



# National Programme Document - Ecuador

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UN-REDD PROGRAMME SIXTH POLICY  
BOARD MEETING

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21-22 March 2011  
Da Lat, Viet Nam



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# UNITED NATIONS COLLABORATIVE PROGRAMME ON REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION IN DEVELOPING COUNTRIES

## JOINT PROGRAM DOCUMENT

### 1. Cover Page

Country: Ecuador  
Program Title: UN-REDD Ecuador Programme  
Program Outcome: By 2013, Ecuador will have completed the readiness stage for the implementation of the REDD+ mechanism at the national level with involvement of all relevant institutions and stakeholders, who have more skills and tools to exercise their right to a safe and healthy environment, environmental sustainability, including biodiversity conservation, integrated natural resource management, environmental management and the development of responses for adaptation and mitigation to climate change.

UNDAF Outcome 5: By 2014, the relevant institutions and local stakeholders promote – and social stakeholders have more skills and tools to exercise their right to a safe and healthy environment, environmental sustainability, including biodiversity conservation, integrated natural resource management, environmental management (direct link to MDG 7).

Program duration:  
Anticipated start/end dates:  
Fund Management Option(s): *(Parallel, pooled, pass-through, combination)*  
Managing or Administrative Agent: UNDP, MDTF Office

Total estimated budget: US\$4,000,000  
Out of which:  
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Social Organizations	Social Organizations
Name Institution Signature Date	Name Institution Signature Date
Name Institution Signature Date	Name Institution Signature Date
Name Institution Signature Date	Name Institution Signature Date

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### 3. Acronyms

CAF	<i>Corporación Andina de Fomento</i> (Andean Development Corporation)
CAN	<i>Comunidad Andina de Naciones</i> (Andean Community)
CI	Conservation International
COASNA	<i>Comité Asesor Nacional</i> (National Advisory Committee)
CODENPE	<i>Consejo de Desarrollo de las Nacionalidades y Pueblos Indígenas en el Ecuador</i> (Council for the Development of the Peoples and Nationalities of Ecuador)
COICA	<i>Coordinadora de las Organizaciones Indígenas de la Cuenca Amazónica</i> (Coordinating Body for the Indigenous Organizations of the Amazon Basin)
COMAFORS	<i>Corporación de Manejo Forestal Sustentable</i> (Sustainable Forest Management Corporation)
CONAICE	<i>Confederación de Nacionalidades Indígenas de la Costa Ecuatoriana</i> (Confederation of Indigenous Nationalities of the Ecuadorian Coast)
CONAIE	Confederación de Nacionalidades Indígenas del Ecuador
CONFENIAE	<i>Confederación de Nacionalidades Indígenas de la Amazonía Ecuatoriana</i> (Confederation of Indigenous Nationalities of the Ecuadorian Amazon)
CSO	Civil Society Organization
DD	Degradation and Deforestation
ECUARUNARI	<i>Ecuador Runacunapak Rikcharimui</i> (Confederation of Peoples of Kichwua Nationality of Ecuador)
ENCC	<i>Estrategia Nacional de Cambio Climático</i> (National Climate Change Strategy)
ENF	<i>Evaluación Nacional Forestal</i> (National Forest Assessment)
ENREDD+	REDD+ National Strategy
ES	Environmental Services
ExB	Executive Board
FAO	Food and Agriculture Organization of the United Nations
FCPF	Forest Carbon Partnership Facility
GDP	Gross Domestic Product
GHG	Greenhouse Gas
GoE	Government of Ecuador
GTZ	German Technical Cooperation Agency
HACT	Harmonized Approach Cash Transfers
IBD	Inter-American Development Bank
INDA	<i>Instituto Nacional de Desarrollo Agrario</i> (National Institute for Agrarian Development)
IPCC	Intergovernmental Panel on Climate Change
KfW	German Development Bank
MAE	<i>Ministerio del Ambiente del Ecuador</i> (Ministry of Environment of Ecuador)
MAGAP	<i>Ministerio de Agricultura, Ganadería, Acuacultura y Pesca</i> (Ministry of Agriculture, Livestock, Aquaculture and Fisheries)
MDTF	<i>Multi Donor Trust Fund</i>
MRV	Measurement Assessment Reporting and Verification
NGOs	Non-governmental Organizations

NJP	National Joint Program
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
PAN	<i>Política Ambiental Nacional</i> (National Environmental Policy)
PFE	<i>Patrimonio Forestal del Estado</i> (State Forest Heritage)
PROFAFOR	<i>Programa FACE de Forestación</i>
R-PIN	<i>Readiness Plan Idea Note</i>
R-PP	<i>Readiness Preparation Proposal</i>
REDD	Mecanismo de Reducción de Emisiones por Deforestación y Degradación de Bosques
REDD+	Reducing Emissions from Deforestation and Forest Degradation; role of conservation, sustainable management of forests and enhancement of forest carbon stocks.
SCC	<i>Subsecretaría de Cambio Climático</i> (Undersecretary of Climate Change)
SCN	<i>Sistema de Cuentas Nacionales</i> (National Accounts System)
SENPLADES	<i>Secretaría Nacional de Planificación y Desarrollo</i> (National Secretary of Planning and Development)
SNAP	<i>Sistema Nacional de Áreas Protegidas</i> (National System of Protected Areas)
SPN	<i>Subsecretaría de Patrimonio Natural</i> (Undersecretary of Natural Heritage)
UNDAF	United Nations Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change

