their homes more easily than girls, who have more restricted their exit from home. In this way, social control determines the conduct considered appropriate. In practical terms, children are training naturally for the public and women, for the private or domestic. This social scenario, however, has been slowly changed over the years, allowing women to be more independent to participate in the community.
What is the participation between women and men in the formal/informal economy?	Women's participation in the country's development process has always been important, either for their remunerated and unpaid activities. Over the last few decades, the need for income due to economic crises and the increase in employment opportunities for women have made them massively mainstream into remunerated work by directly and importantly influencing economic growth. The contribution of women became "visible" and was concretized in

	macroeconomic indicators however much of the feminine contribution to the economy and development remained and remains forgotten.

Project footprint area

What is the situation of women and men?	The model of peasant production, based on mini and small land production and with little technological incorporation, the patterns of sexual division of labour and the greater opportunities of work for women outside the rural sector, would seem to be the factors that motivated women to leave their place of origin to go to the cities. In the urban sector, there were always more women than men, while in the rural sector there is greater male representation. Studies show that there would be a feminization of the migratory phenomenon in Paraguay, since more than half of migrants are women. On the other hand, the almost null technological preparation of the women has a negative impact on the family farm when the man emigrates and leaves in their hands the crops, because their lack of knowledge about productive problems solutions causes that the family farm is in danger of crops loss.
In terms of the proposed project/program, will there be any anticipated differences in men's and women's vulnerability and adaptive capacity to climate change? If so, what are these?	Yes In principle the affectation is to the family nucleus as a whole, but it could be expected, given the simultaneous productive and reproductive role of the women, that in a situation of crisis or economic disaster due to the impact of climate change on family productive activity, the impact could be greater on the responsibilities of women: i) in the absence of income or availability of physical access to food, the woman might prefer to feed her children in sacrifice of her own food, affecting her health; (ii) the lack of direct physical access to their own food at the farm level would force women to use a greater proportion of their time to achieve them, reducing their time for possible personal or laser development activities; and, iii) the young woman migrates to the cities in search of remunerated work and assume a greater effort for family income generation and entering into a remunerative scheme, which itself being legal, is low remuneration for low qualification.
Are there existing gender inequalities that may be exacerbated by climate change impacts?	Yes Due to the impact of climate change on income from affectation to family agro-productive systems, in the medium term, the tendency to supply basic food and health needs is to begin to sell their assets even losing their property and land, or abandoning it. In this case, the woman could run out of sustenance and also, unlike man, with few occupational skills in productive issues, so his vulnerability would be greater.
What are some of the inequalities that exist between	The beneficiaries of the project are a relatively homogeneous population of households in a situation of poverty and extreme

different social groups? How do these inequalities affect people's capacity to adapt to climate change?	poverty. Within the family nucleus, the pose and ownership of productive goods and others, is in the domain of man. On the other hand, the few incomes generally are administered by the man, who defines the priorities in much cases different than the women. The two are factors of inequality that affect mainly the adaptive capacity of women.
What roles women and men are anticipated to play in the context of the project/program? What will these entail in terms of time commitment and need for mobility?	The project will promote that men and women make decisions in the family, on the productive activities that must be developed within the framework of the benefits of the project. In addition, women are expected to manage adequately the resources of conditional transfers, make the decision in relation to technological change to improve stoves, and the man on his side should take care of the main productive tasks. In terms of time demand, it will not be a greater commitment to the current one.
What resources (economic, financial, physical, natural, other assets) do women and men have access to? Who manages or controls access to these resources?	Man has the main access to land and productive goods, he also has access to the state's institutional services (productive inputs and credit programs). Under the conditional transfer program, resources are administered mainly by women, and both men and women receive social technical assistance.
Do women and men from vulnerable communities have equal access to information and opportunities necessary to participate and benefit fully from the anticipated outcomes of the project/program?	The project will promote equal access for both men and women to information and opportunities for personal development through training opportunities. A special effort will be made for women to be a direct beneficiary on equal terms. PROEZA will support poor, female – headed/adolescent – headed/widowed - headed households/women farmers/landless farmers by building their human capital through education, skill – based training in various non – farm trades and strengthen their access to financial capital by increasing access to easy credit.
Do women have equal access to education, technical knowledge, and/or skill upgradation?	Yes Both men and women have equal access to formal education, but it is the men who have greater opportunities to improve their know-how. Due to the role assigned to women, their limited availability of time is reflected in less access to opportunities to improve their personal capacities, which are scarce because of the lack of technical assistance provided by the government.
Will services and technologies provided by the project/program be available and accessible to both women and men?	Yes Technical assistance will be available for both men and women, and will seek to encourage the participation of women in the training processes at the field. The technical assistance will be provided at the farm level, to ensure their participation.
To what extent do women and men from vulnerable communities participate in decision – making processes? What type of decisions are made by women? What are the	The decisions on the types of productive models to be implemented in the farms will be taken by the man and the woman in the family nucleus. Women, in addition to these decisions will be responsible for the decision to implement or not the improved stoves in their home. It will not force to a technological change in case the woman does not decide. The restrictions are mainly linked to the availability

