

Peru REDD+ Benefit Sharing Field Dialogue

Field Trip Background Information¹

NOTE: TFD Participants will visit two sites which have different characteristics for discussions on benefit sharing for REDD+:

- 1) The first day participants will visit the Shampuyacu Native Community which is the project site of the IUCN REDD+ Facilitating Benefit Sharing project, implemented jointly with CI-Peru and AIDER (where activities have recently started). This community borders the Alto Mayo Protected Forest (AMPF) buffer area.
- 2) The second day the participants will visit the Alto Mayo Protected Forest (AMPF), which is the Conservation International (CI) REDD+ ongoing project site since 2008 which is also a Natural Protected Area by the State (NPA) making issues about rights and tenure very special and unique (different from the first site participants will visit).

1st site – Monday 24th February, 2014

Shampuyacu Indigenous Community

The Shampuyacu Native Community², belonging to the Awajun indigenous people, is one of the native communities settled in the upper part of the Mayo river basin, usually known as Alto Mayo. The community borders the buffer area of the AMPF. Regarding tenure, up to 20% of the Alto Mayo basin is indigenous titled land, but some estimates indicate that the impact of indigenous people activities is greater within the basin. The Shampuyacu community has 4.913 ha of titled land. The community has around 600 families, distributed in three inhabited areas. Regarding its institutional organization, the community has a Steering Committee, which is elected by the Community Assembly.

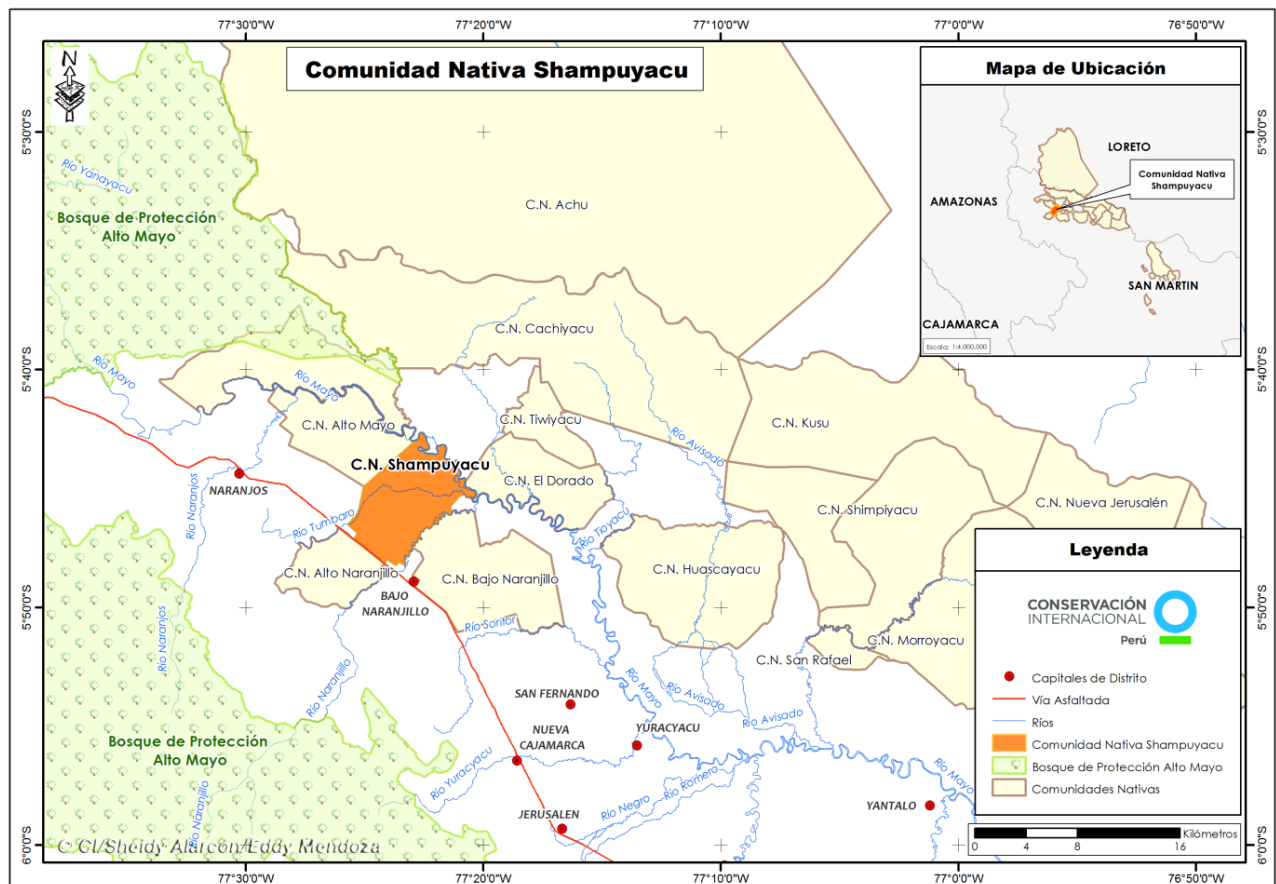
The contact with national society and markets has influenced Awajun indigenous people, including the Shampuyacu community, changing their productive activities and even their traditional consumption habits; they maintain their subsistence activities, like hunting, fishing and native crops agriculture, but have adopted new economic patterns oriented to markets. Although some of these Awajun communities have an important area of forest cover in their territories, parts of these forests have been cleared mainly due to the demand of immigrant coffee and rice producers who rent the land for expansion of their crops.