## Executive Summary

Ecuador has approximately 10 million hectares of diverse forest types covering approximately 55% of the country. For decades, Ecuador has experienced major changes to its forest cover, mostly due to changes in land use. According to 2000 data, an estimated 198,000 hectares of forest are lost every year, although more recent data from the Ministry of Environment estimates that the deforestation rate equals 61,764.50 hectares per year.

In order to reverse forest loss, the Government of Ecuador (GoE) has made reducing the deforestation rate a priority of the National Plan for Good Living (2009-2013). To achieve this goal, the Ministry of Environment is implementing a series of initiatives to reduce deforestation in the country as part of good governance of forest resources and to simultaneously contribute to climate change mitigation by reducing GHG emissions related to this activity.

Since 2008, the GoE has actively participated in international REDD+ negotiations and has, concurrently, carried out activities at the national level to pave the way for the implementation of this mechanism in the country. Ecuador has made impressive progress in its REDD+ preparation, with significant advancements detailed below:

Since September 2008, the Ministry of Environment has implemented the Socio Bosque Program, a policy of incentives for the conservation of native forests. This initiative seeks to complement the "command-control" policies historically applied to the country's forestry sector, in an attempt to reconcile forest conservation with development. To date, conservation agreements have been signed for 630,000 hectares. Furthermore, two relevant data collection projects began in 2009: the historical mapping of deforestation and the national forest assessment.

Ecuador is also working to develop the National REDD+ Strategy, which seeks to simultaneously contribute to the mitigation of climate change and the implementation of good forest management practices through national activities, projects, measures and policies to reduce deforestation and associated GHG emissions. With this strategy, efforts are being made to develop the legal, financial and institutional resources required to implement REDD+ in the country and ensure multiple benefits, inter-institutional coordination and the design of a program to promote civil society participation, among other goals.

To contribute to the implementation of the strategy, the National Joint Program (NJP) aims to support Ecuador in the preparation phase of the implementation of the REDD+ mechanism. To that end, the NJP will support specific activities within the National REDD+ Strategy framework as part of the country's preparation phase. These activities are connected to the technical and financial cooperation programs with the German Government, which also seek to contribute to the preparation phase for REDD+ implementation.

Ecuador's NJP sets forth six outcomes: (1) The design and implementation of a National Forest Monitoring System; (2) National implementation of a REDD+ consultation process involving civil society, indigenous communities, peoples and nationalities, Afro-Ecuadorian and Montubio peoples and communes<sup>1</sup>; (3) Development of policies and instruments for the implementation of REDD+; (4) Development of the operational framework for the implementation of REDD+; (5) Ensuring multiple environmental and social benefits, and; (6) Design and implementation of a benefit-sharing system.

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<sup>1</sup> Art. 56 of the Constitution of the Republic of Ecuador

#### 4. **Situation Analysis**

##### General Background

1. Ecuador is located in the northwest of South America, bordered by Colombia to the North, Peru to the South and East, and the Pacific Ocean to the West. Its capital city is Quito, where the largest state agencies and the Central Government are based. Guayaquil is the country's most populous city, main seaport and a major economic center. The country is divided into 24 provinces, distributed throughout four natural regions: Amazonia (116,644 km<sup>2</sup>), Costa (59,920 km<sup>2</sup>), Sierra (70,672 km<sup>2</sup>), and the Insular Region (7998 km<sup>2</sup>). The country's total land area is 255,234 Km<sup>2</sup>.<sup>2</sup>
2. According to preliminary data from the 2010 Population and Housing Census compiled by the National Institute of Statistics and Censuses (INEC), the Ecuadorian population totals 14,306,876 inhabitants, with population growth ranging from 1.5% to 2% annually. About 50% of the population is concentrated in the Costa and Sierra regions, and 66% of the population lives in urban areas.<sup>3</sup>
3. As for the poverty situation in the country, unsatisfied basic needs indicator statistics show that 45.5% of the country's population was living in poverty in 2009. The Amazonia region has the highest level of poverty (59.2%), followed by the Costa region (52.2%) and the Sierra region (36%). An analysis of this indicator for rural and urban areas suggests that poverty rates are higher in rural areas (74.9%), as in the Amazonia region where 59% of the population does not meet their basic needs. Furthermore, 19.6% of the Ecuadorian population lives in extreme poverty due to unmet basic needs, with the Amazonia region presenting the second highest rate (20.6%).<sup>4</sup>
4. Ecuador is one of the world's 17 mega-diverse countries and is home to the greatest concentration of species (between 5% and 10% of the world's biodiversity).<sup>5</sup> Although it occupies less than 0.2% of the Earth's land surface, there are 46 different ecosystems within the Ecuadorian territory. Ecuador's geographical location is privileged and is a key determinant in the country's great biodiversity. Indeed, the country is home to 17.9% of bird species worldwide, 10% of vascular plants, 8% of mammals and 10% of amphibians. Ecuador is the most diverse country in the world when considering the ratio of biodiversity to land mass. For example, the country is home to 1.42% and 5.5% of the world's amphibian and bird species, respectively, per 1,000 km<sup>2</sup>.<sup>6</sup>
5. It is estimated that there are over 20,000 species of vascular plants and about 3,500 species of vertebrates, including marine fish, in Ecuador. Many of these species are endemic and considered endangered. In relation to forest ecosystems, there are approximately 10.7 million hectares of diverse forest types according to the 1990 land use and coverage map, including: tropical rainforest, dry forest and montane forest, among others. Most forest remnants can be found in the Amazonia region, the largest rainforest in the world and a great reservoir of terrestrial biodiversity.<sup>7</sup>
6. Besides Ecuador's biological wealth, natural resources have been the basis for the country's social and economic development. Ecuador's economy is based on raw material production and export, much of its economy depending on the use of natural resources. Extractive