constrains (social, cultural, economic, political) that restrict women's active participation in household and community level decision – making processes?	of time and in many cases, of financial resources to mobilize to the spaces in which the decisions are being discussed and taken. In this sense the barrier is mainly physical rather than social or cultural.
Are there any opportunities to promote the leadership of women in local governance/political systems and formal/informal institutions? If not, what are some of the constrains that hinder women from assuming leadership roles?	Yes. The strengthening of the Farmers ' association of the project beneficiaries will be promoted so that they can improve their opportunities for the access to forest products market. Women's leadership will be promoted in decision-making and governance spaces.
What are the differential needs/priorities of women and men in the context of the project/program? Will the project/program be able to address their respective needs and priorities? If so, how?	Los hombres requieren principalmente insumos productivos y asistencia técnica para desarrollar sus actividades agrícolas, en cuanto las mujeres, en el núcleo familiar requieren recursos para garantizar la seguridad alimentaria y nutricional de la familia. En el marco del proyecto se otorgará asistencia técnica para establecer los sistemas agro-productivos, y hasta que estos comiencen a generar ingresos, se realizarán transferencias condicionadas a las mujeres para que puedan desarrollar las funciones reproductivas. Al mismo tiempo, se buscará mejorar las capacidades técnicas de las mujeres relacionadas con las actividades agropecuarias, de manera que estén mejorar preparadas para desarrollar acciones agroproductivas en otra escala si es necesario, reduciendo su vulnerabilidad y mejorando su capacidad de adaptación.
Have the needs of specific (and vulnerable) sub-groups been taken into account by the project/program (e.g. children, girls, women and men with disabilities, the elderly, windows)?	Men mainly require productive inputs and technical assistance to develop their agricultural activities, as soon as women, in the family nucleus require resources to ensure the food and nutritional security of the family. In the framework of the project, technical assistance will be provided to establish the agro-productive systems, and until they begin to generate income, conditional transfers will be made to the women so that they can develop the reproductive functions. At the same time, it will seek to improve the technical capacities of women related to agricultural activities, so that they are better prepared to develop the productive actions on another scale if necessary, reducing their vulnerability and improving their capacity to adapt. In the long term is expected the technical assistance of the government to strengthen their capacity in other areas of development.
Has the project/program recognized the distinct vulnerabilities of women and men and developed specific response strategies for each target group?	Yes. In the development of the productive models to be implemented in the farms, it has been considered not only the necessities of the family nucleus in terms of economic income, but also the need on woman to have direct access to food at the level of the family farm. This is why agroforestry systems have been considered, which

	include benefits and access to food in the short and medium term. In addition, it has been considered that women need to improve the traditional technology used to cook, which demand higher quantity of firewood, consuming time of woman, and that usually emits more coal than needed, which affects their health.
Are the specific knowledge and skills of women and men, especially from vulnerable groups, being utilised to contribute to project/program outcomes and solutions?	Yes. On the one hand, the administrative and strategic capacity of rural women is considered to define the priority for the use of financial resources, for which the conditional transfers are given to it. On the other hand, it recognizes the technical productive knowledge of man for the implementation process of the productive models. Both men and women should complement their skills to decide and plan on productive models to be implemented at the farm level with the Support of PROEZA.
Has the project/program identified opportunities to challenge gender stereotypes and increase positive gender relations through equitable actions? If so, what are these opportunities and actions?	Yes. As mentioned, one of the stereotypes of rural women in Paraguay is “inaction”, by the lack of visibility of their work, and not being a public part of the decisions of a productive issues. This is changing. The project will support this process of change, seeking to provide technical assistance to the men and women of the family, and to promote that the productive decisions are taken in an agreed manner between the both, man and woman. On the other hand, environmental conditional transfers will be given to women for their administration at family level.