Deforestation has led to degradation of water resources within the indigenous communities of the Alto Mayo basin and therefore resulting in higher poverty levels because of their close dependence to these resources.

¹ Document prepared by CI Peru and IUCN.

² "Native Community" is the legal name of titled lands owned by indigenous peoples in the Amazon region of Peru.

Conservation International (CI), in coordination with the Awajun Regional Federation of the Alto Mayo (FERIAAM, for its Spanish acronym³), has developed restoration of riparian ecosystems activities in the Shampuyacu Native Community, as well as empowering them in water resources management issues, in order to establish a model that can be replicated in other communities in the Alto Mayo basin.



The Shampuyacu community has been selected, in coordination with FERIAAM, as the specific site to develop and test REDD+ benefit distribution mechanisms as part of IUCN REDD+ Facilitating Benefit Sharing project (2013-2015)⁴ which is being implemented jointly with CI-Peru and AIDER. Until now, there have been some initial steps taken with the community to create the foundations to implement the methodology for future Conservation Agreements (CAs) as the benefit sharing mechanism or tool to be implemented in this project.

For instance, there has been the establishment of a working relationship between community members – including women – and CI's team; also, a cooperation agreement has been signed between the community and CI. In addition, there have been initial conversations with the community's Steering

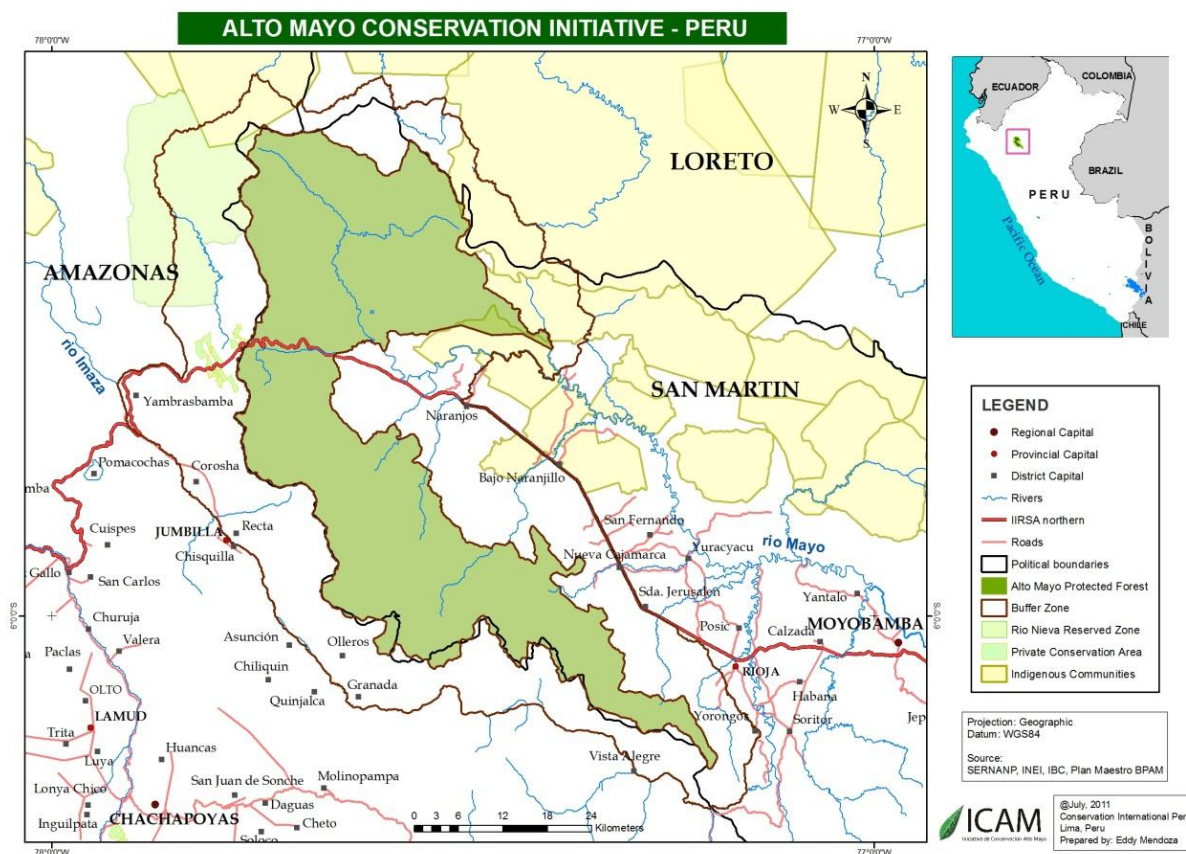
³ FERIAAM is the organization who represents the demands and interests of the Awajun communities of the Alto Mayo region.

