

From Commitment to Action

Supporting deforestation free
commodity supply chains from
the Amazon

FROM
COMMITMENT
TO ACTION



GREEN
COMMODITIES
PROGRAMME

From Commitment to Action

Deforestation free commodity supply chains from the Amazon: Gap analysis to support planning for action

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Foreword

Making promises is easy, it is keeping them that is hard. UNDP conceived From Commitment to Action (FC2A) to shed light on the links between making commitments and achieving commitments, both by governments and companies. Focussing on commitments made around deforestation free commodities, many had a target date of 2020 but have not hit that target.

FC2A investigated and took stock of what progress has been achieved in countries and what is still on the to-do list, in order to achieve deforestation free commodity commitments. Covering the Amazon countries of Colombia, Ecuador and Peru, the initiative has successfully captured the situation in each country, revealing gaps and actions needed. We selected these countries as all had signed up to the New York Declaration on Forests and stepped up to be partners in this FC2A initiative as the governments look to this initiative and tools to help them progress towards their commitments.

What emerged is a clear picture of just how complex it is in each country to create a situation with all the regulations, plans, incentives, and capacities in place so that production practices are transformed across the geography. The FC2A analysis reveals the commodity production systems operating in each country, the multiple elements constituting the systems, and identifies the factors which need to change to achieve the commitments.

FC2A results show that a Commitment cannot be achieved by initiating one action with a clear cause and effect. Signing up to a commitment is the tip of an iceberg, and it is the iceberg, the commodity production system, not only a company's supply chain, which has to be transformed to make the commitment meaningful. Signing up to a deforestation free commodity commitment means signing up to changing the entire commodity system which has been resulting in deforestation. FC2A further provides insights on what more needs to be done in each country to change national systems and achieve the commitments made.

Our hope and call to action is twofold.

At country level:

Stakeholders pursue contributions to system change based on the FC2A country findings.

At a global level:

Deforestation free commitments are made with sufficient strength of purpose and investment by signatories that they make meaningful contributions to the systems changes required.

We trust that FC2A's findings will be taken up by all those interested in contributing to reducing deforestation from commodity production in these countries, and we look forward to extending the initiative to other areas suffering deforestation.

Andrew Bovarnick

UNDP's Global Head, Food and Agricultural Commodity Systems
& Lead Natural Resource Economist





Executive Summary

The expansion of commodity production continues to be a leading driver of deforestation across the world, causing a loss of valuable carbon sinks and other services important to society and economies, such as clean air and water, and livelihoods for forest-dependent peoples. Many commitments have been made – both by governments and companies – to reduce deforestation resulting from the production of commodities, and although there has been notable progress in achieving some of the goals set out in these commitments, it has also been slow and uneven. Neither governments nor private sector are on track to meet ambitious 2020 commitments on reducing deforestation caused by commodity production.

"From Commitment to Action" (FC2A) is a global flagship UNDP initiative that was implemented during 2019 in Colombia, Ecuador and Peru. It aimed to refocus efforts to accelerate a reduction in deforestation of the Amazon caused by production of agricultural commodities, with the broader context of inclusive green economy transitions and efforts to achieve the Sustainable Development Goals and objectives of the Paris Agreement. The results summarised in this report highlight the need to better understand the system that needs to be changed, and the often overlooked interlinkages between seemingly diverse actors in that system.

UNDP's FC2A initiative provides a overview of the landscape of deforestation commitments and their implementation, identifying in country roadmaps where there are still systemic barriers to be addressed in order to create the enabling environment needed to



ensure these commitments are met, and support the move "From Commitment to Action".

We hope this report, the roadmaps, and the accompanying research can serve as a valuable input for multi-stakeholder processes in each country to identify areas for further investment and inform the development of new programmes and policies using a broader systems approach. These resources can also help governments with resource mobilization, and to demonstrate to other stakeholders – especially the private sector – that what they are doing will help create an enabling environment and lower the risk of deforestation in commodity supply chains. It serves also to confirm the growing recognition within the private sector that tackling the persisting structural barriers to achieving their deforestation free commodity commitments cannot be done alone, and the need to engage more proactively in co-creating solutions.

As this is a live working paper, there is work still to be done to validate the individual country analysis and roadmaps presented below. The actions needed and next steps proposed in Section 5 should be interpreted as suggestions, requiring deeper multi stakeholder collaboration to review and jointly agree on the identified gaps and what is needed to close them.

Overall, FC2A found good progress has been made across all three countries: for example, there is strengthened land use planning, legislation is in place governing land use, and national level satellite and on the ground monitoring systems have been

The Amazon forest is still not considered by some stakeholders as an economic resource in itself, only as a hindrance to be overcome, or for its potential for clearance for agricultural land.

set up. Ecuador is leading the way on jurisdictional certification for deforestation free palm, Peru has developed a Forest Coverage Monitoring Module as part of a national system for monitoring the impact of agriculture on forests, and Colombia has established a national cut-off date and definition for deforestation.

However, many challenges that have been identified repeatedly persist: there is still much work to be done in improving coordination between Ministries and aligning contradictory policies that do not support the protection of forests or other natural resources. National level policies and legislation are poorly implemented at the sub national level due to limited resources and capacities and/or insufficient operational guidance. Markets are not yet rewarding commodities that demonstrate sustainable production practices. And although all countries have increasingly stringent laws in place regarding deforestation, there is often weak implementation and ineffective application of meaningful sanctions.

Underlying all this is the fact that the Amazon forest is still not considered by some stakeholders as an economic resource in itself, only as a hindrance to be overcome, or for its potential for clearance for agricultural land.

Phase 1 was designed with a view that the current cohort of countries who wish to take this process forward will engage in a Phase 2. This new Phase would build on the momentum achieved under Phase 1 and involve all the stakeholders in a longer-term process, ideally through an existing coalition or platform, in order to develop a more detailed roadmap for action.

Proposals for Phase 2 include Colombia which may build on the success of the cattle sector dialogues carried out in Phase 1 by exploring the potential of a multi stakeholder platform for deforestation free commodities at the sub national level.

Peru can build on the success of Phase 1, where the convening and technical support provided by the FC2A process consolidated the public-private platform for sustainable production, and in Phase 2 can further develop the roadmap developed for the coalition.

Ecuador can use the FC2A framework to build partnerships with the private sector on sustainable deforestation free commodity production and procurement. Some common gaps and needs can be pulled out for developing Regional programmes of work, for example on piloting traceability systems and developing strategies for local private sector engagement.

The analysis provided by FC2A in Colombia, Ecuador and Peru, giving a broad overview of whether policies, commitments and investments are 'adding up' to achieve government and company commitments supported the governments and companies existing knowledge, and so look forward to replicate this approach in other regions.





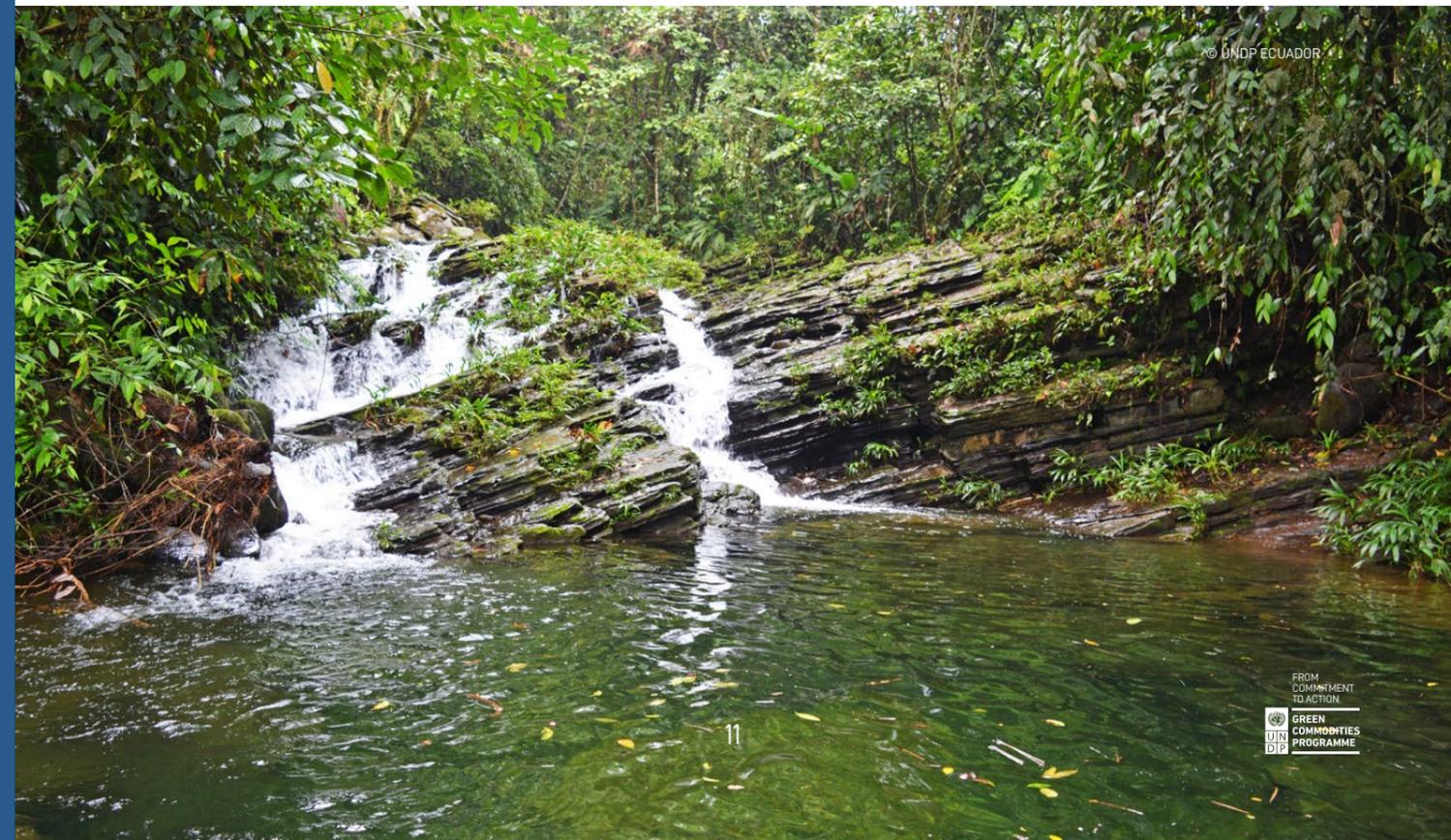
The Rationale for FC2A

“The New York Declaration on Forests Goal 2 aimed to support and help meet the private-sector goal of eliminating deforestation from the production of agricultural commodities such as palm oil, soy, paper, and beef products by no later than 2020, recognizing that many companies have even more ambitious targets. As the primary drivers of deforestation globally continue to be agriculture and cattle ranching, this Goal is critical for the overall success of the NYDF. The NYDF Assessment Report shows the 2020 target under Goal 2 will not be met, and identifies a number of contributing factors including, weaknesses in some company commitments, lack of reporting on actions and progress, and the need to work on sector-wide efforts in order to accelerate implementation of commitments. While Goal 2 will not be met, there are several efforts underway to help companies scale up progress and increase impact.

The Accountability Framework initiative (AFi) is one tool companies can use to initiate or redirect commitments to deforestation-free and ethical supply chains, implement them, and demonstrate progress. It provides a pathway for companies to eliminate deforestation, conversion, and human rights violations from their supply chains. Resources like AFi and others that help companies stay accountable to their forest commitments can accelerate progress on NYDF Goal 2 and other goals and ultimately, providing the enabling conditions and political will to halt deforestation by 2030.

As we look into concrete pathways and renewed efforts to implement the NYDF Goals, the NYDF Global Platform welcomes the FC2A report, which proposes specific country roadmaps and recommendations to strengthen implementation. This focus on implementation is key to accelerating momentum from commitment to action by NYDF endorsers and other influential stakeholders.”

New York Declaration on Forests Global Platform



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The 2019 NYDF update shows that the global rate of tree cover loss increased by 43 percent, with Latin America showing the highest rates per year, and most companies will not meet their 2020 supply chain commitments.

The expansion of commodity crop production has been a leading driver of deforestation in many of the world's remaining major forests, causing a loss of valuable carbon sinks and other services important to society and economies, such as clean air and water, and livelihoods for forest-dependent peoples. Over 60 million hectares of tropical forest have been converted to agriculture since 2000¹, and large forest-ecoregions under pressure include the Amazon Basin, Congo Basin forest, forests of Borneo (Kalimantan), Guinean forests in West Africa, and Gran Chaco Forest of South America. Many commitments have been made – both by governments and companies – to reduce deforestation resulting from the production of commodity crops.