Gender Action Plan

Activities	Indicators and targets	Timeline[17]	Responsibilities
Impact Statement: PROEZA promote incentives to mitigate climate change through planting fast growing trees in mixtures with valuable native species in an environmental friendly and socially responsible way at the same time that rural poverty and extremely poverty is reduced as a path to increase resilience and adaptation to climate change. On the other hand, PROEZA's adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change through the diversification of production and options to increase family income through intensive social and technical assistance for the establishment of climate-smart agroforestry production systems and/or multifunctional "Close-to-Nature" planted forests (CTNPF) generating mitigation. **Outcome Statement:** As PROEZA's adaptation strategy consists of supporting poor and extremely poor rural vulnerable households to increase their resilience to climate change, the beneficiaries are 153,000 people living in poverty and extreme poverty in the project area affected by climate change, of which 76,000 are women and 14,800 are indigenous. The indirect beneficiaries are the 141,306 poor and extremely poor households (720,000 people/360,000 women) registered in Tekoporã (social protection programme) that could also be benefited from the transformational change to be promoted by PROEZA. Also, 7,500 household will introduce improved cooking stoves benefiting the family and mainly the women by reducing their exposure to high level of emissions by cooking with traditional stoves.			
1. Climate-smart agroforestry production systems and multifunctional "Close-to-Nature" planted forests (CTNPF) stablished 30,000 poor and extreme poor households in the project area.			
1.1 Select, hire and audit the Project Management Agent (PMA) and the Environmental Cash Transfer Agent (ECTA)	PMA an ECTA operative and supporting PROEZA implementation with gender focus.	By Q2, year 1 until end Year 5	FAO/EC
1.2 Provide support to improve governance and coordination and support the EC in leading the programme.	Executing committee acting with at least 50% of women representation and also integrated by the Ministry of Women.	By Q1, year 1 until end year 1	FAO/PMA
1.3 Provide assistance to vulnerable households through the Social Protection Programme	Beneficiary's households receiving social technical assistance with at least 50% of women participation.	By Q1, year 1 until end year 5	Social Action Secretary (SAS)
1.4 Make social conditional cash transfer(CCT) Tekoporã / SAS			

[17] See C.8 Funding proposal.

1.5 Provide technical assistance to beneficiaries	Women of beneficiary's households receiving financial support from the social Tekopora programme. Beneficiary`s households receiving agro-productive technical and access to market assistance with at least 50% of women participation[18].	By Q2, year 1 until end year 5	Social Action Secretary (SAS) INFONA/SEAM/MAG/ FAO
1.6 Make investments and wage payments to beneficiaries for the establishment of CTNPF, agroforestry and restoration models	24,460 ha Proeza´s plantation models implement under a 100% agreed decision among men and women at 30,000 household level[19].	By Q1, year 1 until end year 5	Social Action Secretary (SAS)
1.7 Make environmental conditional cash transfer (E - CCTs) to beneficiaries	Women from 30,000 households receive financial support by the ECTA to ensure food security until agroforestry models begin to generate incomes.	By Q4, year 1 until end year 5	STP/FAO/ECTA
1.8 Operate forest administration, supervision and control in the project area (INFONA)	10% project field interventions audited	By Q1, year 1 until end year 5	EC/INFONA/SEAM/FAO
2. More efficient and sustainable technology for domestic firewood consumption.			
2.2 Introduce improved cooking stoves	7,500 improved cooking stoves implemented under 100% agreement of household women	By Q7, year 2 until Q16, year 4	VMME/STP/PMA/FAO
3. Certified "New Generation Forest Plantations" (NGFPs) through which high yield forest plantations will be combined with natural forests in biodiversity reserves and watershed protection strips stablished by medium sized land owners			

[18] PROEZA will support poor, female – headed/adolescent – headed/widowed - headed households/women farmers/landless farmers by building their human capital through education, skill – based training in various non – farm trades and strengthen their access to financial capital by increasing access to easy credit.

[19] PROEZA will ensure the women's involvement in following watershed management activities regarding the agroforestry models: 1) preparation of watershed plan with an understanding of gender needs and gender – responsive implementation strategies; 2) developing watershed plans on the basis of existing use and dependence pattern; 3) reformulation of watershed guidelines to specify mechanisms for institutional arrangements for involvement of the poor and women; 4) development of micro-credit /women's self - help groups; 5) shifting the focus from watersheds to a community – led (and more holistic) livelihood development plan; and 6) and organizing gender sensitization programs.