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<sup>2</sup> National Plan for Good Living 2009-2013. SENPLADES 2009

<sup>3</sup> Internet: [www.inec.gov.ec](http://www.inec.gov.ec) Last accessed: September 5, 2010

<sup>4</sup> Sistema Integrado de indicadores sociales del Ecuador [Social Indicators Integrated System of Ecuador] (SIISE 4.5). 2001 ENEMDU, ENEMDHU, ECV, INEC, 2009

<sup>5</sup> National Plan for Good Living 2009-2013. SENPLADES 2009

<sup>6</sup> (MAE, Ecociencia y UICN 2001; cf. FAO 2001, COMAFORS-IPS-GTZ 2001)

<sup>7</sup> Sierra, R. (Ed.). 1999. Propuesta Preliminar de un Sistema de Clasificación de Vegetación para el Ecuador Continental. Proyecto INEFAN/GEF-BIRF y EcoCiencia. Quito, Ecuador.



sectors, most prominently the oil industry, agriculture, fisheries, aquaculture and forestry, represent 40% of GDP and generate about 80% of exports.<sup>8</sup>

7. According to Central Bank figures, Ecuador's 2010 GDP was USD 56.9 billion, which represents a per capita GDP of USD 4,013<sup>9</sup>. The economy was based on the supply of raw materials, driven by cyclical booms in export commodities – cocoa (1866-1925), banana (1946-1968) and oil (1972-2010)<sup>10</sup>.
8. From 1990 to 2009, exports of industrial (high value added) products represented 22% of total exports. On the other hand, exports of commodities accounted for approximately 78% of the total, of which 92% was concentrated in four products: petroleum, bananas, shrimp and flowers.<sup>11</sup>
9. Regarding the forestry sector specifically, despite having grown by 48% between 1997 and 2006, the contribution of forestry to the national economy in macroeconomic terms has remained stable compared to other sectors with an average 2.3% of real GDP.<sup>12</sup> However, this percentage does not reflect this sector's real contribution to the economy, given that in the System of National Accounts (SCN) methodology, the forestry sector includes: (i) forestry and logging, and (ii) timber production and wood product manufacturing. It can be inferred that other contributions sourced from the forestry sector are either incorporated into other sectors (tourism, agriculture or industry) or not quantified/valued (water sources, biodiversity, carbon sequestration).<sup>13</sup>
10. Unfortunately, there is no information or statistics available to analyze the actual contribution of forests to the economy of Ecuador. As mentioned above, the previous analysis only considered the timber industry as a key factor for the economy, but no other environmental services from these ecosystems.<sup>14</sup> Furthermore, the economic analysis of the forestry sector's contribution to the country's economy does not include any data on illegal deforestation.
11. Regarding the forest industry in Ecuador, a FAO study conducted in 1995<sup>15</sup> estimated that about 75% of raw material comes from native forest and to a lesser extent from forest plantations, though the contribution of the latter has grown over the last decades. In general, the total supply made available through a sustainable management approach is 6.08 million cubic meters per year, of which 63% comes from natural forest and the remaining 36% from plantations. According to available information, the forest industry used 2.83 million m<sup>3</sup>, which generated USD 287.48 million in revenue (USD 119,52 million in logging transactions and USD 167,96 million from value-added finished products.)<sup>16</sup>
12. With regard to the productive structure, a 2001 study states that big industry generated USD 69.18 million, while small and artisanal industry produced a total income of USD 167,4 million, and USD 50,9 million from construction and others. This breakdown shows the relative importance of small and medium industries in generating income from forest exploitation in Ecuador. Additionally, the statistics do not incorporate illegal logging. If the

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<sup>8</sup> National Environmental Policy. MAE 2009

<sup>9</sup> Central Bank of Ecuador. *Economic figures of Ecuador, December 2010*. Internet: <http://www.bce.fin.ec/documentos/Estadisticas/SectorReal/Previsiones/IndCoyuntura/CifrasEconomicas/cie201012.pdf>. Last accessed: February 8, 2010.