"From Commitment to Action" (FC2A) is a UNDP initiative, aiming to support countries to accelerate a reduction in deforestation from agricultural commodities in key forest eco-regions of the world. This is achieved through supporting countries through multi-stakeholder dialogue at national level celebrate achievements and identify gaps in the enabling environment needed for implementing their deforestation-free commodity commitments. FC2A was piloted in the Amazon eco-region in 2019, with participation by public sector, private sector and civil society stakeholders, as well as technical and financial partners, in three Amazon countries with high levels of agricultural commodity exports: Peru, Colombia and Ecuador.

All three governments are signatories to the 2015 Paris Climate Agreement, as well as the New York Declaration on Forests (NYDF) which lays out clear targets on deforestation: Goal 1 commits signatories to halve the rate of loss of natural forests by 2020 and end it by 2030, and Goal 2 target is to eliminate deforestation from agricultural commodities production by 2020. Multinational companies have also signed the NYDF, and are part of initiatives such as the Consumer Goods Forum (see Box) or the Tropical Forest Alliance that aim to reduce deforestation due to production of the main agricultural commodities. Some have made commitments to reduce the impacts of all or multiple agricultural products in their supply chains, including a general "zero deforestation" commitment, which may complement commodity-specific commitments.

Although there has been notable progress in achieving some of the goals set out in these commitments, it has also been slow and uneven. The 2019 NYDF update shows that the global rate of tree cover loss increased by 43 percent, with Latin America showing the highest rates per year, and most companies will not meet their 2020 supply chain commitments².

The focus of FC2A was deforestation caused by agricultural commodity production in the Amazon region, which although narrow in scope, provided a tangible entry point for discussions on policies and investments needed. We recognise the growing threat of other sectors, specifically mining and infrastructure³, putting pressure on forests, but they were out of scope of this report.

It has been well documented that in the Amazon, production of commodities including soy, beef, palm, coffee, cocoa, and other products, continues to contribute to forest loss and degradation. UNDP's experience of working with commodities over the last ten years, has repeatedly highlighted that a more systemic approach is required to understanding the complexities of the systems within which commodities are produced.

1 <https://www.supply-change.org/companies/zero-deforestation>
 2 <https://forestdeclaration.org/images/uploads/resource/2019NYDFReport.pdf>
 3 <https://forestdeclaration.org/goals#goal-3>

UNDP has identified twelve key criteria that can be used as a framework to identify the interconnectedness and gaps that need to be addressed in the system to prevent deforestation for commodity production. To test the hypothesis, this framework was used to structure the findings across all three countries, as can be seen in the Roadmaps in Section 4. The criteria used in the framework are:

1. Reconciling and aligning national policy goals and laws affecting agricultural commodity production
2. Mapping forests being converted for commodities
3. strengthened land use planning with stakeholders in high risk areas
4. Providing cut-off dates after which forest clearance is not allowed
5. Developing registries of land ownership and forest coverage
6. Reforming land tenure systems to enable smallholders to invest in sustainable production
7. Enhancing and streamlining national capacity for satellite and on-ground monitoring
8. Strengthening enforcement of national legislation guiding land use and land use change
9. Applying legal penalties for non-compliance
10. Promoting market access through certification or jurisdictional approaches for deforestation-free produce
11. Developing traceability systems for company sourcing, and local purchasing.
12. Incentive schemes that support different stakeholders, such as access to financing or services, and payments for environmental services.

In each country there are existing long-term processes and programmes that have invested in identifying the drivers of deforestation, developing monitoring systems and designing policies and measures to address it, including deforestation driven by agricultural commodities. Building on this existing work by UNDP and its partners, the FC2A initiative aimed to consolidate existing information to help provide an updated analysis using a systemic lens. This has been documented in a country 'Roadmap', identifying where there are still gaps to be addressed in order to make a reality of commitments, and help the countries move "From Commitment to Action". Recognising that one of the main barriers to progress has been meaningful multi-stakeholder dialogue, the process created spaces for dialogue between diverse stakeholders to validate the findings and propose future action.

Consumer Goods Forum⁴

In 2010, the Board of the Consumer Goods Forum (CGF), an industry association comprised of roughly 400 companies, passed a resolution to achieve Zero Net Deforestation in the "big four" commodity supply chains responsible for the bulk of the world's deforestation – cattle, soy, palm oil, and pulp & paper – by the year 2020. The resolution was passed in response to growing evidence of risks associated with climate change and deforestation in commodity supply chains – specifically, evidence that deforestation accounted for nearly 20% of global greenhouse gas emissions, and that the production of these four commodities accounted for the lion's share of deforestation worldwide.

⁴ www.theconsumergoodsforum.com



Main Findings and Results

By using the FC2A Framework to analyse a set of core enabling factors, FC2A has unravelled what it means in practice to ensure deforestation free commodity production.

Three Country Overview:

While the FC2A analysis highlights some good examples of progress at national level on establishing the policies and mechanisms necessary for controlling deforestation at country level, it also confirms that many of the well documented factors hampering progress on reducing and stopping deforestation in commodity production still persist. Despite the multitude of investments and commitments made over the years, underlying and persisting structural barriers have not been addressed, resulting in the lack of progress we see today.

As we can see in Table 1 below, across all three countries policies and legislation are poorly implemented at sub national levels due to limited resource and capacity, or lack of operational guidance. There is poor coordination and cohesion between different Ministries with at times contradictory policies. Markets are not yet demonstrating a willingness to properly reward commodities that demonstrate traceability and sustainable production practices. There is a lack of commonly agreed definitions on key components such as 'deforestation' and the 'agricultural frontier'.

And although all countries have increasingly stringent laws in place regarding deforestation, there is weak implementation and ineffective application of meaningful sanctions, that do not challenge the high value economic (and illegal) activities that lead to deforestation. The fact that the Amazon forest is still not considered an economic resource in itself, only as a potential area for clearance for agricultural land, was repeated time and again as an underlying barrier.

By using the FC2A Framework to analyse a set of core enabling factors, FC2A has unravelled what it means in practice to ensure deforestation free commodity production. The analysis identified links and gaps across the national system rather than focusing on a specific entry point or partner, and identified specific actions needed to overcome the gaps, as summarised in Table 2 below. This illustrates the interconnectedness and complexity of the national enabling environment, and shows that a wider systems approach is needed to understand and design interventions that will lead to commitments being realised. This systematic overview can help provide a deeper understanding for the private sector that the reality of delivering on public commitments to source deforestation free commodities such as signing up to the NYDF, can be very complex and needs the support of government to create the enabling conditions.

A particular focus of FC2A was integrating the private sector into the process. FC2A found that many national companies (especially in the beef/dairy sector) do not have sustainable sourcing policies or commitments regarding deforestation in their supply chain, so the motivation to join national dialogues (or even sector specific ones) was limited.

Where companies have started to engage on deforestation, they are often unclear on pathways and approaches that can be used. We also noted that globally there are still many companies who do not have public commitments on zero deforestation: Forest Trends in 2019 assessed 865 companies, of which 464 had any sort of commitments for sustainable production of commodities, and of those only 72 (mostly based in the US and Europe) have set targets for zero deforestation.⁵ This was confirmed during the FC2A work, and we found that many nationally based companies have limited or no policies regarding sustainable sourcing of commodities, and had not participated in dialogues with civil society and government to discuss deforestation. This was one of the more challenging aspects of the initiative, and it proved that resource is needed to build relationships and trust with companies who are new to these debates and inspire them to see the value they bring and can get from participation.

⁵ <https://www.forest-trends.org/wp-content/uploads/2019/06/2019.06.05-Supply-Change-Targeting-Zero-Deforestation-Report-Final.pdf>

Although some international companies have better articulated commitments and sourcing standards relating to deforestation, early on it was identified that the FC2A countries are not strategic origins of palm, cocoa and coffee sourcing (with the obvious exception of Colombia for coffee), so promoting their engagement in the process was difficult. International companies also have a wider set of sustainability requirements, in addition to 'deforestation free', and seek supply chains that provide assurances on additional issues such as labour rights, as well as quality, so dialogues focusing solely on deforestation were not always seen as useful or sufficient. This further emphasises the need for a wider view and understanding on what is required to meet the needs of some market actors, and integration in the action plans.

FC2A focused on working with the Ministries of Agriculture and the Environment, and their related agencies at national and sub national level. However, we found that the critical issues that need to be addressed are also within the remit of various other government bodies that also need to be brought into the initiative and involved in the future development of a coherent action plan. This especially includes the Ministries of Justice, Planning, Housing, Economy and Commerce.

The draft roadmaps in Section 4 give an overview of the current status in the country against our defined core criteria as well as highlighting the persisting gaps and actions needed, which are summarised below⁶.

Colombia:

Situation:

Colombia has numerous initiatives aiming at reducing commodity related deforestation, linked to donor programmes (eg GEF, JDI) as well as national plans (e.g. Pact for Sustainability and a cross-Ministerial Council to combat deforestation are included in the National Development Plan), with specific targets set on commodity driven deforestation included in the National Strategy for Control of Deforestation. Forest and Carbon monitoring systems are in place with specific focus on palm and coffee, and the landmark Judgment 4360 awarded protection rights to the Amazon. Colombia has defined the cut-off date after which forest clearance is not allowed (31 December 2010), and policies on land use change and tenure are now in place. There are four commodity supply chains (palm, cocoa, beef and dairy) that have signed National Agreements committing to zero deforestation.

Gaps:

While at national level there is some good progress on inter-Ministerial coordination and articulation of policies, on the ground this is still weak, especially between Min Commerce, Min Housing, Min Mining, Min Ag and Min Environment. This also results in a disconnect between the different ministry data and monitoring systems at field level. Policies and mechanisms supporting Enterprise and Family Farming do not prioritise or promote zero deforestation or sustainable use of forest resources. On going lack of capacity to enforce sanctions or implement government policies is exacerbated by insufficient clarity on roles and responsibilities between key state actors such as the National Land Agency, Police and Prosecutors Office.

Actions:

Improve links between Ministries using specific entry points such as the 'Resolution on Agricultural Frontier', post conflict programmes, and the Green Growth Policy, with a focus on districts of high deforestation. Existing policies for Housing, Planning, and Competitiveness need to be revised to include land use models that support sustainable forest use and climate change adaptation. The agreed deforestation cut-off date baseline needs to be integrated into all land planning instruments, and a sanctioning process must be established for unauthorised land use change.

⁶ In addition, see Annex 1 for full list of documentation produced, and UNDP country office contact details

Ecuador

Situation:

Ecuador's 2008 landmark Constitution prohibits extractive activities in protected areas, establishes national rights for indigenous people and their resources. This is backed up by legislation including the Organic Law of Rural Lands and Ancestral Territories, that limit expansion of agricultural land, as well as a Comprehensive Amazon Plan (PIA), drawn up by the Amazon Technical Secretariat. Existing policies (including the PIA) are being updated and harmonised to align production strategies with climate change and forest protection ones and to ensure incorporation of sustainable production criteria in land use and development plans. At the national level there is an inter-institutional body to promote sustainable production in the Amazon, and through the National Planning secretariat guidelines have been issued that incorporate criteria for climate change, conservation and sustainable production. A national definition on sustainable commodity production (focusing on deforestation free) is being developed, and there is good progress on RSPO jurisdictional level certification as well as pilots of traceability systems for agricultural and livestock products from the Amazon. Green credits and sustainable finance incentives are being developed for deforestation free commodity production.

Gaps:

A stronger presence of the Amazon Technical Secretariat and other government bodies in the Amazon provinces is needed to ensure implementation of policies and plans, supported by local forums addressing sustainable production. Monitoring systems have not been recently updated, there is no integration between the different ministry systems, and the land cadastre system is out of date. Decentralised authorities are new to their roles and have little knowledge of the updated Development and Planning tools that look at sustainable production. A lack of market incentives for sustainable production is compounded by the lack of harmonization of sanctions policies between local and national levels to prevent illegal and damaging activities.

Actions:

Build capacity of the provincial and district (mayors) authorities on issues such as the expansion of the agricultural frontier and sustainable production, as well as their ability to enforce local laws. Production models for land use planning to show how commodities can be deforestation free need to be developed and incorporated in planning tools. Implementation of a joint MinAg and MinEnv mapping system, regularly updated, and linked to community based surveillance systems, that uses a common scale should be installed that acts as the official point of information for land use in the Amazon. Improved traceability mechanisms for commodities will support the implementation of the forest and wildlife control systems, and must be complemented with effective sanctions.