3.1. Offer incentives, credit and promote establishment of NGFPs to the private sector	About 24,000 ha of HGFP implemented with private sector	By Q1, year 1 until end year 5	BNF/AGD
3.2. Make environmental audits (INFONA/SEAM)	10% project field interventions audited	By Q1, year 1 until end year 5	INFONA/SEAM
4. Normative adjustments and institutional changes needed to improve the business climate for afforestation approved			
4.1. Support institutional capacity of INFONA, SEAM, SAS and VMME.	10% project field interventions audited	By Q1, year 1 until Q6, year 2	EC/STP/FAO
4.2 Review and strengthening the legal framework and promote certification systems	Payment for environmental services and incentives for afforestation, in place at the end of PROEZA, with focus in rural women as beneficiaries.	By Q1, year 1 until Q8, year 2	EC/INFONA/SEAM

Annex 5. Biodiversity management plan

The country has great biological and floristic diversity, because of the confluence of four large ecoregions: the Upper Paraná Atlantic Forest (BAAPA in the Spanish acronym), Chaco (both Dry and Humid), Pantanal and Cerrado, home to a mosaic of very diverse ecosystems, resulting from the past and present climate evolution process. The great diversity of species is comprised of forest formations of high biological diversity. There are also wetlands integrated through a complex of grasslands and forests, subject to regular flooding, providing shelter to a great diversity of migratory birds and fish. These ecoregions are estimated to have approximately 8,000 to 13,000 plant species and 100,000 invertebrate species, out of which 4,490 plants, 2,434 invertebrates, 297 fish, 681 bird, 182 mammals, 159 reptiles and 85 amphibians have been classified (MNHNP- National Museum of Natural History of Paraguay, 2015).

Animal main species[20]

Birds.- Paraguay harbors some 714 bird species, the largest of which is the greater rhea, a flightless relative of the ostrich who roams the country's savannas. The country's bird population also includes well-known species like the toucan and the endangered hyacinth macaw. Paraguay's national bird is the bare-throated bellbird, the male of which is white, save for blue bare skin on their faces and throats. Found in the Atlantic rain forest, the bare-throated bellbird has one of the loudest calls of any bird in the world. Paraguay's avian diversity also includes parakeets, eagles, falcons, storks, herons, ibises and flamingos.

Mammals.- Paraguay is home to wild cats, such as the ocelot and the jaguar, the largest feline in the Americas. Paraguay's ungulates -- mammals with hooves -- include the guanaco, a humpless relative of the camel and South America's largest wild mammal; the lowland tapir, distinguished by his prehensile proboscis; and all three species of peccary, variants of wild swine. The endangered Chacoan peccary, the largest of the three, was considered extinct until it was rediscovered in the 1970s. Other mammal species in Paraguay include various species of armadillo, the giant anteater, the giant otter and large rodents like the coypu and the capybara.

Reptiles.- The Gran Chaco has lent its name to several reptiles who inhabit Paraguay, including the Chaco tortoise and the Chaco side-necked turtle. The latter belongs to the genus Acanthochelys, also represented in Paraguay by the Pantanal swamp turtle and the black spine-neck swamp turtle. Various types of lizards live in Paraguay and include 3-foot-long tegus, like the black-and-white tegu, which is hunted for its hide, and the green iguana. Several species of caiman, which are related to alligators, inhabit rivers in Paraguay. They include the Yacare caiman, the Cuvier's smooth-fronted caiman and the broad-snouted caiman. Snakes include venomous species, like the jararaca of the Atlantic rain forest, as well as constrictors, like the swamp-dwelling yellow anaconda.

Amphibians.- Paraguay is home to more than 80 species of amphibians. Various taxonomic families of frogs are represented, including Hylidae, members of which are mostly arboreal and therefore referred to as tree frogs. Species include the yellow-legged snouted tree frog and the waxy monkey tree frog, which lives in dry regions of the Chaco and secretes a waxlike substance that prevents the frog from desiccating. Representatives of the Leptodactylidae family of New World frogs in Paraguay include carnivorous species

[20] http://animals.mom.me/animals-native-paraguay-11388.html

like the ornate horned frog and the Budgett's frog; the latter can be recognized by a flattened body. Moreover, Paraguay also harbors toads like the cururu toad, common in urban areas.

Vascular plant diversity[21]

Paraguay is estimated to have between 5,000 – 7,000 species of vascular plants, over two-thirds occurring in eastern Paraguay. This richness has been attributed to the mosaic of habitat types (including Atlantic Forest, Humid Chaco, Dry Chaco, Cerrado, Pantanal and Southern Grasslands) in the country and the position of Paraguay at the edge of the tropics.

The Tropic of Capricorn divides the Paraguay in two. Many tropical plants occur at their southernmost distribution, and many southern temperate plants occur at their northernmost distribution. Rapid forest loss is a major threat to Paraguay's rich biodiversity mainly due to agricultural extension, cattle ranching and logging.