<sup>10</sup> *Evolución de la Economía Ecuatoriana*. Central Bank of Ecuador, July 2010. Internet: [www.bce.fin.ec](http://www.bce.fin.ec) Last accessed: September 1, 2010

<sup>11</sup> Internet: [www.inec.gov.ec](http://www.inec.gov.ec) Last accessed: September 5, 2010

<sup>12</sup> Lascano, Max. *Valoración de la Contribución Forestal a la Economía Nacional: caso de Ecuador*. Organización del Tratado de Cooperación Amazónica y Comisión Forestal de la FAO. 2008 Quito, Ecuador

<sup>13</sup> IDEM 7

<sup>14</sup> COMAFORS, IPS. *El bosque en el Ecuador: una visión transformada para el desarrollo y la conservación*. Marzo 2001

<sup>15</sup> FAO-INEFAN. 1995. *Estrategia del PAFE para el desarrollo sustentable de la industria forestal*. Diagnostico del sector forestal del Ecuador. Working document. Quito, Ecuador

<sup>16</sup> National Environmental Policy. MAE 2009

many actors involved in the informal timber market were tabulated, statistics would reveal a much greater contribution by the forestry sector to the economy<sup>17</sup>.

13. In relation to employment, the forestry sector contributes significantly to the level of employment in Ecuador. It is estimated that this sector provides about 200,000 direct jobs, i.e., 8.4% of the economically active population (EAP). These jobs are distributed over 73,440 jobs in crafts and 126,268 jobs in the forest and timber industry. In addition, the sector generates about 35,000 indirect jobs, contributing a total of 234,708 direct and indirect jobs without accounting for jobs created in other sectors as a result of the productive chain of the forest industry.<sup>18</sup>

## **Institutional, Political and Sectoral Context**

### **90. Institutional Context**

14. Ecuador's public administration is ruled by the Central Government, primarily the Office of the President and the Vice Presidency. The National Secretariat for Planning and Development (SENPLADES) plays a key role as the entity responsible for medium to long term planning, including monitoring compliance with the National Plan for Good Living (2009-2013). There are seven Coordinating Ministries, whose function, as implied by their name, is to coordinate actions to be implemented in the twenty line ministries and eight national secretariats. Ministries are responsible for executing the policies and measures that contribute to the implementation of the National Plan for Good Living. The Ministry of Environment is one line ministry and articulates its management with the Coordinating Ministry of Natural and Cultural Heritage.
  
15. Ecuador's Ministry of Environment (MAE) is the Government's governing body on environmental issues at the national level. As the national environmental authority, it is responsible for environmental management in Ecuador. The MAE, through the Secretariat for Natural Heritage (SPN), is responsible for the administration and sustainable management of the country's forests. Since October 2009, the MAE is also responsible for climate change issues. Through its Secretariat on Climate Change (SCC), the Ministry is charged with facilitating the design of climate change policies and the implementation of actions for both mitigation and adaptation to climate change. (Chart 1)

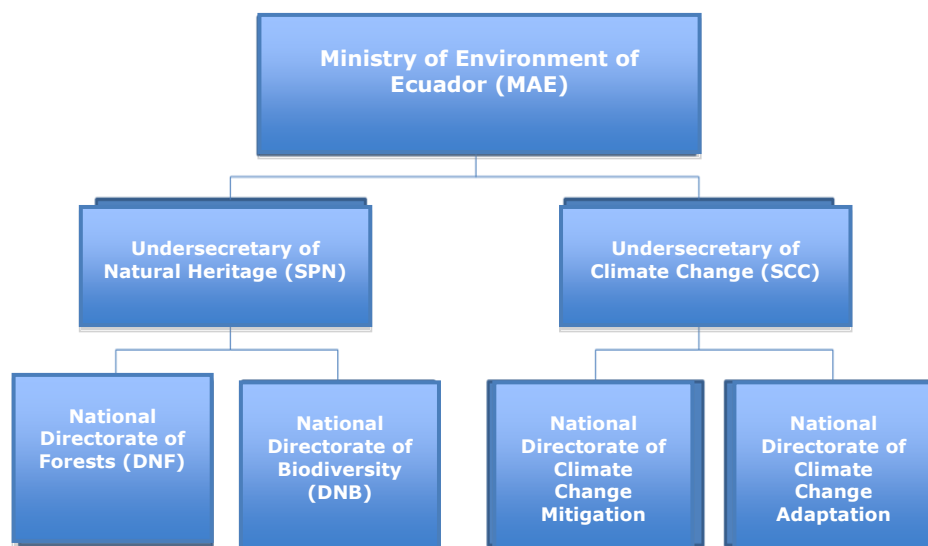
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<sup>17</sup> Comafors, IPS. *El Bosque en el Ecuador; una visión transformada para el desarrollo y la conservación. Informe final, Marzo 2001.*