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Peru

Situation:

Decentralisation process has transferred power and resources to the sub national government. National diagnosis of bottle necks and legal gaps on land use change regulations completed, and significant advances on zoning at regional level. Monitoring system in place tracking deforestation, land use change and degradation, as well as emissions. New cadastre system will formalise land title in the Amazon, and new guidelines for land use change are being drawn up. Penalties for 'crimes against forests' have been increased under the Criminal Code, and a range of positive incentive payment schemes for ecosystem service and sustainable production are in place.

Gaps:

Limited coordination between different sectors and levels of government. Lack of detailed analysis of the context in the different agricultural areas of Amazon states which is needed to develop targeted policies and solutions. Existing National, sub national and sectoral plans do not include safeguards or guidance on zero deforestation production and protection of forests, and where there are requirements (eg the new Forest Law), they are overly complex, confusing, and with a lack of monitoring capacity. Monitoring systems have poor interoperability between the different systems and databases of state data, and land use mapping still covers only a small proportion of the Amazon.

Actions:

A more unified vision among the three levels of government for planning and land management is needed, with clarity on roles of each. Review National and Regional plans to include deforestation requirements and promotion of conservation. Completion of mapping and zoning processes, and agree a deforestation deadline at national level, to be included in all future planning. Develop a National Territorial Info System that includes details on assigned rights, concessions, protected areas and all natural resources identified in other planning and zoning processes. Strengthen capacity of police and courts to bring charges and impose penalties for environmental crimes under the law, and provide clear procedures for reporting land use changes.

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Summary of gaps:

Details in country roadmaps in section 4

	COLOMBIA	ECUADOR	PERÚ
1. Reconciling and aligning national policy goals and laws affecting agricultural commodity production	Many policies and strategies in place but need better coordination across Ministries, and to incorporate a focus on deforestation hotspots.	Technical secretariat exists to coordinate work in the Amazon, but needs support to strengthen implementation and policy development.	Historically limited coordination between different sectors and levels of government, as well as few policies targeting agricultural production in the Amazon states.
2. Mapping forests being converted for commodities	Mapping being done, but unclear pre 2018 impacts, and how to integrate community monitoring.	Although there are forest mapping systems in place, there is no common definition of the agricultural frontier.	System in place to monitor Amazon degradation, clearance and land use change, but not other forested areas.
3. Strengthened land use planning with stakeholders in high risk areas	Good LUP being done but in silos by different Ministries. Lack of resources hampers quality and reach.	Guidelines for planning developed that incorporate criteria for climate change, conservation and sustainable production, but knowledge and capacity to implement at local level still limited.	Land use mapping only covers 20% of Amazon, and low uptake of Forest Zoning at regional level. New Territorial Planning law will help speed up zoning process.
4. Providing cut-off dates after which forest clearance is not allowed	Clear date identified, but lack of clarity on how to operationalise it.	No national deadline officialised, or compensation mechanisms for deforestation.	There is no national level deadline for deforestation for sector level work, but one being developed for Palm.
5. Developing registries of land ownership and forest coverage	Cadastre system in place, but environmental variables not considered as assets, still seen as constraints.	There is no updated cadastral information or regulation, and required resources are not available	System to formalise land title in rural areas is being implemented. Currently poor inter-operability between different systems. Many communities lack basic titling information.
6. Reforming land tenure systems to enable smallholders to invest in sustainable production	Policies in place but not being implemented due to low prioritisation (and analysis) of family farming.	Although support being provided to smallholders on deforestation free production, there is only a small market that rewards good practices, therefore incentives remain limited.	Government Commission responsible for developing the strategy for sustainable development in the Amazon has produced draft guidelines for granting land title to communities, but limited progress in granting titles.



	COLOMBIA	ECUADOR	PERÚ
7. Enhancing and streamlining national capacity for satellite and on-ground monitoring	Systems in place at national level that need to be linked to sub national level monitoring activities.	There is some monitoring information at national and local level, but data needs to be better integrated together.	Forest monitoring system in operation but still needs response protocols set up.
8. Strengthening enforcement of national legislation guiding land use and land use change	Legislation in place, but no clear protocol for its application, lack of capacity to enforce sanctions, and fragmented responsibility between different actors.	Legislation supporting protection of forests and promoting sustainable production are in place but weak institutional capacity to implement effectively.	Historically contradictory policies (e.g. between Agricultural policies and Forest Law), complex requirements and lack of monitoring have encouraged deforestation.
9. Applying legal penalties for non-compliance	Deforestation Control Protocol exists, but no sanctions or penalties imposed for misuse of land, money laundering and trade from deforested lands.	Although legislation (including the Constitution) set out penalties and restrictions, poor application due to lack of incentives for conservation.	Increasingly stringent law, but lack of capacity at ground level to implement, and ineffective sanctions especially when compared to other high value economic (and illegal) activities.
10. Promoting market access through certification or jurisdictional approaches for deforestation-free produce	National level agreements to set up deforestation free commodity supply chains, but lack of clarity on how to implement and lack of resource to support sustainable business development	Leading the way with one of first jurisdictional deforestation free palm RSPO certifications.	Infrastructure improvement programmes in place to improve access, but no jurisdiction identified as deforestation free.
11. Developing traceability systems for company sourcing, and local purchasing.	Monitoring systems need to be more clearly linked to commodity supply chains.	Traceability systems at a national level are being piloted, but unclear if market demand is enough to recompense the cost and effort.	There are no sector wide traceability systems established, or updated census data.
12. Incentive schemes that support different stakeholders, such as access to financing or services, and payments for environmental services.	Numerous schemes in place, but many contradictions between them with some perverse incentives promoting deforestation through agricultural expansion.	Although there is a cross ministerial 'Sustainable Finance' body, there are still very few incentives linked to sustainable production of commodities.	There are limited institutional, legal, and financial incentives for family producers to reduce deforestation. Existing laws on environmental services are not being implemented, and the standing forest is not fully recognised as an economic resource.

Summary of actions needed:

Details in country roadmaps in section 4

	COLOMBIA	ECUADOR	PERÚ
1. Reconciling and aligning national policy goals and laws affecting agricultural commodity production	Improve links between MinAg and MinPlanning on the 'Resolution on Agricultural Frontier', post-conflict programmes investing in agriculture, and the Green Growth Policy (CONPES 3934), especially in deforestation hotspots	Creation of multisectoral spaces to discuss, coordinate and reach consensus on policies and programmes for sustainable production in the Amazon. Technical Secretariat to develop a model for sustainable production free of deforestation, to incorporate land use and agricultural plans.	Develop a unified vision among the three levels of government for planning and land management. Review of National Strategies, Regional plans and existing Sectoral Plans to include requirements for deforestation-free production.
2. Mapping forests being converted for commodities	Creation of local monitoring models by Departmental Agriculture Secretariats and local Environmental agencies to integrate into the national system.	Implement a joint mapping system, between the MinAg and MinEnv, using a common scale that will be the official information for use by other actors in the Amazon. Territorial planning standard needs to include HCV areas.	Calculate future emission factors (for agriculture, focus on Amazon) based on the National Forest Inventory (INF), which is led by MINAGRI through SERFOR in coordination with MINAM, SERNANP and Regional Governments.
3. Strengthened land use planning with stakeholders in high risk areas	Incorporate Ministry guidelines related to zero deforestation and climate change adaptation, in the municipalities with the highest rates of deforestation. National and Departmental Planning bodies, and Min Housing support models for land use that include sustainable use of forests.	Identify Areas of High Conservation Values in the Development Plans and Territorial Planning process, including integration of areas for deforestation compensation.	Complete mapping of land use at Regional, Provincia and District level, as well as Forest Zoning.
4. Providing cut-off dates after which forest clearance is not allowed	Integrate 2010 forest baseline data into environmental and land management national planning instruments, and link payments (eg Carbon Tax and investments for Territory Renewal) into unified toolbox applied in all deforestation hotspots.	Formalize the deadlines, establish monitoring systems and compensation mechanisms for deforestation produced by the development of agricultural activities.	Develop national level agreement on deforestation deadlines, which are then included in sector plans, and the low-emission Rural Development Plans.
5. Developing registries of land ownership and forest coverage	Implementation of Conpes Land Use policies, incorporating in production plans sustainable forest management, and emphasising the requirement for zero deforestation.	Link the National Forest Monitoring System (SNMB) and Local Information System (SIL) to the existing cadastres. Develop geo-referenced map of the state of land tenure, including coverage and land use.	Develop a National Territorial Information System, using georeferenced data generated by all relevant institutions, and including information on assigned rights and resources identified in other processes (eg Forest Zoning).
6. Reforming land tenure systems to enable smallholders to invest in sustainable production	MinAg Family Farming plans need to use instruments to support zero deforestation and protection of biodiversity.	The Pay for Results Project will formalise land tenure and rights in protected areas, in order to ensure correct implementation of management plans.	Define tools in the Assignment Agroforestral for issuing contracts that allow access to forest land use and protection, as required by the current law. Identify degraded areas with potential for the expansion of oil palm cultivation and facilitate access and incentives for producers.

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7. Enhancing and streamlining national capacity for satellite and on-ground monitoring	Build regional interfaces with the National Forest and Carbon Monitoring System with local MinEnv authorities, and link to MinAgs' Departmental development plans.	Implement a joint monitoring system between the MinAg and MinEnv using a common scale. Establish links between community and national monitoring and surveillance systems (including REDD+).	Develop a response protocol and allocate resources for early deforestation alerts, managed by regional and local governments.
8. Strengthening enforcement of national legislation guiding land use and land use change	Establish sanctioning processes for unauthorised changes in land use and environmental damage. Regulation and pilots for issuing contracts for sustainable use of abandoned land.	Develop regulations and tools to aid planning at District level that integrate sustainable production and climate change.	Clarify the functions of each state body under the new forest law, providing transparent and efficient procedures for changing land use, improving systems of information and sanctions and strengthening internal control bodies.
9. Applying legal penalties for non-compliance	MinEnv, MinAg, MinDef and MinMin to adopt and jointly implement the Deforestation Control Protocol. Crackdown by MinHou on illegal investments that support deforestation and land seizures.	Develop traceability tools for use by the forest and wildlife control system to track products from production to final destination, with effective sanctions for environmental damage.	Improve implementation of existing regulation, with additional resources for the national police and the courts focusing on environmental crimes. Definition of the procedures to be followed in order to report illegal land use.
10. Promoting market access through certification or jurisdictional approaches for deforestation-free produce	MinAg and MinEnv to institutionalize zero deforestation agreements within the framework of existing laws. MinCommerce programmes to link to the local 'economic networks' set up by MinAg for 0 deforestation commodities	Develop sector platforms to provide access to private sector and markets seeking certified deforestation-free products, and establish country strategy for being origin of premium and sustainable commodities.	Identify and pilot jurisdictions that comply with reducing deforestation levels so that they are promoted as preferential deforestation free supply origins.
11. Developing traceability systems for company sourcing, and local purchasing.	Development of models and case studies from community organizations, showing how to integrate forest management with agricultural and livestock production.	Complete and implement country-wide traceability concept developed and agreed by MinAg and MinEnv.	Develop and pilot a traceability system to cover all supply chains originating from a specific area.
12. Incentive schemes that support different stakeholders, such as access to financing or services, and payments for environmental services.	Application of safeguards, with emphasis on the distribution of benefits associated with the different incentive mechanisms that exist.	Define a monitoring system for deforestation free production linked to incentives for producers supported by banks, government and others.	Use the existing environmental services law and other schemes to design payment schemes for environmental services that provide incentives to producers for the conservation of forests, recovery of degraded lands and implementation of agroforestry systems.