Chaco region.- The Chaco region is divided into the Dry Chaco, an area with very irregular and low-intensity rains covered by scrubby xeromorphic forests; and the Humid Chaco, an area greatly influenced by the Pilcomayo and Paraguay Rivers, and covered by a mosaic of forests, periodically flooded palm savannas dominated by Copernicia alba, and wetlands.

Oriental region.- The Oriental region, in Eastern Paraguay is dominated by the remnants of the Alto Paraná Atlantic Forest and areas covered by savanna vegetation, from grasslands and palm savannas to cerrado forests.

General main threat to biodiversity

The current deforestation rate ranks Paraguay as the sixth country in the world with the greatest forest reduction (see in annex the list of endangered of extinction and threatened of extinction species), with a loss of approximately 325,000 hectares per year, according to the Food and Agriculture Organization of the United Nations (FAO, 2014). This already includes the two regions of the Republic, i.e. the Western region which is the Chaco and the Eastern region. The implementation of the PROEZA project will not generate any additional environmental issues on top of the already existing alteration of the natural ecosystem and the loss of forest cover. The project will help achieve important outcomes and progress for the recovery and restoration of flora and fauna diversity.

Potential impacts

In the 8 Departments where the project will be implemented there are 10.89 million hectares, around 2.1 million hectares remained as forest by 2015, 0.82 million hectares where deforested between 2000 and 2015. Mechanized agriculture usually in medium and large farms accounted for approximately 3.04 million hectares. The remaining area of approximately 5.7 million hectares (approximately 53% of total land in the department) is under other land uses like pasture land, family agriculture, and infrastructure and water bodies.

[21] http://www.nhm.ac.uk/research-curation/scientific-resources/collections/botanical-collections/plants-paraguay/about-paraguay/index.html

Department	Department Total Area in Department* (ha)	Forest Cover year 2000 (ha)	Deforestation 2000-2015 (ha)	Mechanized Agriculture Land 2014/15 (ha)	Remaining Area (ha)
Alto Paraná	1.489.500	348.147	102.467	896.053	347.767
Caaguazú	1.147.400	266.750	79.227	396.169	563.708
Caazapá	949.600	243.149	50.076	176.552	579.975
Canindeyú	1.466.700	547.428	180.737	619.524	480.485
Concepción	1.805.100	603.437	116.683	22.571	1.295.775
Guaira	384.600	69.992	9.931	14.540	309.999
Itapúa	1.652.500	324.667	62.096	632.236	757.693
San Pedro	2.000.200	547.553	224.889	288.022	1.389.514
Total	10.895.600	2.951.123	826.106	3.045.667	5.724.916
%	**100**	**27**	**8**	**28**	**53**

PROEZA will focus on the remaining area of 5.72 million ha to establish around 47,400 ha of reforestation plantations mix, native forest regeneration, agroforestry systems, silvopastoral systems and biomass plantations. Also will focus on 1,500 ha of forest cover land to establish shaded-grown yerba mate.

In this sense, PROEZA will promote some agroforestry and forestry models to increase adaptation and mitigation to climate change. In general terms, applying the models, the expected impacts of PROEZA will be positive. Regarding biodiversity, PROEZA will:

- Promote native forest regeneration and ecosystem restauration.
- Increase biodiversity habitat and corridors for wildlife mobility.
- Introduce multi-functional forest in Paraguay as a model for a more environmental friendly afforestation.
- Increase forest cover and therefor ecosystem services.
- Increase wood availability, reduce deforestation and therefore the biodiversity loss.

However, the following adverse impacts to biodiversity are foreseen:

- The use of forestry exotic species could compete with native species and cause allopathic effects.
- The use of fertilizer and pesticide could be a negative factor for natural development of native biodiversity.
- Reduce of water availability could affect the native species.
- Reduce of habitat for native fauna and flora.
- Forest increase the risk of fire that could affect biodiversity.
- Extensive forest plantations could promote pest and diseases that could affect native species.

Some of these potential impacts could present an incremental effect in areas around the protected wilderness areas aforementioned (buffer zone). In this case, additional special considerations should be taken to mitigate that effect.

Biodiversity management plan goals

The main goals of this plan are:

- To provide protection to native ecosystems ensuring their natural values in the long - term.
- To ensure the reduction of the impact of PROEZA to natural ecosystems.
- To recover degraded areas and promote better conditions for wildlife development.
- To monitor the impact of PROEZA to local biodiversity.
- To increase community appreciation and involvement in the protection of natural heritage within the project area.