⁴ The project aims to implement early REDD-Plus actions are enabled by appropriate, fair and pro-poor benefit-sharing mechanisms that are sufficiently robust to be mainstreamed into long-term national and international REDD-Plus frameworks: https://cmsdata.iucn.org/downloads/ficha_proyecto_web_uicn_redd_peru_ing.pdf.

Committee to start the socioeconomic assessments to design appropriate CAs for the particular context of the Awajun communities. These CAs intend to include, among other activities, forest ecosystem restoration as there are some areas which are degraded within the community. The main goal of these activities is to improve their livelihoods with emphasis in enhancing the Awajuns' traditional knowledge.

2nd site – Tuesday 25th February, 2014

Alto Mayo Protected Forest (AMPF)



The AMPF is located in the San Martín region and covers approximately 182,000 hectares of land in the Peruvian Amazon of extremely high value for biodiversity conservation and watershed protection (the forested area is around 153,929 ha). This area forms part of the Abiseo-Condor-Kutukú Conservation Corridor, one of the most threatened ecosystems in the world which houses an incredible number of endemic plants and animals of global importance. In addition, runoff from the Alto Mayo forests gives rise to several major rivers which provide clean and abundant water supplies and support several economic activities of the local population living in the Alto Mayo basin. For example, the Yuracyacu River provides water for the cities of Yuracyacu and Nueva Cajamarca, while supporting the irrigation of over 9,000 hectares of rice cultivation downstream. Its forests are also recognized for their importance

in preventing soil erosion, protecting soils in the lowland areas from torrential flows and floods, and for their scenic beauty. The AMPF also stores a significant amount of carbon.

Protecting the Alto Mayo forests is therefore critical for mitigating global climate change, conserving biodiversity, and ensuring the provision of ecosystem services for the local population. For these reasons, the Peruvian government established the AMPF in 1987 as part of the National System of Protected Areas (SINANPE, for its Spanish acronym).

It is important to note that natural resources are defined as national assets, so the forest areas are administered by the Government of Peru. Regarding land ownership in Protected Areas (PA), in Peru the National Government holds the property rights as well, although has the faculty to grant natural resources use rights depending on the category of protection of the PA.

Despite the designation of the Alto Mayo headwaters as a Natural Protected Area by the State (NPA), insufficient funds for managing the area, a national highway built in 1975 that crosses the AMPF, and the high migration rates from the Andes to the Amazon region, have resulted in widespread settlement inside the area making it one of the NPAs with the highest deforestation rates in Peru. The threats to the area have increased in the last decade with the connection of the highway to other regional mega-development projects such as IIRSA⁵, as well as the rise of coffee prices – the main crop grown in this area – leading to increasing deforestation and the subsequent loss of ecosystem services.