The FC2A analysis suggests a range of actions for each country that are needed to tackle the persistent gaps that impede progress on creating the enabling environment needed to support deforestation free commodity production. To build on this work now needs investment into deeper multi-stakeholder collaboration to review and validate the findings. Phase 2 will capitalise on the momentum that was generated by the National Dialogue processes and use the analysis and draft reports produced during Phase 1 to develop concrete action plans to address the gaps identified. An overview of key recommendations for systemic change is listed below, with more detail provided in each individual country's documentation:

- There is a need to work more systemically to tackle deforestation in the Amazon, and to support the different ministries and other stakeholders to work more effectively together to develop a unified vision and framework that reinforces the protection of the Amazon consistently across the different strategies and plans. For example, the Ministries of Housing or Planning are not usually considered as stakeholders in deforestation focused programmes, but they too should promote models that recognise and protect sustainable use of forest areas, and apply frameworks or guidelines developed for zero deforestation by other government bodies.
 - As power gets devolved to sub-national level, there is a need to step up planning and coordination across the different levels of National, Regional and Local government on issues such as land use planning, and ensure a more systemic approach to coordination is employed here too. Across all three focus countries there was an identified need for increased investment at sub-national level to enable them to plan, implement and monitor effectively existing regulations and systems on forest protection and land use planning.
- There is also a need to adapt national policies and regulations for implementation at local level in the Amazon regions, adapted for the particularities of that context. Priority could be given to support this in deforestation hotspots in the Amazon, with possible pilots focusing for example on multi-stakeholder collaboration, management capacity development, public-private partnerships to encourage private sector engagement in forestry protection.
- All countries have advanced significantly in setting up systems for land mapping, zoning, and monitoring, but in all cases, these need to be completed and adapted for use by local authorities and communities. Related to this is the need to agree a common definition of deadlines for deforestation, which is implemented in sector plans across Ministries.
 - Although legislation exists with varying degrees of sanctions for deforestation and inappropriate land use change, in all three countries there is an urgent need to enforce its application and step up the fight against traffickers and land invaders, with penalties and effective sanctions being enforced. There is a need to strengthen the capacity of the national/local police and the courts to deal with environmental crimes.
 - The development of alternative agricultural planning models (for example at farm, community or departmental level) that integrate the sustainable use and management of forest resources with production of commodities such as dairy, beef and cocoa would help find a path to meet the government aspirations for the expansion of agriculture as well as the protection of forests.



Recommendations for Action

Traceability systems covering a specific area (jurisdictions) of deforestation free commodity production can be piloted to test market demand. This needs to be coupled with private sector engagement to support zero deforestation supply chains through good purchasing practices and pricing mechanisms that recognise and reward this.

- Improve incentives for small farmers to protect and restore forests, for example by working with the financial sector to design financial mechanisms that offer credit linked to sustainable production and protection of forests, accompanied by a financial literacy programme and strengthening the capacities of the financial institutions. Where there are laws on environmental services, support the design of payment schemes that provide incentives to producers for the conservation of forests, and recovery of degraded lands.

Phase 2 next steps support for the national governments and companies

- Using the FC2A framework was a tool to help governments identify the system within which their programmes operate, and help identify blocks and levers that impact on achieving deforestation free commodities. Supporting governments to deepen this systems view approach to designing and reviewing programmes should be prioritised.
- Improve regional sharing on specific commodities: build on national work streams on specific commodities and establish a mechanism for sharing experiences and information across government ministries and countries (via the Green Commodities Community for example). Key focal point to be identified in each government to follow up on cattle and link to others across the Amazon countries. This can also be done with other priority commodities such as cocoa and palm.
- Consolidate the private sector links developed and prioritise companies to engage with at a Regional level. For example, Olam and Barry Callebaut are global traders of commodities with operations in Latin America, but in many cases with regional offices based in one country (e.g. BC office is in Quito for all of LAC). Using the FC2A analysis and dialogues, UNDP can assist the national governments develop a regional strategy of engagement with priority companies. The FC2A framework can also be used as a tool to engage national companies on the issue of deforestation free commodities.



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- Common gaps that emerged from the roadmaps can be themes for regional follow up work, for example traceability. The ProAmazonia team in Ecuador as part of FC2A conducted some detailed work on this issue to support existing initiatives. For example, the country has implemented a jurisdictional certification for deforestation free palm and will be piloting deforestation free coffee with one of the world's leading brands.
- Dissemination of FC2A country analysis: As part of the process of Phase 1 a wide range of documentation was produced that should be reviewed and refined by a wider group of stakeholders, and disseminated to ensure these valuable resources are used, for example by producing a series of briefing notes and summaries.

Specific country follow up

- **Colombia:** Colombia will build on the success of the cattle sector dialogues in the Amazon states and will work in close coordination with the Amazon Pact for Forests and Climate Change, signed in May 2019, and other on-going initiatives. It aims to provide specific recommendations for improving the livestock sector based on solid private sector engagement. This can feed up to the existing national, regional and global level cattle platforms, as well as potentially providing a basis for building an Amazonian level multi stakeholder platform for deforestation free commodities.
- **Ecuador:** Using the template provided by FC2A to demonstrate Ecuador's progress on its commitments to ensuring an enabling environment for deforestation free commodity production, Phase 2 will focus on developing a programme of work that may include a Sustainable Commodity Summit. This will bring leading private sector representatives together with producers, civil society and the government to jointly explore innovative partnerships to tackle the gaps identified and help define sustainability in relation to no deforestation, poverty free, empowerment of women, traceability and quality.
- **Peru:** The roadmap developed under FC2A phase 1 can be used as a planning resource by the National Platform once it is validated by the members.

Only once all of these are addressed will governments and companies be able to achieve their NYDF and other deforestation free commitments.



Analysis and Roadmaps

COLOMBIA



Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Reconcile and align national policies and laws affecting agricultural commodity production.	<ol style="list-style-type: none"> Pact for Sustainability included in the National Development Plan (PND) within the pillars of enterprise and equity, with specific four-year targets. Many initiatives aiming at reducing commodity related deforestation (e.g. Vision Amazonia, BioCarbon Fund, the JDI, GEF/UNDP Amazon program). Very specific targets on commodity driven deforestation have been defined in the National Strategy for Control of Deforestation (Target 2.4). 	<ol style="list-style-type: none"> The Enterprise pillar of the PND does not prioritize specific targets for zero deforestation, or sustainable use of resources. Poor coordination in articulation and implementation on the ground between the Ministry of Commerce, MinAg and MinEnv, with no focus on deforestation. 	<ol style="list-style-type: none"> MinAg and MinEnv to support the 'Renewal Agency' in the implementation of post-conflict resources (84% of deforestation 2017 was in post conflict municipalities). Departmental 'Competitive Secretariat' and National Planning to ensure Competitive Plans are including sustainable commodity production targets in areas of high deforestation. 	<ol style="list-style-type: none"> Improve links between MinAg and MinPlanning on the 'Resolution on Agricultural Frontier', post-conflict programmes investing in agriculture, and the Green Growth Policy (CONPES 3934). Create specific interministerial linkages (Min Commerce and National Planning) focusing on deforestation hotspots (2010-18) to encourage a regional specific bio-economy.
Map forests being converted for commodities.	<ol style="list-style-type: none"> There is a Forest and Carbon Monitoring System -IDEAM - that has made progress in palm (part of zero deforestation agreement) and coffee with the FNC (as part of the Agricultural Frontier programme). 	<ol style="list-style-type: none"> Unquantified biodiversity and ecosystem services losses due to deforestation during 2010- 2018. 	<ol style="list-style-type: none"> Productive Management Plans that include targets for 0 deforestation and monitoring mechanisms developed by Departmental Agriculture Secretariats with participation of the private sector, producer and research organisations. UNDP to support with pilots in specific jurisdictions to show traceability from community organisations and producer groups that ensure zero deforestation. MinEnv to ensure the Departmental Integrated Climate Change Plans (PICC) include these best practices. 	<ol style="list-style-type: none"> Departmental Agriculture Secretariats and local Environmental agencies, with IDEAM guidance, to generate local traceability models, that can be integrated into the national system. The departmental level climate change action plans (MinEnv, and National Planning) can show a more detailed scale of the National Monitoring System.
Strengthen land use planning with stakeholders in areas with high-risk of deforestation.	<ol style="list-style-type: none"> The Ministry of Agriculture is progressing on the implementation of the Agricultural Frontier resolution. MinEnv is working to ensure compliance with Judgment 4360 (Amazon has rights for protection) and the required drafting of Land Management Plans. MinEnv, MinTransport and MinMining are developing joint regional planning exercises, mainly in the Amazon states, but also including Orinoquia. 	<ol style="list-style-type: none"> Land Management plans for deforestation hotspots (2017-18) do not include commitments for reducing deforestation, and do not have the required instruments, capacity or budget to meet the challenges at a local level. Insufficient articulation between orders 1,2 and 3 of Judgment 4360 of 2018, and no clear leadership from any National Government agencies. Non-Amazonian hotspots of deforestation do not have environmental criteria in land use planning. 	<ol style="list-style-type: none"> Use MinEnv and MinAg guidelines to develop alternative production plans for deforestation hotspots and incorporate them into the PICC. Adjust the priority 15 Land Management Plans of the Amazon municipalities to include MinEnv guidance, followed by the remaining municipalities. MinHousing to focus efforts on municipalities with highest rates of deforestation in 2017 and 2018 to ensure planning meets deforestation guidelines. 	<ol style="list-style-type: none"> Incorporate Ministry guidelines related to zero deforestation and climate change adaptation, in the municipalities with the highest rates of deforestation (30 at the national level, 15 of which are in the Amazon). Guidance states that forests need to be maintained or restored to 2010 levels. National Planning, Min Housing and the Departmental Secretariats for Planning and Competitiveness support models for land use that include sustainable use of forests.

Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Agree deadline for deforestation, after which forest removal is not allowed.	<ol style="list-style-type: none"> Date already defined in Colombia: December 31, 2010. 	<ol style="list-style-type: none"> Insufficient regional and local capacity to operationalize the 2010 date as a basis for deforestation. Weak linkages between agricultural, environmental and land use information systems, leading to poor governance and implementing measures to control deforestation at a local level in a post conflict context. 	<ol style="list-style-type: none"> Propose alternative agricultural planning models for farm and departmental levels that integrate sustainable forest use with production of dairy, beef and cocoa. MinAg to lead with participation of producers, unions, and research groups, and with support from the finance sector. Finance sector, with guidance from MinHousing and National Planning, creates financial incentive schemes to support the recovery of forests lost since 2010. 	<ol style="list-style-type: none"> Define measurement for transition of production in areas deforested after 2010: instead of land grabs and expansion of cattle ranching, show sustainable use of forests according to territorial zoning. Integrate 2010 forest baseline data into environmental and land management national planning instruments. Link the payments for ecosystem services, the Carbon Tax and the MinCom investments for Territory Renewal into one unified toolbox that can be applied in all deforestation hotspots.
Develop a system of land tenure and forest cover.	<ol style="list-style-type: none"> Policies on land use (Conpes 3926), and implementation of a multi-purpose cadastre (Conpes 3958) have been approved. 	<ol style="list-style-type: none"> Insufficient articulation of environmental variables as assets and enablers of rural production. They are still considered to be constraints. Biodiversity and ecosystem services are not considered public goods. 	<ol style="list-style-type: none"> Incorporate environmental variables in National Planning, Min Ag and MinCom policies and guidance to show they support productivity and are not a barrier. 	<ol style="list-style-type: none"> Implementation of these policies, incorporating in production plans sustainable forest management, and emphasising the requirement for zero deforestation.
Reform land tenure systems to encourage investment in sustainable production by small farmers.	<ol style="list-style-type: none"> Conpes 3926 on Land Adaptation. Resolution of Family Farming (MinAg). 	<ol style="list-style-type: none"> Low prioritization of family agriculture by MinAg The relative contribution of family and agro-industrial agriculture in jurisdictions with high deforestation rates has not been analysed, or what the respective role of each in reducing it could be. 	<ol style="list-style-type: none"> To encourage international cooperation programmes and the rural productive investment programme of the Government to support these policies, as well as complying with Judgment 4360 requiring zero deforestation in the Amazon. 	<ol style="list-style-type: none"> Implementation of Policy Conpes 3926 and Resolution on Agricultural Frontier. Implementation of MinAg Family Farming plans using instruments to support on zero deforestation and protection of biodiversity.
Improve national capacities for monitoring, (control and surveillance) satellite and field.	<ol style="list-style-type: none"> Forest and Carbon Monitoring System is being implemented. Existing models of community based monitoring systems focusing on biodiversity protection, forest management and some including landscape management. 	<ol style="list-style-type: none"> Insufficient recognition and links to community based monitoring tools and data or use of remote sensing tools by National Systems (IDEAM and commodity producing companies). Slow development of monitoring and reporting systems at regional level to show detail on local developments in deforestation hot spots. 	<ol style="list-style-type: none"> MinEnv and MinAg, with the signatories of 0 deforestation agreements, to build on existing community based monitoring systems to develop traceability models in specific jurisdictions, focusing on the dairy, beef, and cocoa supply chains from the Amazon. 	<ol style="list-style-type: none"> Build regional interfaces with the National System, ideally via the PICCs (with local MinEnv authorities) and link to MinAgs Departmental development plans.

Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Strengthen the application of national legislation related to the use and change of land use.	<ol style="list-style-type: none"> 1. Policy on Land Use Change (Conpes 3926). 2. Implementation of Decree 902 of 2017 that determines land access. 	<ol style="list-style-type: none"> 1. Lack of established protocol for the application of land use change legislation. 2. Lack of capacity to enforce sanctions and penalties in cases of land grabs and deforestation. 3. Insufficient clarity on responsibility between different actors such as National Land Agency, Environmental bodies, Police, and the Prosecutors Office. 	<ol style="list-style-type: none"> 1. Strengthen the technical capacity of the National Land Agency and Environmental Authorities to act in a coordinated way to determine use of forest resources and contracts for the use of untitled lands. Needs support of the Presidency and international cooperation. 2. Strengthen the technical capacity of the National Land Agency and Environmental Authorities to sanction cases of unauthorized land use. 3. MinJustice to work with MinAg and MinEnv to propose regulation for land grab, environmental damage and deforestation. 	<ol style="list-style-type: none"> 1. Regulation and pilots for implementation of contracts under Agreement 58 of the National Land Agency for use in contested abandoned land. 2. Support programmes in post-conflict municipalities with access to sanctioned land plots. National Land Agency, MinHousing and International cooperation to support financially. 3. Establish sanctioning processes for unauthorised changes in land use and environmental damage.
Application of (civil) and criminal penalties for non-compliance.	<ol style="list-style-type: none"> 1. Formation of the National Council to Combat Deforestation created as part of the current National Development Plan, comprising of MinEnv, MinJustice, Min Defence, Min Mining and Commerce, Prosecutors Office, and Police. 	<ol style="list-style-type: none"> 1. Insufficient evidence of the links between the work of land management and deforestation. There are no high-profile cases focusing on corruption, land usurpation and money laundering. 2. Disconnect between titling instruments and the agreements on use of untitled land, with agricultural policy and environmental regulations. 3. No demands made to compensate for the loss of biodiversity and ecosystem services (2010-2018), or recovery of deforested areas. 	<ol style="list-style-type: none"> 1. Regulation and operation of the mechanisms to implement the Deforestation Control Protocol by the Presidency and MinEnv. 2. Follow-up to Judgments 4360 of 2018 and 622 of 2017, by the Office of the Attorney General and other bodies. 3. Bring high profile cases against deforestation to the Courts by the Prosecutors office. 	<ol style="list-style-type: none"> 1. MinEnv, MinAg, MinDef and MinMin to adopt and jointly implement the Deforestation Control Protocol. 2. Strengthen the National Land Agency to manage territories with forests, including the recovery of degraded lands. 3. Crack down by MinHou on money laundering, to stop illegal investments further supporting deforestation and land seizures.



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Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Promote market access through certification schemes or jurisdictional approaches for deforestation-free products.	<ol style="list-style-type: none"> 1. The Pact for Enterprise and a goal to establish five zero deforestation supply chains included in the National Development Plan (PND). 2. Four National Agreements for supply chains committing to zero deforestation: palm oil, cocoa, dairy and beef. 3. Statement in April 2019 of 12 buyers of beef and dairy products from the Amazon, to continue the dialogue on achieving zero deforestation. 	<ol style="list-style-type: none"> 1. Lack of integration of sustainable businesses in the process to set up zero deforestation supply chains. 2. The goals of the Enterprise pillar of the PND have not clearly stated the requirements for zero deforestation. 3. Departmental Competitiveness plans do not show 'green' opportunities for sustainable economic development in regions with forests and other natural resources. 4. Lack of mechanism to allow development of sustainable products from biodiversity, sharing the risk with investors. 	<ol style="list-style-type: none"> 1. Continue the conversation with the key buyers of beef and dairy from the Amazon, based on the Statement of April 2019 led by the National Zero Deforestation Accord and supported by UNDP. 2. MinAg, MinEnv and MinCom to establish national policy instruments that support zero deforestation work of the beef, dairy and cocoa supply chains, and continue to monitor coffee, avocado and sugar cane. 3. MinEnv with support of MinAg to explore extension of certification for legal forest producers to include agricultural and livestock production. 	<ol style="list-style-type: none"> 1. MinAg and MinEnv to institutionalize zero deforestation agreements within the framework of Law 811 for Agricultural Supply Chains as a framework for business practice. 2. Resources needed for the for the four National Agreement secretariats to support planning and implementation capacity. 3. Build markets that support zero deforestation supply though good purchasing practices and pricing. 4. MinCommerce programme within the Pact for Enterprise to link to the local 'economic networks' set up by MinAg linked to 0 deforestation commodities in the 2017-18 deforestation hotspots.
Development of traceability systems for different products.	<ol style="list-style-type: none"> 1. Forest and Carbon Monitoring System set up. 2. Examples of Community monitoring of forest management. 	<ol style="list-style-type: none"> 1. Community monitoring initiatives are not explicitly looking at zero deforestation. 2. Poor coordination between agricultural, environmental and enterprise agencies, with local authorities to strengthen and support these initiatives. 	<ol style="list-style-type: none"> 1. Develop at least one traceability mechanism from community organizations in the Amazon. 2. MinCom to prioritize some of these action points in the development of its programmes, gradually integrating timber and non-timber forest products. 	<ol style="list-style-type: none"> 1. Development of models and case studies from community organizations, showing how to integrate forest management with agricultural and livestock production. 2. Systemic and holistic support of the Institutes and Research groups to provide information and analysis of supply chains in specific jurisdictions. 3. Support of the Ministry of Commerce to offer zero deforestation commodities produced by community organizations and producer associations in specific jurisdictions.
Incentive schemes that support different stakeholders, such as access to financing or services, and payments for environmental services.	<ol style="list-style-type: none"> 1. Carbon tax, Climate Change Law and associated regulations in place. 2. Policy for Payment Scheme for Environmental Services in place, prioritizing Caquetá Department (Amazon). 3. Payments for results (PSA) included in Joint Declaration of Intent and REM Vision Amazonia. JDI includes provision for IPs that will also support reforestation and sustainable commodity activities. 	<ol style="list-style-type: none"> 1. Contradictions between environmental instruments such as PSA and carbon tax, with those of the agricultural and commercial sector when used in areas prone to deforestation. 2. Contradiction between international cooperation and the investment of public resources, and sometimes with the current environmental system. 3. Lack of participation spaces for communities and IPs to access capacity building, preferential markets and PES at a local level. 	<ol style="list-style-type: none"> 1. Promote links between existing and planned incentive schemes that support zero deforestation. Mainly the JDI IPLC investment line, the PSA and the income from the Carbon tax, with additional support from guarantees and financial facilities can provide credit for zero deforestation businesses. 	<ol style="list-style-type: none"> 1. Application of safeguards, with emphasis on the distribution of benefits associated with the different market mechanisms. 2. Adapting agriculture sector instruments to support the formulation of forest management and utilization plans. 3. Support for the generation of a forest-based economy, complementing agricultural and livestock production systems in the Amazon region.

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Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Align the objectives of national policies and laws that affect agricultural production / commodities.	<p>The Comprehensive Amazon Plan has been prepared by the Technical Secretariat of the Amazon Territorial Circumscription (STCTEA).</p> <p>Government is working on aligning national policies and strategies on forests and climate change with productive policies and strategies.</p> <p>MinAg is in the process of updating the Agricultural Policy 2030, which includes elements for sustainable production. The accompanying National Agricultural Plan (due Q1 2020) will detail implementation of the Policy.</p> <p>Development of a Country level approach that will ensure deforestation free commodity production (MinAg and MinEnv).</p> <p>Work is also being done with the Planifica Ecuador Secretariat to incorporate sustainable production issues into land use plans.</p>	<p>The Technical Secretariat needs to strengthen its presence in the Amazonian provinces to ensure compliance with national policy and laws.</p> <p>MinAg and MinEnv need to define the official position on sustainable production of commodities.</p> <p>There is a need for provincial level forums for addressing issues of sustainable production.</p>	<p>Work on a joint roadmap with the STCTEA on the rules / regulations that need to be implemented in the Amazon, to ensure sustainable production under the Amazon Comprehensive Plan.</p> <p>Definition of the country's position on commodity production free of deforestation (Premium & Sustainable).</p> <p>Promotion of the National Agricultural Plan 2030 and implement it in a coordinated manner with local actors.</p> <p>Environmental compensation system for loss of forest ecosystems with the Technical Secretariat of the CTEA.</p> <p>Articulate processes to develop a jurisdictional approach, with systems that allow impact M&E in territory.</p>	<p>Technical and logistical support is needed for the Technical Secretariat for its work in the Amazon region on sustainable commodity production.</p> <p>MinEnv and MinAg would benefit from links to international fora on sustainable commodity production to share the country's pioneering work as well as keep abreast of developments and market demands.</p> <p>Strengthen the provincial and cantonal authorities with a clear orientation on issues such as the expansion of the agricultural frontier, sustainable production, planning and opening of roads and its possible consequences. Generation of multisectoral spaces, where it is possible to discuss, reach consensus and develop agendas that allow the articulation of policies, programs and actions in line towards sustainability.</p> <p>The Technical Secretariat needs to develop a model of agro-productive ordinance for sustainable production free of deforestation, which can be incorporated in land use plans.</p> <p>The National Agricultural Plan 2030, must include the STCTEA as a key actor for the sustainable management of the Amazon.</p>
Map forests and deforestation caused by agricultural activity.	<p>Since 2014 the National Forest Monitoring System (under MinEnv) carries out mapping of deforestation areas every 2 years.</p> <p>MinAg also has mapping of agricultural areas for 2009-14.</p> <p>The Organic Law of Rural Lands and Ancestral Territories (LOOTUGS) in Article 50 defines the limits of the expansion of the agricultural frontier for specific areas, e.g. protected natural areas with high biodiversity or that generate environmental services.</p> <p>There is a definition of agricultural frontier established in the inter-ministerial agreement 200 MinAg and MinEnv of August 5, 2015.</p> <p>The country has received recognition for its efforts to reduce deforestation, and for effectively reducing deforestation in the 2008-2014 period.</p>	<p>There is an official cartographic delimitation of the agricultural frontier in the country, but no updated land use and coverage map.</p> <p>There is no integrated mapping / monitoring system between the MinAg and MinEnv. They monitor land use using different scales.</p> <p>The definition of deforestation in Ecuador should be socialized and articulated with other programs, and be compatible with international definitions and demands.</p>	<p>Forest monitoring tools (such as the Global Forest Watch or others) will be identified to be used as a pilot in collection centres in the Amazon.</p> <p>Development of a map of land use and coverage jointly between the MinAg and MinEnv.</p> <p>Complete necessary regulations for the application of the Organic Environmental Code (COA).</p> <p>Strengthen the National Forest Monitoring System and the National Forest Assessment. Link this process to systems that allow the evaluation of land use and change on a temporary basis as far as possible annually.</p>	<p>It is necessary to strengthen and apply the COA regulation regarding deforestation so that it is applied by the Provincial and Cantonal authorities and the MinEnv regarding deforestation.</p> <p>It is necessary to work on the issue of deforestation in the regions through the PUG and other planning mechanisms. Also needs to be addressed in the PDOTs (at each stage), and at each level of government.</p> <p>The international territorial planning standard needs to include areas with high conservation values and carbon stocks in the PDOTs and in the new agro-ecological definitions for each sector that must be done with MinAg and MinEnv.</p> <p>Ensure that in the case of production chains, M&E is at least annual.</p> <p>Implement a joint mapping system, updated every two years, between the MinAg and MinEnv, using a common scale that constitutes the only and official information for use by other actors in the Amazon: STCTEA, provincial authorities, cantonal and parochial. Financing is needed to institutionalize these processes in both ministries.</p>