Matrix of potential impacts on biodiversity and mitigation measures

<table>
<tr><th>Type of intervention</th><th colspan="2">Positive impact</th><th>Adverse impact</th><th>Mitigation measures</th></tr>
<tr><td colspan="5">Component 1.</td></tr>
<tr><td>Reforestation plantations mix 20% native/80% exotic</td><td rowspan="2">• Introduce multi-functional forest in Paraguay as a model for a more environmental friendly afforestation.</td><td rowspan="4">• Increase wood availability, reduce deforestation and therefore the biodiversity loss.</td><td rowspan="2">• The use of forestry exotic species could compete with native species and cause allopathic effects.</td><td rowspan="2">• These models will be stablished only in land already been used in agriculture and livestock or degraded areas.
• No new exotic species will be introduced in Paraguay. It will be used only Eucalyptus sp. considering that this is a specie already broadly used in Paraguay and its management practices are well known.</td></tr>
<tr><td>Reforestation plantations mix 20% native/80% exotic</td></tr>
<tr><td>Native forest regeneration</td><td>• Promote native forest regeneration and ecosystem restauration.</td><td></td><td></td></tr>
<tr><td>Shaded –grown yerba mate</td><td>• Increase forest cover and therefore ecosystem services.</td><td>• Reduce of native fauna and flora habitat.</td><td>• This model will be implemented only in already degraded native forest and it is expected that the low management demand of the model will allow that the native forest will recover.</td></tr>
<tr><td>Agroforestry wit citrus</td><td colspan="2" rowspan="2"></td><td rowspan="2">• The use of fertilizer and pesticide could be a negative factor for natural development of native biodiversity.</td><td rowspan="2">• It will be used only organic fertilizer, legally approved pesticide in controlled quantities and it will be promoted the pest integral management.</td></tr>
<tr><td>Agroforestry with yerba mate</td></tr>
<tr><td colspan="5">Component 2.</td></tr>
<tr><td>Silvopastoral</td><td colspan="2" rowspan="3">• Increase wood availability, reduce deforestation and therefore the biodiversity loss.</td><td>• The use of forestry exotic species could compete with native species and cause allopathic effects.</td><td>• No new exotic species will be introduced in Paraguay. It will be used only Eucalyptus sp. and cattle considering that both species are already broadly used in the country and their management practices are well known.</td></tr>
<tr><td>Plantation biomass for bioenergy</td><td>• Extensive forest plantations could promote pest and diseases that could affect native species.</td><td rowspan="2">• INFONA, SEAM, SENAVE and private sector staff will be trained on forest pest and diseases control and forest fire integral management.</td></tr>
<tr><td>Plantation biomass for bioenergy</td></tr>
</table>

		• Forest increase the risk of fire that could affect biodiversity. • Reduce of water availability could affect the native species.	• The national pest and diseases monitoring programme will be strengthened. • A national programme on forest fire integral management will be development. • These models consider the recovering of the native forest cover of riparian and riverside areas, and also the water springs using naïve species.
General	• Increase biodiversity habitat and corridors for wildlife mobility.	• Competition with native species.	• The models will be stablished only in land already been used in agriculture and livestock or degraded areas. • No new exotic species will be introduced in Paraguay. • The models include the use of native species that will be used on recovering riparian and riverside areas, and establishing wildlife corridors. • INFONA and SEAM should provide a clear landscape planning to ensure that the models will be implemented in areas with natural potential regarding the models' demanding conditions, avoiding to affect native forest, ensuring the recovering of riparian and riverside areas with native species, protecting water springs and mitigating possible cumulative adverse impacts.
	• Increase wood availability, reduce deforestation and therefore the biodiversity loss.	• The use of fertilizer and pesticide could be a negative factor for natural development of native biodiversity.	• It will be used only organic fertilizer and legally approved pesticide in controlled quantities.
Special remark for protected area buffer zones.	• No activities of PROEZA are planned to be implemented inside of protected areas. • In protected area buffer zones activities will be executed following the Law 294 Environmental Assessment and the Law 352 of Protected Areas. • It is noted that while the project are includes protected zones, no project activities will be carried out inside these protected areas. Moreover, the project activities that include tree planting and environmental stabilization, while also improving the livelihoods of communities living in and around those areas will enhance the protection of the protected		

	zones. It is therefore understood that while the intention of this safeguard is to ensure that no inadvertent project actions jeopardize protected areas, in this case the project is specifically designed to strengthen their protection. • In protected area buffer zones, PROEZA will only promote integrated pest management for controlling pests and diseases that could affect the productive models to be implemented.