<sup>18</sup> IDEM 16

Figure 1

Simplified outline of the MAE and undersecretariats in charge of the National REDD+ Strategy<sup>19</sup> implementation in Ecuador<sup>20</sup>



(Source and preparation: MAE 2010)

16. MAE's Undersecretariat of Natural Heritage has developed the Forest Governance Model. This model sets forth six objectives: (1) promoting forestry development in Ecuador; (2) ensuring rational and equitable access to forest resources through land regularization; (3) strengthening forestry law enforcement and standards compliance through an effective control on illegal forestry activities; (4) promoting sustainable forest management at social and economic levels by reducing pressure on native forests; (5) preserving forestry environmental services; (6) strengthening capacity and knowledge to create a forestry culture through information and communication production. Simultaneously, the MAE, through its Climate Change Undersecretariat (SCC), is leading the National Climate Change Strategy (ENCC) process. This strategy consists of a CC Mitigation Program and a CC Adaptation Program.

17. In addition, the SCC is responsible for drafting the "National REDD+ Strategy" (ENREDD+), which seeks to contribute to the achievement of one of the objectives of the Model Forest Governance, acting as a mechanism that contributes to deforestation reduction. It is also part of ENCC's National CC Mitigation Program, acting as a mechanism that contributes to reducing greenhouse gases (GHG) emissions from deforestation and forest degradation.

### **Undersecretariat for Natural Heritage**

18. Based on Ministerial Agreement No. 175 published in Official Gazette No. 509 on January 19, 2009, issued by the Organic Statute of Organizational Management by processes of the MAE, the Undersecretariat for Natural Heritage (SPN) consists of two National Directorates: the National Directorate of Biodiversity and the National Directorate of Forests.

<sup>19</sup> For this document, REDD+ is defined as a mechanism for the reduction of emissions from deforestation and forest degradation; and the role of conservation, forest sustainable management and the increment of carbon content. (Following Decision 2 of the Bali Action Plan, COP13)

<sup>20</sup> See Annex 1: Full Organizational Chart of the Ministry of Environment. Source: [www.ambiente.gob.ec](http://www.ambiente.gob.ec). Last accessed: September 9, 2010

19. The mission of the National Directorate of Biodiversity is to contribute to the country's sustainable development through biodiversity conservation, sustainable use of its components and the fair and equitable sharing of benefits. The National Director of Biodiversity represents this administrative body. Duties and responsibilities include: (1) proposing policies and strategies for biodiversity management; (2) managing the implementation of strategies related to biodiversity management (Biodiversity, Wildlife, Fragile Ecosystems, Protected Areas, Sustainable Tourism, Biosecurity and Access to Genetic Resources).
20. For its part, the National Forest Directorate seeks to promote the sustainable management of forest resources, as well as the conservation of related cultural and biological diversity, to contribute to economic growth and social development. This body has the following powers and responsibilities: (1) stopping the loss of native forests, improving the quality of life for all stakeholders; (2) managing, maintaining and evaluating the State Forestry Heritage and protecting forests, vegetation and existing resources in wetlands, mangroves and wastelands; (3) restoring land suitable for forest restoration by incorporating it into the economic and social development processes through promotion of reforestation, in its area of competence; (4) managing efforts to promote sustainable forestry management of Forests and Forest Resources; (5) developing and coordinating forest research, protection and conservation campaigns; (6) encouraging the participation of civil society, rural areas, indigenous and black peoples and nationalities in decision-making processes, as well as in the planning, implementation and monitoring of forestry and conservation programs.
21. Both Directorates are financed through ordinary expenses of the State general budget. Additionally, the DNF is implementing three projects through public fund expenditures, which have been prioritized by SENPLADES and through which the activities of the Directorate are managed. One such project is the forest control project. This project has an approximate annual budget of USD 1,000,000 to perform three specific activities: (1) forest control on roads, using fixed and mobile checkpoints; (2) control of logging and; (3) forest verification. However, control resources are not sufficient. It is estimated that an effective national control, with an increased number of checkpoints and staff, among other resources, requires an annual budget of USD 4,000,000.