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Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Strengthen land use planning and land use planning with actors in high-risk areas.	<p>The country has new Guides for updating the PDOTs (Development Plans and Territorial Planning) and its Toolbox that incorporate criteria of climate change, conservation and sustainable production.</p> <p>Work is being done on a methodology to identify High Conservation Value Areas in the country, the results of which will be shared with the GAD.</p>	<p>Decentralised authorities are mostly new to their roles and still have little knowledge of the scope of the PDOT Guidelines.</p> <p>The new Guides must still be known by the Provincial, Cantonal, and Parish authorities, and they must apply the new Toolbox that has been designed.</p> <p>The land use plans of the Cantonal authorities must take into account the non-expansion of the agricultural frontier.</p>	<p>Application of the new Guidelines and its toolbox with criteria of climate change, conservation and sustainable production, with 28 decentralised authorities from the Ecuadorian Amazon, as the first pilot; however, other projects and initiatives will promote the updating of PDOT using these tools.</p> <p>Ensure the articulation of the PDOTs and their toolkit with the Life Plans for indigenous peoples and nationalities for the construction of regional planning for the Amazon.</p> <p>Officials in the decentralised authorities need to have capacity developed on issues of sustainable production, climate change while getting involved in updating PDOTs. Link PDOTs to sustainable productive development strategies.</p>	<p>Incorporate criteria and methodology to identify Areas of High Conservation Values in the PDOTs.</p> <p>Develop a compensation scheme for loss of forest ecosystem with the Technical Secretariat of the CTEA and MinEnv for its application in infrastructure, mining and oil projects and generate guidelines and minimum criteria for compensation projects to avoid that these can generate or promote the deforestation. It is also recommended to address this issue through the soil management tools proposed in the LOOTUGS.</p> <p>The strengthening in territory must include planning that integrates areas for compensation, be they national or provincial. Deforestation compensation may well include protected areas.</p>
Agree on a deadline for deforestation, after which forest removal is not allowed within the framework of sustainable and deforestation-free production.	<p>For palm cultivation, the country follows the date set by RSPO (2005) from which compensations are established. The year 2018 is proposed as the year of no deforestation (RSPO).</p> <p>MinAg and MinEnv have started working groups to analyse what the country position should be on free of deforestation where it is analysed how to define the base year of No Deforestation, and payments for results mechanisms.</p>	<p>There is no monitoring system or mechanisms that allow deforestation areas to be established in a timely manner to establish a compensation process.</p> <p>There is no compensation system for loss of forest ecosystems.</p> <p>There are no MRV (Monitoring, Reporting and Verification) mechanisms for monitoring sustainable and deforestation-free production.</p>	<p>National discussion of base year for deforestation limit. Analyse global patterns and trends to define dates.</p> <p>ProAmazonia is initiating a pilot with a system that will allow monitoring the farms and the non-advance of their agricultural frontier in two collection centres in the South Amazon that could be scaled to other regions and locations in the country.</p> <p>Analyse international and sectoral scenarios to define the Country Position on deforestation-free sustainable production, and propose a deadline.</p>	<p>Formalize the deadlines, establish monitoring systems and compensation mechanisms for deforestation produced by the development of agricultural activities.</p>
Develop a land cadastre and forest cover system.	<p>The cadastres are outdated, and only between 2012 to 2014 were some rural cadastres carried out at the national level by SIG Tierras. From 2014 to 2016 the urban cadastres were drawn up.</p>	<p>There is no complete cadastral information at the national level and resources are not available for updating it. This means there is no basis on which to establish responsibility in areas of deforestation.</p>	<p>Articulate the SNMB with the SIL and ensure that it includes the monitoring of land use change at the local level.</p> <p>Cantonal Land Use and Management Plans (PUG) should be the tool to guide the use of rural land. Link this tool with PMIF and PDOT and have information integration systems.</p>	<p>Need to strengthen and apply the COA regulations so that it is used by the Provincial, Cantonal, and MinEnv authorities, tackling deforestation.</p> <p>The National Forest Monitoring System (SNMB) and Local Information System (SIL) are not linked to the existing cadastres.</p> <p>A geo-referenced map of the state of land tenure, including coverage and land use is needed.</p>



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Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Reform land tenure systems (and propose other incentives) to encourage investment in sustainable production by small farmers.	<p>There are land delivery strategies by both MinAg and MinEnv, including setting up collection centres and producer associations for sustainable and deforestation-free production.</p> <p>MinAg and MinEnv are developing a Country Position for deforestation-free commodity production.</p> <p>Relaunch in 2018 of the Interinstitutional Committee for Follow-up on Sustainable Palm (CISPS), and discussion on the new RSPO jurisdictional certification standard.</p>	<p>There are no price benefits or markets that recognise and reward for the application of good agricultural practices for sustainable production free of deforestation.</p> <p>Land tenure usually is a requirement for accessing incentives linked to productive issues. This often results in an impediment to working with many producers interested in joining government and project work.</p> <p>In some protected areas, land tenure is not regularized for those owners who were present before the protection declaration. In protective forests and buffer zones, sustainable and deforestation-free production can be considered as part of management plans.</p>	<p>Implementation of the strategy of sustainable production free of deforestation with collection centres in the Ecuadorian Amazon for coffee and cocoa, as a pilot.</p> <p>Jurisdictional certification of Palm developed. Formalize the country position on sustainable production free of deforestation. Identify markets that value commodities free of deforestation.</p> <p>Work scheme with the National Public Procurement Service (SERCOP) to promote purchases of sustainable and deforestation-free production.</p> <p>Development of special financing schemes for sustainable production free of deforestation.</p>	<p>Definition of the concept of a country free of deforestation.</p> <p>To tackle the issues of land tenure and land rights in protected areas and protective forests, the Pay for Results Project will establish a baseline and will work on the regularization of those areas for the correct implementation of management plans.</p> <p>Within the strategy, incentives for associative production should be generated at the local and provincial level, as well as at the national level, since this allows controlling and managing compliance with standards and managing the necessary environmental permit.</p>
Improve national capacities for forest monitoring and sustainable production, (control and surveillance) satellite and field.	<p>National Forest Monitoring System set up under MinEnv. Since 2014 deforestation maps are produced every 2 years.</p> <p>There is also geographic information on areas with agricultural use that the MinAg has at a scale of 1: 25,000 for the years 2009-2014.</p> <p>The Organic Law of Rural Lands and Ancestral Territories in Article 50 and definition of agricultural frontier have been established (see above).</p> <p>The country has received recognition for its efforts to reduce deforestation, and for effectively reducing deforestation in the 2008-2014 period.</p>	<p>Insufficient exchange of information between central and local levels on deforestation.</p> <p>Lack of integration of data generated in the field with the data obtained through satellite tools.</p> <p>It is necessary to establish a linkage strategy between community monitoring and surveillance systems with those at the national level of the ministries.</p> <p>The MinAg does not have established periodic monitoring to define the coverage and use of agricultural land every two years.</p>	<p>Develop traceability models from community organizations and producer associations in specific jurisdictions, and promote the advances in the palm, livestock, coffee and cocoa chains, as well as non-timber forest products and forest harvesting in the Ecuadorian Amazon (as a pilot).</p> <p>Reconcile and coordinate joint actions for the implementation of the monitoring system (scale 1:25,000).</p> <p>Complete the Second National Forest Assessment.</p> <p>Map of land use and coverage 2020 carried out jointly by MinAg and MinEnv in 2021.</p>	<p>Integration of REDD+ systems that obtain information from different interventions.</p> <p>Implement a joint monitoring system between the MinAg and MinEnv using a common scale.</p> <p>Investment is needed for developing capacities of staff and technological innovations that can support jurisdictional certification of commodities.</p> <p>Linkages between community monitoring and surveillance systems with those at the national level of the ministries need to be set up.</p>



Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Strengthen the application of national legislation related to land use and land use change.	<p>The Constitution of the Republic of Ecuador, issued in 2008, restricts programs of exploitation of non-renewable resources within territories of indigenous nationalities, protected areas, among others.</p> <p>There is the Rural Lands and Ancestral Territories Law (March, 2016).</p> <p>Organic Environmental Code (COA) of April 2017, which establishes restrictions for the expansion of the agricultural frontier as a mechanism for the conservation of forests and protected areas.</p> <p>The Organic Planning Law of the Amazon Special Territorial Circumscription establishes planning guidelines that promote forest conservation and sustainable production. It also includes a guide for the Formulation of the "Plan for Participatory Management, Conservation and Recovery of Soil".</p> <p>There are other regulations such as the LOOTGUS (Organic Law of Territorial Planning, Management and Use of Land), COPFP (Organic Code of Planning and Public Finance), COOTAD (Organic Code of Territorial Organization, Autonomies and Decentralization).</p> <p>A formal inter-institutional coordination links exist between STCTEA, the MinAg and MinEnv, to promote forest conservation and sustainable production in the Amazon.</p> <p>Through the Planifica Ecuador Secretariat, the Provincial, Cantonal and Parochial PDOT Guides were prepared and disseminated, incorporating criteria of climate change, conservation and sustainable production.</p>	<p>The Regulation to the COA of June 2019 includes regulations related to land regularization and legalization within the National System of Protected Areas (SNAP), but incentive mechanisms should be promoted that allow forest conservation and sustainable production at the national level.</p> <p>Strengthening of the Technical Secretariat of the CTEA for the application of legislation in the Amazon Region is needed.</p> <p>There is a lack of coordination between LOGTUS and the Organic Law on Ancestral Lands and Territories that allows strengthening the reduction of soil degradation, deforestation and GHG emissions.</p> <p>MinAg needs data to construct the degradation study, erosion risk map, soil microbiological studies, soil contamination, heavy metal studies, among others.</p>	<p>Strengthen the management of the Technical Secretariat of the CTEA, supporting processes of decentralization of competencies so that the local units of the Secretariat have greater operability, autonomy and efficiency in their management.</p> <p>For the "Participatory Management Plan, soil conservation and recovery" construction, stakeholder mapping workshops, territorial diagnoses (analysis of existing information and gaps) and definition of best sustainable practices for soil recovery and degradation should be carried out.</p> <p>Implementation of 5 life plans of Amazonian peoples and nationalities where the national legislation related to the use and change of land use will be considered.</p> <p>28 updated PDOTs that will consider guidelines for forest conservation, sustainable production, climate change, and land use change.</p>	<p>For the implementation of the CTEA law, it is necessary to strengthen the institutional management capacity, which will allow for the strengthening of local law enforcement tools in coordination with the GAD and relevant local actors.</p> <p>At some point there may be a need to reform the COA, however, for now, it is more necessary to equip the GAD with regulations on planning their territory that integrate the variables of sustainable production and climate change.</p> <p>For the implementation of the "Participatory Management Plan, soil conservation and recovery" a territorial study is needed of soils in the Amazon.</p> <p>The plan points towards a reconversion of the current use and management of soils in terms of conservation and restoration, which seeks to evaluate and implement sustainable soil practices for these two lines, in accordance with the national environmental policy to face the change climate.</p>



Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Application of administrative (civil) and criminal sanctions for non-compliance and environmental crimes related to illegal logging and change of land use.	<p>The Comprehensive Organic Criminal Code establishes sanctions for crimes against wild flora and fauna.</p> <p>The Political Constitution of the Republic prohibits extractive activities in protected areas, establishes national rights for indigenous people and their territory/resources, and provides for the restoration of ecosystems due to environmental damage.</p> <p>The Organic Code sets out administrative sanctions that are proportional to the seriousness of the act, as well as pecuniary fines and sanctions.</p> <p>The COIP does not include forest crime, this is being managed now with the new reform in the Assembly. Ecosystem restoration is dealt with at the civil and administrative level, not criminal. However, there is still a need to strengthen administrative sanctions in forest restoration.</p> <p>National Forestry Directorate is updating the secondary forest regulations, with respect to what is established in the Organic Code of the Environment and its regulations, where it focuses actions to strengthen sustainable forest management and where new elements are inserted that will improve the traceability of forest products.</p>	<p>Weak regulatory framework for sanctions at the national level, accompanied by a forest and wildlife control system that must be strengthened.</p> <p>Extractive activities continue to occur in protected areas and intangible areas and there is little capacity in rural areas to control these activities in terms of sanctioning and preventing them.</p> <p>Lack of incentive mechanisms and promotion of forest conservation and sustainable production, which encourages the expansion of the agricultural frontier and pressure on forests, protected areas and fragile ecosystems.</p> <p>Little knowledge about the regulations and sanctions related to non-compliance with the law or for carrying out illegal extractive activities.</p>	<p>Promote the prevention and control mechanisms necessary to promote forest conservation and sustainable production in the Organic Code of the Environment and its Regulations.</p> <p>Establish public-private alliances that allow promoting greater participation of the private sector in forest prevention and control mechanisms.</p> <p>Optimize the system of prevention of environmental damage and illegal logging at the national level, through the incorporation of preventive tools and incentives for those producers / organizations that contemplate sustainable production and forest conservation at the national level. Link other actors, to generate sanction systems, for example the financial sector.</p> <p>Strengthen the national forest control system, technical capacities of the control system officials, and improvement of the infrastructure and equipment currently available.</p> <p>Contribute to the dissemination of administrative sanctions for illegal logging to the different sectors of Ecuador.</p>	<p>Strengthen the current forest and wildlife control system, which includes traceability tools for forest products from production to final destination, accompanied by strategic mobile operations and prevention mechanisms rather than sanctions.</p> <p>Include effective (criminal, civil and administrative) sanctions that allow compensation for environmental damage and its prevention.</p> <p>Articulate with other state and private sectors that allow optimizing control and prevention mechanisms, before the sanction issue.</p> <p>Carry out a process of socialization and dissemination of administrative sanctions for illegal logging to the different sectors of Ecuador.</p>
Promote access to markets through certification schemes or jurisdictional approaches for deforestation-free products.	<p>Incorporation of Ecuador to the GASL (Global Agenda or Sustainable Livestock).</p> <p>Start of construction of the Country Position for deforestation-free production with the MinAg and MinEnv.</p> <p>Relaunch in 2018 of the Interinstitutional Committee for the Monitoring of Sustainable Palm (CISPS), and discussion on the new RSPO jurisdictional standard.</p>	<p>It is necessary to establish better links with the private sector for those products that are sustainable and free of deforestation.</p>	<p>Formalize the country position on sustainable production and free of deforestation.</p> <p>Strengthen the sector platforms for commodities so that they have a greater representation of the sectors.</p> <p>Identify national and / or international markets that are interested in Ecuadorian products that are sustainable and free of deforestation.</p> <p>Jurisdictional certification of Palm developed.</p> <p>Marketing schemes for sustainable and deforestation-free products operating in the Amazon. Furthermore, it is necessary to have a jurisdictional focus on coffee and cocoa and to consolidate an inter-institutional table for these two commodities.</p>	<p>Through the development of commodity chains and sector platforms, access to markets seeking certified deforestation-free products can be promoted.</p> <p>It is already necessary to define the following 3 areas and the order of intervention of the strategy for the new RSPO scheme.</p>