Implementation and monitoring

Type of intervention	Mitigation measures	Implementation	Monitoring /verification
Component 1.			
Reforestation plantations mix 20% native/80% exotic	• These models will be stablished only in land already been used in agriculture and livestock or degraded areas. • No new exotic species will be introduced in Paraguay. It will be used only Eucalyptus sp. considering that this is a specie already broadly used in Paraguay and its management practices are well known.	• Preliminary inspection will be done before approving the use of resources to promote the implementation of the models in the beneficiary farms. • An extensive document on technical, environmental and biodiversity remarks to use Eucalyptus sp. on PROEZA project will be prepared. • Specific training to beneficiaries will be promoted on impacts mitigation to biodiversity in afforestation projects.	• One inspection to farm before approval and a second inspection during the implementation of the model in the farm/Inspection reports. • One document 6 months after project beginning) • At least two yearly training course with the new beneficiaries/course minutes.
Reforestation plantations mix 20% native/80% exotic			
Shaded –grown yerba mate	• This model will be implemented only in already degraded native forest and it is expected that the low management demand of the model will allow that the native forest will recover.	• Preliminary inspection will be done before approving the use of resources to promote the implementation of this model. • Specific training to beneficiaries will be promoted on impacts mitigation to biodiversity in afforestation projects.	• One inspection to farm before approval and a second inspection during the implementation of the model in the farm/Inspection reports. • At least two yearly training course with the new beneficiaries/course minutes.
Agroforestry wit citrus	• It will be used only organic fertilizer, legally approved pesticide in controlled quantities and It will be promoted the pest integral management.	• Capacity building for beneficiaries on organic fertilizer production and management at farmer level. • Capacity building on use of legally approved pesticide (health and biodiversity protection) and integral management of pest.	• At least two yearly training course with the new beneficiaries/course minutes. • At least two yearly training course with the new beneficiaries/course minutes.
Agroforestry with yerba mate			
Component 2			
Silvopastoral	• No new exotic species will be introduced in Paraguay. It will be used only Eucalyptus sp. and cattle considering that both species	• Preliminary inspection will be done before approving a silvopastoral project to ensure that the project will be	• One inspection before the implementation of the model in the farm / Inspection report.

	are already broadly used in the country and their management practices are well known.	implemented only in land already been used in agriculture and livestock or degraded areas. • An extensive document on technical, environmental and biodiversity remarks to use Eucalyptus sp. on PROEZA project will be prepared. • Specific training to beneficiaries will be promoted on impacts mitigation to biodiversity around silvopastoral projects. • Further inspection to farms to ensure that ESS are been applied.	• One document 6 months after project beginning) • At least one yearly training course with the new beneficiaries/course minutes. • At least 2 further inspections to each farm / inspection reports.
Plantation biomass for bioenergy	• INFONA, SEAM, SENAVE and private sector staff will be trained on forest pest and diseases control and forest fire integral management. • The forest national pest and diseases monitoring programme will be strengthened.	• An institutional capacity building programme on both themes will be design and implemented. • A new institutional and more efficient arrangement for forest pest and diseases monitoring, early warning and control coordination will be implemented.	• Programme implemented during the first year / Final report on capacity building. • At least two meetings every year / meeting minutes
Plantation biomass for bioenergy	• A national programme on forest fire integral management will be development. • These models consider the recovering of the native forest cover of riparian and riverside areas, and also the water springs using native species.	• A strategic analysis of the national capacities to forest fire integral management will be prepared, and on the basis of it a basic national programme will be design. Some initials institutional arragmente will be promoted for fire control. • Preliminary inspection to farms to decide about the riparian and riverside areas, water springs and wildlife corridors to be recovered with native species.	• One analysis document (first year) including the national programme designed / Document • All the farm model implementation projects include references and information about recovering riparian and riverside areas, water springs and wildlife corridors. / At farm level

		• Incentives delivery to recovering the mentioned areas. • Further inspection to farms to ensure the recovering actions have been implemented.	planning documents. PROEZA GIS report. • At least 2 further inspections to each farm / inspection reports.
General	• The models will be stablished only in land already been used in agriculture and livestock or degraded areas. Native forest will not be affect (Shaded –grown yerba mate will be implemented only in degraded native forest)	• Beneficiary farms should be georeferenced in updated GIS to ensure that native forest is not being affected. INFONA and SEAM will confirm legal concept of degraded forest. • INFONA and SEAM should provide a clear landscape planning to ensure that the models will be implemented in areas with natural potential regarding the models' demanding conditions, avoiding to affect native forest, ensuring the recovering of riparian and riverside areas with native species, protecting water springs and mitigating possible cumulative adverse impacts.	• Operative PROEZA GIS (first 4 months) / SIG reports and maps • Landscape planning for PROEZA footprint area (first 4 months) / strategic and operative level document
	• The models include the use of native species that will be used on recovering riparian and riverside areas and establishing wildlife corridors.	• Preliminary inspection to farms to decide the riparian areas, water springs and wildlife corridors to be recovered with native species.	• One inspection before the implementation of the model in the farm. Yearly updated map reporting riparian and riverside areas, water springs and wildlife corridors recovering/Inspection report and yearly PROEZA report.
	• No new exotic species will be introduced in Paraguay.	• The same GCF - FAO environmental and social standard applied to component 1 will be applied to component 2. INFONA, SEAM and farmers associations will be trained on international ESS. BNF/AFD will coordinate with INFONA and SEAM on applying ESS during the	• At least one yearly training course on ESS. All projects to be financed by BNF/AFN incorporate ESS / Course minutes. Projects documents financed by BNF/AFD.