### **Undersecretariat of Climate Change**

22. Ministerial Agreement 104 created the Undersecretariat of Climate Change in October 2009. Its mission is to lead mitigation and adaptation efforts to tackle climate change in the country. This includes the implementation of mechanisms to facilitate technology, finance and communication transfer. This Undersecretariat consists of two Directorates: the Directorate of Adaptation and the Directorate of Mitigation. Both Directorates aim to regulate and coordinate climate change-related policies, strategies, programs and projects to position the country within the global mechanisms to combat climate change. They also seek to promote the adaptation of social, natural and economic systems, which includes promoting measures to reduce greenhouse gas emissions in the country.
23. The Directorate for Climate Change Mitigation has the task of regulating and coordinating policies, strategies, programs and projects to mitigate climate change in order to position Ecuador within the global mechanisms to combat climate change and promote measures to reduce greenhouse gas emissions in the country. To manage climate change mitigation, the Directorate is organized into two units: one unit is responsible for facilitating the formulation of policies, rules, regulations and other policy instruments; the second unit is responsible for the implementation of mechanisms for greenhouse gas reduction, such as the clean development mechanism (CDM), REDD+, "methane to market" and others.
24. The Directorate for Climate Change Mitigation has the following duties powers and responsibilities: (1) proposing national and sectoral policies on climate change mitigation;

(2) promoting State policies designed to reduce net GHG emissions; (3) proposing dissemination and training programs about the major causes of climate change in Ecuador and the world; (4) coordinating and agreeing on national criteria and positions in international negotiations on climate change mitigation and related issues; and (5) coordinating efforts on climate change mitigation and biodiversity, desertification, risk management and other global environmental issues.

### **Political Context**

25. **Constitution of the Republic:** The 2008 Constitution seeks a new form of citizen coexistence, in diversity and harmony with nature in order to achieve 'good living'. It formulates a relationship between State, market, society and nature. As such, the market ceases to be the driving force of development and shares a series of interactions with the State, society and nature.
26. Among other things, it grants rights to nature and supports the enforceability of these rights.<sup>21</sup> This means that the country must develop the necessary legal framework to enforce the rights embodied in the constitution, thus requiring the definition of specific rules. In practice, including specific nature rights gives Ecuador the opportunity to propose a legal framework under which actions that involve negative environmental impacts, whether intentional or not, are penalized by the law.
27. The new constitution includes specific mandates to protect biodiversity (Art. 400-Art. 403), mitigate climate change (Art. 414) and regulate environmental services (Art. 74). One environmental principle recognized in the constitution is the State's guarantee of a sustainable model of development – one that is environmentally balanced and helps conserve biodiversity and the regenerative capacity of ecosystems – to ensure that the needs of present and future generations are met. It also provides for the implementation of crosscutting environmental policies that are mandatory for all individuals and corporations nationwide.
28. The REDD+ mechanism includes certain notable provisions such as that which states: "*The Central State holds exclusive jurisdiction over forest resources*" (Art. 261). Additionally, it provides for the prohibition of logging in protected areas and intangible zones (Art. 407). It also states that biodiversity is a strategic sector and that the State reserves the right to administer, regulate, control and manage it in compliance with the principles of environmental sustainability, precaution, prevention and efficiency (Article 313).
29. Probably, the most important constitutional provisions for the implementation of a REDD+ mechanism in Ecuador can be found in Art. 414 which states: "*The State shall take appropriate and transverse action towards the mitigation of climate change by limiting emissions of greenhouse gases, deforestation and air pollution; shall take measures for the conservation of forests and vegetation; and shall protect the population at risk,*" and the paragraph in Article 74 which states that "*... environmental services are not subject to appropriation; their production, delivery, use and development will be regulated by the State.*"
30. Article 74 of the Constitution calls upon the State to regulate the production, delivery, use and exploitation of environmental services (ES). It could then be argued that the nature given by the Constitution to ESs is similar to that applied to the strategic resources of the State, such as hydrocarbons and minerals, thus recognizing the strategic nature of environmental services due to their contribution to the economy and society as a whole.
31. Therefore, it becomes necessary to have a legal and institutional framework to regulate production, delivery, use and development of environmental services in Ecuador, adjusted

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<sup>21</sup> Constitution of the Republic of Ecuador. Chapter 7: Nature's Rights; Art. 72 – 74

to the reality of the country and allowing for proper regulation of those services. The regulation should define the existing incentive mechanisms and economic, cultural and social benefits for people (natural and legal, public and private), communities, peoples and nations that protect and maintain environmental services. It should also specify the structure of the rights that might result from their use and economic exploitation; and finally, it should ensure an equitable and supportive distribution of the economic benefits generated from the use and exploitation of each environmental service.