Critical factor	Current situation/progress	Gaps	Next steps	Action needed
Development of traceability systems for the different agricultural products.	<p>MinAg is currently working on the national agricultural and livestock traceability system with the first pilots of coffee, cocoa and livestock at the Amazon level. It seeks to gradually expand the intervention to the national level.</p> <p>In addition, there is a proposal for a national level traceability system from the Ministry of Production, Commerce MPCEIP.</p> <p>Design of a traceability platform for livestock chains (milk and meat) that includes information from production level to the final consumer.</p> <p>There is a national agreement on inter-ministerial traceability and intra-institutional coordination mechanism operating with the support of PROAmazonia.</p>	<p>A country-level concept needs to be developed and agreed by MinAg and MinEnv.</p> <p>There is a political will to establish mandatory traceability requirements for commercial activities at the national and international levels.</p> <p>Strengthen the capacities of producer associations to manage data needed for traceability systems, and help them identify the potential benefits, such as expanding their client portfolio, and accessing environmentally and socially responsible markets.</p> <p>Need to ensure a comprehensive scheme that links access to the traceability technology platform with technical assistance and monitoring of its use.</p>	<p>Roadmap with milestones for 2020 on traceability issues at the national level with agreement between MinAg and MinEnv, and MinProduction.</p> <p>Pilot cases at the level of collection centres that export in order to generate traceability systems required by clients.</p> <p>Survey of critical points in the internal traceability of production, first pilot of traceability of bovines for meat and milk production.</p> <p>Significant loading of information from the cocoa Consortium with the traceability tool.</p>	<p>Have a country concept developed and agreed by MinAg and MinEnv.</p> <p>Unique identification, triggers of the traceability process that support the start of the 100% traceable transition process in the country.</p> <p>Establish monitoring mechanisms at different levels on the final destinations of production (commercial segmentation), with the intention of activating the responsible consumption network that encourages more sustainable production free of deforestation.</p> <p>Acquisition of technology to improve control at critical points of primary production in order to formalize intermediate commercial activities and eliminate intermediation.</p> <p>Strengthen the processing and packaging centre with traceable processes in the central northern Amazon due to the demand of the national bovine market.</p>
Incentive schemes that support different stakeholders, such as access to financing or services.	<p>A sustainable finance table with the Vice Presidency of the Republic and three ministries that work on the issues of sustainable finance, green credits, etc.</p> <p>SocioBosque is a mechanism of the MinEnv for payment for the conservation of natural ecosystems that protects 1.5 million ha outside of protected areas.</p> <p>Incentive scheme for sustainable and deforestation-free production with BanEcuador, CFN, SRI, SERCOP.</p> <p>There is a pilot green credit line for the low-emission cattle sector that is resilient to climate change.</p>	<p>There is no definition or category so that sustainable or deforestation-free production can have tax incentives, preferential purchasing systems or better conditions in taxes or credits.</p>	<p>Generate a definition and a monitoring system for deforestation-free production, so that those who join the initiative can receive incentives.</p> <p>Implement an incentive monitoring system.</p> <p>Promote an incentive system with MRV. Work with the financial sector to involve them in the generation of green tools that promote sustainable production.</p>	<p>Workshops to define a monitoring system for production free of deforestation, so that those who join the initiative can receive incentives.</p> <p>Formalize agreements with banks, government and others to support the incentive system with sustainable producers.</p> <p>Agreement on the definition of deforestation-free and sustainable production in order to create a recognition system.</p> <p>Greater public and private awareness of incentive issues is required. This is essential for the viability of this initiative.</p>





PERU

Critical factor	Current situation	Gaps	Action needed
<p>Reconcile and align national policies and laws affecting agricultural commodity production.</p>	<p>Process of decentralization initiated in 2002 has transferred powers, functions and resources to sub-national governments, but without support to build capacity to manage adequately.</p> <p>Peru's JDI's Phase II Implementation Plan has carried out a diagnosis of bottle necks and perceived legal gaps regarding land use change regulations.</p>	<ul style="list-style-type: none"> Historically limited coordination between different sectors and levels of government. Lack of detailed analysis of the context in the different agricultural areas of Amazon states, needed to develop targeted policies and solutions. Existing National, sub national and sectoral plans do not include safeguards or guidance on zero deforestation production and protection of forests. 	<ul style="list-style-type: none"> Complete the transfer of functions and resources for agriculture, forestry and wildlife matters to the Regional Governments. Develop a unified vision among the three levels of government for planning and land management. Support for the implementation (and monitoring) of existing regulations of administrative systems, building on work done under JDI Phase II Implementation plan. Strengthen the National Forestry and Wildlife Commission (CONAFOR) and Amazon level units recently created. Formation of the Permanent Multisectoral Commission to Combat Illegal Logging. Define and implement the National Appropriate Mitigation Actions (NAMA) related to coffee, cocoa, agrofuels / agribusiness and livestock. Review of National Strategies as stated under deliverable 1C of JDI Implementation plan (e.g. Rural Development), Regional plans (e.g. Regional Strategies on Climate Change) and existing Sectoral Plans (e.g. coffee) to include requirements for deforestation-free production, promotion of agroforestry systems and the conservation of forests on private lands. Develop National Plan for Cocoa and Livestock sectors using same frameworks.
<p>Map forests and deforestation caused by agricultural activity.</p>	<ul style="list-style-type: none"> There is a Forest Coverage Monitoring Module (MMCB), part of the National Forest and Wildlife Information System (SNIFFS), administered by the National Forest and Wildlife Service (SERFOR), for Peruvian Amazon including annual deforestation, degradation, land use change. In June 2016, Peru published its Forest Emission Reference Level - NREF, which includes data on emissions from deforestation in the Amazon. Under JDI Implementation plans, there will be a system tracking land use or permits granted for land use change in the Amazon that can be cross referenced with the MMCB. 	<p>The NREF does not include information on emissions from other forested areas of the country (Andean or Coastal Forests).</p>	<ul style="list-style-type: none"> Calculate future emission factors based on the National Forest Inventory (INF), which is led by MINAGRI through SERFOR in coordination with MINAM, SERNANP and Regional Governments. Develop emission factors related to the different most important agricultural activities in the country, with special emphasis on those located in the Amazon.
<p>Strengthen territorial planning and land use planning with actors in high-risk areas.</p>	<ul style="list-style-type: none"> There are significant advances in the Ecological Economic Zoning (EEZ) process at the macro level, with 15 Regional Governments completed, but only 4 Provincial Governments have approved plans. A Territorial Planning law is being prepared, which will lay the institutional foundations for Territorial Planning, in parallel to this process, the formulation of the National Policy for the planning of the territory will begin, which will address the management of territorial information, the design of its architecture and sectoral articulation that will facilitate decision-making in the territory. 	<ul style="list-style-type: none"> The Land Use mapping (CTCUM) carried out to date under current regulations cover only 20% of the Amazon. Lack of land use plans that clearly define the optimal uses of the different areas within the district, province or region. As of November 2018, only 5 Regions had declared an interest the implementation of Forest Zoning. There is no information on EEZ progress at the district level. 	<ul style="list-style-type: none"> Formulation and mandatory use of land use plans at Regional Level. Complete the mapping required for CTCUM. Complete the process of EEZ at the Regional level, followed by Provincial and District level. Complete the Forest Zoning process.

Critical factor	Current situation	Gaps	Action needed
Agree deadline for deforestation, after which forest removal is not allowed.	<ul style="list-style-type: none"> The National Board for Palm - JUNPALMA- is working on a national agreement for deforestation free palm. Only one Peruvian company has a "No Deforestation, No Peat, No Exploitation" policy. 	<ul style="list-style-type: none"> There is no national level deadline for deforestation for sector level work. 	<ul style="list-style-type: none"> National level agreement for deforestation deadlines, which are then included in sector plans, and the low-emission Rural Development Plans.
Develop a system of land cadastre and forest cover.	<ul style="list-style-type: none"> PTRT3 and WASIY systems being implemented to formalise land title in rural areas (including Amazon) over coming five years. Serfor is working on the design of a forest management system. 	<ul style="list-style-type: none"> Lack of robust georeferenced information system mapping land boundaries, with over 70% of communities lacking basic titling information. Poor inter-operability between different systems and databases of state data. About 27% of the Amazon (19.4m hectares) without forest management title and without assigned rights. Of the 2,400 riverside communities in the Peruvian Amazon, only 44 have land titles. 	<ul style="list-style-type: none"> Prioritise the formalization and granting of land title for indigenous communities, as planned under the JDI Implementation plan. Development of a National Territorial Information System, using georeferenced data generated by all relevant institutions. It must include information regarding assigned rights (e.g. mining, forest concessions, protected natural areas), the natural resources identified in other processes such as the EEZ, Forest Inventories, and Forest Zoning.
Reform land tenure systems to encourage investment in sustainable production by small farmers.	<ul style="list-style-type: none"> SERFOR, with support from UN-REDD is developing guidelines for the granting of authorizations to change land use. The multi - sectoral and Intergovernmental Commission responsible for developing the strategy for sustainable development in the Amazon has produced draft guidelines for granting land title and formalising the assignment of land use for indigenous Communities. 	<ul style="list-style-type: none"> Absence of clear land rights and title substantially increases the risk of investments and prohibits the use of land as a financial guarantee. 	<ul style="list-style-type: none"> Clarify the figure of the assignment in use and define its scope. Identify suitable spaces for the promotion of concessions for afforestation and reforestation. Finish defining the tools in the Assignment Agroforestral for issuing contracts that allow access to forest land use and protection, as required by the current law. Identify which areas have the greatest potential to lead to this activity. Identify degraded areas with potential for the expansion of oil palm cultivation and facilitate access to these lands, accompanied by financial incentives for producers.
Improve national capacities for monitoring, (control and surveillance) satellite and field.	<ul style="list-style-type: none"> The Forest Coverage Monitoring Module is a key input for monitoring the impact of agriculture on forests. 	The Forest Coverage Monitoring Module although it is part of a monitoring process, it does not have an accompanying control mechanism.	<ul style="list-style-type: none"> Development of a response protocol, and allocation of required resources, for early deforestation alerts, managed by regional and local governments.
Strengthen the application of national legislation related to the use and change of land use.	<ul style="list-style-type: none"> Procedures that the Regional Agricultural Directorates must comply with for the adjudication of rural lands is not aligned with the requirements of the new forestry law, and in some cases designate forests as having 'agricultural potential'. The high level of complex requirements, coupled with lack of monitoring mechanisms have fostered illegal deforestation, despite it being banned under the new forestry law, where deforestation is still considered as proof of ownership. Procedural practicality has not been considered when defining the requirements for the change of land use as the relevant state bodies do not have the resources necessary to evaluate effectively the numerous requirements under the new law. 	<ul style="list-style-type: none"> Confusing regulation for approval of land use change and the granting of certificates of ownership. 	<ul style="list-style-type: none"> Reform forestry institutions in the Amazon and strengthen the forest authority, which includes, among other things, articulating the capacities of the National Forest Conservation Program - PNCF, SERFOR and Regional Governments, and operationalizing the National Forest and Wildlife Management System - SINAFOR. Create tools to help clarify the appropriate functions of each state body under the new forest law, providing transparent and efficient procedures for changing land use, improving systems of information and sanctions and strengthening internal control bodies. Update the regulatory framework to optimize intergovernmental links, building better coordination between Regional and Local Governments and the different sectors of government.