Conventional coffee production is the primary economic activity among settlers in the AMPF since the 1990s, despite the illegality of this activity under the land use restrictions of the NPA. The conventional coffee production techniques used by the vast majority of coffee producers within the AMPF are highly unsustainable. Most coffee plantations do not utilize organic fertilizers, pest control methods, or effective post-harvest management techniques, causing coffee plantations to quickly lose productivity. When production decreases, most coffee producers convert plantations to pastureland and clear new forest areas to establish more coffee plantations. These poor management techniques dominate the coffee production systems in all the sub-basins of the AMPF and encourage the cycle of deforestation.

In response, in 2008 CI began working with several partners, including local communities, NGOs, corporations and Peru's government to protect the AMPF. CI and its partners are placing an economic value on the forest's services by developing a REDD+ project in the Alto Mayo (known as the world's first REDD+ project in a NPA). CI signed an Administration Contract of the NPA with the National Service of Natural Protected Areas (SERNANP, for its Spanish acronym) in 2012, aiming to promote the sustainable management of the AMPF and its ecosystem services for the benefit of the local populations and the global climate.

As part of these efforts to protect the AMPF, Conservation Agreements (CAs) are being established⁶ between local communities and the AMPF Head Office in order to increase the productivity and

⁵ The Initiative for the Integration of the Regional Infrastructure of South America (IIRSA) is a development plan to link South America's economies through new transportation, energy, and telecommunications projects.

⁶ Although the number of CAs signed until now is frozen, it is anticipated that more CAs will be signed since threats to the AMPF are still increasing.

sustainability of their coffee plantations, thereby increasing individual family incomes and reducing their need to deforest other areas to establish new coffee plantations. Specifically, settlers are being instructed on the production of organic, shade-grown coffee, thereby replacing the current traditional coffee plantations with sustainable, low-impact agro-forestry systems with the goal of restoring degraded areas. In parallel, CI is investing in strengthening the governance and enforcement capabilities of the AMPF Head Office in order to equip them with the necessary skills and resources to successfully manage the complex dynamics between local populations and the PAs conservation goals and to address other drivers such as illegal land trafficking. Additionally, CI is performing outreach and sensitization activities to build awareness among the local population and increase their involvement in conservation activities.

With the financial support of carbon financing (e.g. through Disney), these actions are facilitating the conservation of large areas of forest with associated climate change mitigation benefits, while also creating opportunities for the sustainable development of local communities.

In November 2012 The Alto Mayo REDD+ project was successfully validated under the Verified Carbon Standard and the Climate, Community and Biodiversity Standard through an independent audit of the project's design and methodology. It has generated more than three million tons of emissions reductions between 2008 and 2012. CI and its partners are working to set up CAs with communities in six regions of the Alto Mayo, with several hundred of these agreements already signed. Regarding the benefits these CAs have generated include:

- Carbon benefits: reduced emissions in an area where deforestation rates are very high.
- Community benefits: CAs with around 600 families; improved farm systems and marketing.
- Environmental benefits: improved habitat for Yellow-tailed woolly monkey; Andean spectacled bear; watershed restoration; reduced soil erosion.

Among some other benefits related to this REDD+ project, include providing land security⁷ for the families that inhabit the forest, as well as establishing new farming approaches that support rather than undermine native forests. In addition, the CA framework allows local communities to benefit through their efforts to conserve forests and surrounding watersheds. For example, communities receive benefits such as job training and efficient cook stoves in exchange for their commitment to sustainable manage the land. Educational programs have also been developed with local schools to help the area's youth understand the importance of protecting the forest. In addition, CI is helping to organize and link small-scale shade-coffee farmers across the region with organic coffee associations to garner a price premium for their products, leading farmers to realize the economic value of forest protection. All this conservation efforts produce a major benefit to the population of the Alto Mayo watershed, which mainly depends on the AMPF as source of freshwater.

⁷ This land security does not mean land titling (the Peruvian State remains as the owner of the land); however, the CAs give the farmers, in exchange of the commitment to stop deforestation and nature degradation, the permission to continue their activities, which were completely illegal before the support of CI, reducing the potential risks and social conflicts associated to eviction.