32. The MAE is leading the process to define the ES regulations<sup>22</sup> in Ecuador, initially prioritizing three ESs: (1) water regulation, including regulation of flows, mudslide and flood risk reduction, sediment and erosion reduction, maintaining water quality and groundwater recharge; (2) provision of habitat to facilitate the conservation and sustainable use of biodiversity; (3) the regulation of greenhouse gases, such as fixation and storage of carbon and other greenhouse gases.
33. The latter is directly related to the implementation of a REDD+ mechanism in the country. REDD+ activities to be executed in the future in Ecuador will be subject to the provisions of the legal framework for environmental services, currently under development.
34. Regarding the rights of indigenous, Afro-Ecuadorian and Montubio communities, peoples and nationalities and communes, the Constitution recognizes and guarantees the rights to the use, enjoyment, management and conservation of renewable natural resources found on their lands; as well as the conservation and promotion of practices to manage biodiversity and natural environment. To this end, the State will implement programs emphasizing community participation to ensure the sustainable use of biodiversity. Indigenous, Afro-Ecuadorian and Montubio communes, communities, peoples and nationalities should retain ownership of their communal lands, which shall be inalienable, unassailable, inalienable and indivisible. These lands are exempted from paying fees and taxes; they must retain possession of ancestral lands and territories (from which they cannot be displaced).
35. Articles 156 and 157 provide for the creation of national councils for equality, which will be the bodies responsible for ensuring the exercise of the rights enshrined in the Constitution, exercising powers in the formulation, mainstreaming, enforcement, monitoring and evaluation public policies related to gender, ethnic, generational, intercultural, human mobility and disabilities issues. Such councils are integrated on an equal footing and proportion with members of the state and civil society.
36. **2009-2013 National Plan for Good Living:** It is the guiding principle of national policy to achieve "Good Living." The document is divided into three essential parts: 1) a conceptual part, with guidelines and principles for a radical change towards Good Living; 2) a part defining public policies, which develops 12 national objectives for Good Living; and 3) an instrumental part.
37. The National Plan for Good Living is the first step to building a Decentralized National System of Participatory Planning that seeks to decentralize and deconcentrate power and construct a Plurinational State.
38. Objective 4 is "to guarantee the rights of nature and promote a healthy and sustainable environment." This goal seeks to establish responsibilities towards nature, by considering the elements of nature as part of the country's strategic heritage rather than as resources subject to human exploitation.

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<sup>22</sup> Regulation understood as the legal tool that will govern Art. 74. The legal instrument to issue details to regulate environmental services in Ecuador has not yet been defined.

39. Policy 4.1, inter alia, was developed to fulfill this goal, which states: "To conserve and sustainably manage the natural heritage and its terrestrial and marine biodiversity, considered as a strategic sector." Additionally, specific goals are formulated for each policy; related to policy 4.1 and considering issues relevant to REDD+ goals include: 4.1.1: "By 2013, increase the area of land under conservation or environmental management by 5 percentage points" and target 4.1.3 which states "Reduce the rate of deforestation by 30% by 2013."
40. Additionally, goal 11 states: "To establish a social, fraternal and sustainable economic system." This objective is relevant to the implementation of REDD+ in Ecuador because it seeks achieving a social and equitable economic system that accounts for social and environmental issues and fosters sustainable development.
41. It is also important to highlight goal 10, which reads: "To guarantee access to public and political participation." Community democracy is thus recognized for the first time. The subjects of participation are not only individual citizens but also communities, peoples and nationalities. Thus, individuals and communities can influence decisions about the common good: public policy planning, management, monitoring and evaluation. Through this objective, the State is expected to guarantee the production of and access to information. The goals put forth through this objective refer to percentages to increase participation, particularly that of youth and women.
42. ***Ecuador's Environmental Policy:*** Approved in December 2009, the national environmental policy is based on three main areas: institutional management of environmental issues, consideration of the physical limits of ecosystems and social participation. The National Environmental Policy (PAN) seeks to link all elements of the economic, environmental and social systems through a shift in vision, in which nature becomes a strategic sector.
43. PAN aims to transform Ecuador into "a country that conserves and uses its biodiversity properly in order to maintain and improve the quality of life by promoting sustainable development and social justice, recognizing water, land and air as strategic natural resources."<sup>23</sup> PAN is coordinated with the National Plan for Good Living in several of its goals, specifically through Objective 1: To foster social and territorial equality, cohesion, and integration within diversity; Objective 3: To improve the population's life expectancy and quality of life; and Objective 8: To affirm and strengthen national identity, diverse identities, plurinationalism and interculturalism.
44. The objective of the PAN is to have a tool that defines the elements applied during the implementation of environmental policies in order to ensure adequate socio-environmental management in Ecuador. It includes six policies, each with its respective programs, projects and goals.
45. Policy 2 refers to the "efficient use of strategic resources for sustainable development: water, air, land and biodiversity." This policy recognizes the constant use of natural resources and the environmental services they provide to society. This strategy's policies include the integrated management of ecosystems, conservation and sustainable use of Natural Heritage, based on the fair and equitable distribution of benefits. In this regard, efforts to manage the forest heritage sustainably, including the reduction of deforestation in Ecuador (pre-implementation of a REDD+ mechanism), would be framed within this policy.
46. Policy 3 on climate change refers to "managing adaptation to climate change to reduce social, economic and environmental vulnerability." The first strategy of this policy seeks to "mitigate the impacts of climate change and other natural and man-made events on the

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<sup>23</sup> Ministry of Environment. National Environmental Policy. December 2009

population and ecosystems." The third strategy relates to "reducing emissions of greenhouse gases in the productive and social sectors." The implementation of a REDD+ mechanism is part of this policy, contributing to the achievement of the aforementioned strategies.