		design and implementation of projects to be financed.	
	• It will be used only organic fertilizer and legally approved pesticide in controlled quantities.	• Capacity building on use of legally approved pesticide (health and biodiversity protection). • Specific inspection programme on pesticide use in farm designed and implemented with concurs of SENAVE. • Pesticide container final disposal system agreed with SENAVE and implemented in the PROEZA footprint area.	• At least two yearly training course with the new beneficiaries/course minutes. • One programme designed and aleatory inspections / Programme document and inspection report. • All pesticide container will be collected in a suitable final disposal places / SENAVE yearly report.
		• Yearly quick assessment of the biodiversity quality based on indicator species.	• Yearly report on biodiversity quality / Yearly PROEZA report with a specific chapter on biodiversity.
Special remark for protected area buffer zones.	• No activities of PROEZA are planned to be implemented inside of protected areas. • In protected area buffer zones activities will be executed following the Law 294 Environmental Assessment and the Law 352 of Protected Areas. • It is noted that while the project are includes protected zones, no project activities will be carried out inside these protected areas. Moreover, the project activities that include tree planting and environmental stabilization, while also improving the livelihoods of communities living in and around those areas will enhance the protection of the protected zones. It is therefore understood that while the intention of this safeguard is to ensure that no inadvertent project actions jeopardize protected areas, in this case the	• Beneficiary farms should be georeferenced in updated GIS to ensure that no activities and PROEZA models are being implemented inside protected areas. • In buffer zone no pesticide will be used. It will be promoted strongly the pest integral management.	• Operative PROEZA GIS (first 4 months) / SIG reports and maps • Special inspections programme designed for buffer zones / Programme document and inspections report.

	project is specifically designed to strengthen their protection.		

ANNEX 6. Pesticide Remarks

Pesticides can contribute to effective crop and food protection during production and in storage. Pesticides are also used in forestry, livestock production and aquaculture to control pests and diseases. At the same time pesticides are designed to be toxic to living organisms, are intentionally dispersed in the environment and are applied to food crops. Pesticide use poses risks to users, others nearby, consumers of food and to the environment. In LMICs these risks are often elevated by overuse, misuse and lack of effective regulatory control. The guidance on the life-cycle management of pesticides as provided by the International Code of Conduct on Pesticide Management and its supporting technical guidelines that are drawn up by a FAO\WHO expert panel and expand on specific articles.

In PROEZA, pesticide will be used for ants and invasive plants control during the first stage of the agroforestry systems, multifunctional planted forest and reforestation, however as much as possible will be promoted the use of pest integrated management and biological control.

FAO does not maintain a list of permitted or non-permitted pesticides because many locally specific conditions govern which pesticides may be used. However, in line with the provisions of the FAO/WHO International Code of Conduct on Pesticide Management and relevant multilateral environmental agreements that include pesticides, the following list of criteria will need to be met in order for a pesticide to be considered for use in PROEZA:

a. The product should be registered in the country of use, or specifically permitted by the relevant national authority if no registration exists. Use of any pesticide should comply with all the registration requirements including the crop and pest combination for which it is intended.

b. Users should be able to manage the product within margins of acceptable risk. FAO will not supply pesticides that meet the criteria that define Highly Hazardous Pesticides (HHPs). Pesticides that fall in WHO Hazard Class 2 or GHS Acute Toxicity Category 3 can only be provided if less hazardous alternatives are not available and it can be demonstrated that users adhere to the necessary precautionary measures4.

c. Preference should be given to products that are less hazardous, more selective and less persistent, and to application methods that are less hazardous, better targeted and requiring less pesticides.

d. Any international procurement of pesticides must abide with the provisions of the Rotterdam Convention on the Prior Informed Consent (PIC) Procedure for Certain Hazardous Chemicals and Pesticides in International Trade. http://www.pic.int/Implementation/Pesticides