Critical factor	Current situation	Gaps	Action needed
Application of civil and criminal penalties for non-compliance.	<ul style="list-style-type: none"> Recovery process has started for the area affected by informal gold mining in Madre de Dios. Modification of the Criminal Code by Legislative Decree No. 1237 (2015), increased the penalty for the commission of the crime "against forests or forest formations" to a minimum penalty of four years imprisonment for those who "destroy, burn, damage or felling, in whole or in part, forests or other forest formations". 	<ul style="list-style-type: none"> Limited state capacity to enforce the law; existence of different informal and illegal activities that impact the forest. Low state presence in rural areas; ineffective system of sanctions against corruption and illegal activities, especially those with high purchasing power such as mining, forestry, land trafficking and drug trafficking. 	<ul style="list-style-type: none"> Deliver on JDI Implementation objectives to strengthen the fight against traffickers and land invaders, with higher penalties and effective sanctions. Implement the existing regulation, effectively sanctioning defaults. Strengthen the capacities of the national police and the courts specialized in environmental crimes. Make a campaign to promote environmental crimes associated with the forest and existing sanctions. Clearly define the procedures to follow to report and determine the change in land use illegally.
Promote market access through certification schemes or jurisdictional approaches for deforestation-free products.	<ul style="list-style-type: none"> National Water Development Plan is under review, which would include a network of corridors with logistics platforms, efficient and safe ports, as well as a modern fleet and improvements in transport management and governance, in order to enable market access. 	<ul style="list-style-type: none"> There is no clarity regarding the price premium that deforestation-free products could have in the market. There are no jurisdictions identified as deforestation-free. 	<ul style="list-style-type: none"> Design differentiation strategies, with participation of private sector, for deforestation-free products, including market identification and acceptance of premium pricing. Identify and pilot jurisdictions that comply with reducing deforestation levels so that they are promoted as preferential deforestation free supply origins, ensuring linkages with (e.g.) WB Carbon Fund work.
Development of traceability systems for different products.	<ul style="list-style-type: none"> There are no sector wide traceability systems established, and private sector supply chains do not cover detailed origin data. 	<ul style="list-style-type: none"> The last National Agrarian Census dates from 2012, and there is no system in place for updating accurate land use information. 	<ul style="list-style-type: none"> Develop and pilot a traceability system to cover all supply chains originating from a specific area.
Incentive schemes that support different stakeholders, such as access to financing or services, and payments for environmental services.	<ul style="list-style-type: none"> There are no institutional, legal, and financial incentives for family producers to reduce deforestation. Not clear how existing programmes supporting agricultural production contribute to deforestation. There is a law in place regarding environmental services however, it is still not being implemented. The National Forest Conservation Program for Climate Change, has examples of conservation thought payment for environmental services with 189 agreements with Native Communities. MINAGRI has launched the Offsets Program for Competitiveness fund to support for sustainable small and medium businesses in agriculture, livestock or forestry. The Ministry of Production has launched the PROCOMPITE program to improve the competitiveness of production chains. 	<ul style="list-style-type: none"> The forest is not considered as an economic resource in itself, only as potential for clearance for agricultural land. Poor productivity and yields for subsistence farmers in the Amazon due to lack of inputs and knowledge. 	<ul style="list-style-type: none"> Establishment of regional bodies to coordinate the work of different institutions and producers to achieve deforestation-free production. Establish clear criteria regarding deforestation and protection of forests for programs or projects with productive components, whether implemented by government, international cooperation or civil society. Establish and strengthen alliances with the financial sector and with strategic buying companies. Design financial mechanisms for small farmers, taking into account forest remnants as an asset and conditioning loans to their conservation, strengthening the capacities of financial institutions for managing these mechanisms, and including a financial literacy programme. Use the existing environmental services law and its regulations to design payment schemes for environmental services that provide incentives to producers for the conservation of forests, recovery of degraded lands and implementation of agroforestry systems. Using the scheme of works for taxes (green infrastructure) to stimulate activities of recovery of forest cover and compensation of environmental impacts generated by various economic activities.





Annexes

Annex 1:

Documentation Available from Contact UNDP country offices

At a country level, the FC2A teams reviewed and compiled information on commitments and initiatives by donors, governments, and private sector, as well as government policies and legislation. These documents (in Spanish) are available from the UNDP Country Offices, as well as on the GCP website: <https://www.greencommodities.org/content/gcp/en/home/global-initiatives/c2b.html>

COLOMBIA

Contact person at UNDP Country Office:

Jimena Puyana Eraso, Head of Sustainable Development (jimena.puyana@undp.org)

Roadmap

This report pulls together all the research done under FC2A, and documents the commitments made by the Government of Colombia, by the private sector, and provides detail on key initiatives and policies aimed at reducing deforestation. It also provides some analysis on what advances have been made and provides a roadmap for actions needed to accelerate the implementation of deforestation reduction commitments related to commodity production.

List of Commitments

A document mapping the most relevant commitments made by the Government of Colombia and the private sector, to reduce deforestation caused by production of agricultural commodities. For each commitment there is a general description, an analysis of progress and identification of areas that could be strengthened.

Analysis of the Policy Framework

This document identifies the framework of policies and legislative or institutional factors that promote or hinder deforestation-free commodity production. It provides detail on the policies, norms and institutional approaches from key government strategies.

Ecuador:

Contact person at UNDP Country Office:

Mónica Andrade
Coordinadora del Área de Ambiente y Energía
(monica.andrade@undp.org)

Roadmap

This report pulls together all the research done under FC2A, to provide a roadmap for public and private sectors to establish traceability systems at national scale for coffee, cocoa, palm and cattle.

Traceability initiatives

This report drills down into one of the enabling factors for achieving deforestation free commodity production,

traceability, and provides detail on a range of national and international systems, including implementation information and an analysis on the pros and cons of each.

Regional Analysis (Colombia, Ecuador, Peru) of traceability initiatives

This document provides an overview of traceability initiatives being implemented in the region focusing on deforestation free and sustainable commodities, focusing on coffee, cocoa, palm and cattle.

Peru:

Contact person at UNDP Country Office:

James Leslie
Technical Advisor Ecosystems and Climate Change
james.leslie@undp.org

Roadmap

This report pulls together all the research done under FC2A, and documents the commitments made by the Government of Peru, by the private sector, mapping of the key actors, and provides detail on key initiatives and policies aimed at reducing deforestation. It also documents the process of consolidating the Private Public Coalition for Deforestation free Commodities and details the analysis showing gaps and critical points that could be used by the Coalition to develop future plans.

Analysis of Commodity Strategies

A meta-analysis of the official strategies and key reports focusing on commodities that have direct or indirect impact on deforestation, especially cattle, coffee, cocoa, and palm.

Analysis of the Policy Framework and Government Commitments

This document identifies the framework of policies and legislative or institutional factors that promote or hinder deforestation-free commodity and cattle production. It provides detail on the policies, norms and institutional approaches from key government strategies, as well as mapping commitments made by the Government of Peru, and existing commissions and working groups.

Annex 2:

Methodology

The FC2A initiative was supported by UNDP's Green Commodities Programme (GCP), with funding from PAGE and UNDP REDD. Additional guidance was provided by a steering committee of GCP partners. In-country implementation was managed by the UNDP Country Offices. Although the design of the initiative envisaged a similar process being implemented across the focus countries, allowing for Regional consolidation and outputs, it evolved in response to the changing local context and country needs, which resulted in diverging approaches and outcomes. In Colombia and Peru, the national consultants conducted extensive research and analysis to document the current commitments, policies, laws, and initiatives being implemented on the ground by government, private sector and civil society in relation to deforestation in the Amazon regions.

In the case of Peru, there was a multi-stakeholder process to collect valuable information for the roadmap which took into account the progress made in the framework of the "Tarapoto Declaration". In Ecuador, analysis had already been undertaken during the design and set up of the ProAmazonia programme by the UNDP country team, Ministry partners and the ProAmazonia team, so the FC2A research in that country focused on what had been identified as the main barrier to action: lack of traceability systems.

In Peru and Colombia multistakeholder dialogues provided additional inputs to the desk-based analysis. For example, in Peru a series of sector dialogues took place, leading to two National Dialogues, that brought together a wide range of fifty stakeholders (including indigenous and local communities, farmers and agricultural associations, national and local government authorities, national and private financial institutions, national and multinational buying companies, NGOs), where the research was presented. In Colombia the existing Tropical Forest Alliance (TFA) initiative is convening national level dialogues on deforestation free commodities, so FC2A complemented this by focusing the dialogues on the cattle sector at sub national level, taking advantage of the planned TFA national and global meetings being held in the country.

Annex 3:

Organisations participating in National Dialogues and consultations include:

Colombia Multi-stakeholder Sub-National Dialogue for cattle sector:

Ministry of Environment

Ministry of Agriculture

Vision Amazonia

State Governors office

Centre for Research on Sustainable Agricultural Production Systems (CIPAV)

Foundation Florencia

Colombian Agricultural Institute (ICA)

Takami

Hermanos Rauch

Andes University (UDLA)

Amazonian University

Business Development Company and Agro-Industrial Markets (COFEMA)

UPRA: Rural Agricultural Planning Unit - Ministry of Agriculture

Cattle ranchers committee

Amazon Institute of Scientific Research (SINCHI)

Patrimonio National Florencia

Lacteos Camotisas

CDA Company

Exito Group

National Association of Carnic Companies Asocarnicas

Colombian Cattlemen's Federation (FEDEGAN)

Agroindustrial and Exhibition Centre (CEAGRODEX)

CIPAV Foundation

International Centre for Tropical Agriculture (CIAT)

Nestle Colombia

Food and Agriculture Organization (FAO)

Dutch Sustainable Trade Initiative (IDH)

Food and Land Use coalition (FOLU)

World Wide Fund for Nature (WWF)

British Embassy

ProColombia

Earth Innovation Institute

Global Green Growth Institute (GGGI)

The Nature Conservancy (TNC)

Etnollano

Alisos

Peru Multi-stakeholder National Dialogue:

Ministry of Agriculture

Ministry of Environment

PromPeru

IBC Peru: Instituto del Bien Común

Global Canopy

Confederación de Nacionalidades Amazonicas del Peru CONAP

Bos Plus

Tropical Forest Alliance TFA

APCI: Peruvian Agency for International Cooperation

IICA: Inter-American Institute for Cooperation on Agriculture

ICRAF: World Agroforestry Centre

World Wide Fund for Nature WWF

Rikolto

Food and Agriculture Organization FAO

Proetica

SERFOR: National Forest and Wildlife Service

Green Climate Fund (GCF)

Root Capital

ProAmbiente-Pro Environment - German Corporation for International Cooperation (GmbH)

Earth Innovation Institute

CESVI foundation

MDA: Mecanismos de Desarrollo Alterno

Solidaridad

SPDE: Sociedad Peruana de Ecodesarrollo

Abaco

CIMA: Centro de Conservación, Investigación y Manejo de Areas Naturales

SENASA: National Agrarian Health Service

Madera Andina

COFIDE Development Finance Corporation



Glossary of Terms/Links

FC2A	From Commitment to Action	https://www.greencommodities.org/content/gcp/en/home/global-initiatives/c2b.html
GCP	Green Commodities Programme	https://www.greencommodities.org
UNDP	United Nations Development Programme	https://www.undp.org
BIOFIN	The Biodiversity Finance Initiative	https://www.biodiversityfinance.net
UN-REDD	UN REDD+ support programme	https://www.un-redd.org
GEF	The Global Environment Facility	https://www.thegef.org
PAGE	Partnership for Action on Green Economy	https://www.un-page.org
NYDF	New York Declaration on Forests	https://forestdeclaration.org
TFA	Tropical Forest Alliance	https://www.tropicalforestalliance.org
JDI	Joint Declaration of Intent (Norway-Germany-Peru and Norway-Germany-UK-Colombia) to achieve REDD targets	https://www.regjeringen.no/contentassets/c8ce0675a70744a2a96314adbea0a971/joint-declaration-of-intent-colombia-gnu-2019.pdf
MinAg	Ministry of Agriculture	
MinEnv	Ministry of Environment	
CO	Country Office (UNDP)	

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