47. Additionally, policy 5 "to insert the social dimension into environmental issues to ensure citizen participation" is intended to guarantee public participation in environmental management, while respecting the culture and traditions of participants. The strategies embodied in this policy seek to manage social and environmental conflicts in a comprehensive manner, strengthen the capacity of citizens for the sustainable management of natural resources and recognize the multiculturalism of Ecuador's environmental dimension. This last strategy is relevant because it envisions a direct link between nature and culture, in which the majority of the country's peoples and nationalities have constructed their worldview from their knowledge of biodiversity.<sup>24</sup>
48. It is also important to highlight the need for strengthening environmental institutions at all levels of government - the goal of Policy 6: "Strengthening the institutional framework to ensure environmental management." To comply with this policy, it is necessary to improve the work of MAE in decentralizing and deconcentrating competencies and, in turn, creating multi-sectoral agencies that seek to establish environmental controls and fill the gaps in existing environmental regulations.<sup>25</sup>
49. **Environmental Code of Ecuador:** In July 2008, the need for the preparation of an environmental code consistent with the proposed reform of institutional environment and sustainable development sector arose. This would involve strengthening the National Environmental Authority (Ministry of Environment) as the authority in charge of policy-making, restructuring its regulatory and sanctioning role at the national level. The proposed Code is based on constitutional principles aimed at achieving good living, nature rights, entering a new era, systemic complexity and institutionalization. The proposal aims to consolidate the environmental principles and rights in the Constitution; establish and develop the guarantees, whether institutional or legal policies and regulations, to enable the realization of human and nature rights in this area.<sup>26</sup>
50. Among other things, the proposed code, currently under review and discussion at the National Assembly, proposes a new institutional presence for the State in environmental issues, in defending the rights of nature. The proposal includes the establishment of an Environmental Superintendent.<sup>27</sup>
51. National Climate Change Strategy: Executive Decree 1815 on climate change issued on July 1 of 2009 states that the Ministry of Environment is responsible for the formulation and implementation of the "National Climate Change Strategy" (ENCC), as well as for the plan to create and implement actions and measures to raise awareness in the country about the importance of combating climate change. This includes mechanisms for implementing coordination and articulation across all levels of government. The Executive Decree also declares mitigation and adaptation to climate change as a matter of state policy.
52. Further, within the scope of the Executive Decree 1815, a new Executive Decree (495) was issued in late 2010. This decree refers to the need to implement criteria for climate change adaptation and mitigation in all public institutions as well as technological disaggregation. It also stipulates that all national mitigation efforts must be registered in order to promote compensatory measures that will leverage financial resources. Furthermore, the decree

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<sup>24</sup> IDEM 23

<sup>25</sup> Ministry of Environment. National Environmental Policy. December 2009

<sup>26</sup> Ministry of Environment, Juridical Directorate. February 2011

<sup>27</sup> Power of the Environmental Superintendent to be defined.



provides for the establishment of the Inter-Agency Committee on Climate Change and codifies the powers granted to this committee.

53. MAE's Undersecretariat of Climate Change is currently developing the National Climate Change Strategy. This document will serve as the framework for managing climate change adaptation and mitigation. The goal of the paper is to collect all the necessary elements for organizing the management of climate change in the country. It consists of two main sections: the National Climate Change Adaptation Program and the National Climate Change Mitigation Program – as well as specific sections on technology transfer, and knowledge and education financing and management for the two main chapters of the Strategy.
54. As part of the construction process of the ENCC, participatory workshops enabled a series of consultations with various sectors of society. This process of consultation with the different country sectors, both public and private, began in August in the Galapagos Province. Five additional workshops were held in the cities of Cuenca, Esmeraldas, Guayaquil, Quito and Puyo (a total of 6 workshops with an average of 400 people per workshop). A first draft strategy was submitted to the Ministry of Environment, which contributed relevant input to improve the proposal. There is currently a draft Strategy document that has been submitted to the MEA internal review process.
55. The National REDD+ Strategy is part of the ENCC, specifically a component of the National Climate Change Mitigation Program. Also, REDD+ is one of the mechanisms that support the achievement of goal 4.1.3 of the National Plan for Good Living: "To reduce the rate of deforestation by 30% by 2013," a strategy articulated through the new Forest Governance Model.
56. Whereas implementing a REDD+ means instituting specific activities at the local level aimed at reducing deforestation and forest degradation, so as to reduce associated GHG emissions, the design and subsequent implementation of the Strategy is carried out through the Ministry of Environment in coordination with the Undersecretariat for Natural Heritage and the Undersecretariat for Climate Change. However, it should be noted that a level of inter-sectoral coordination has also been planned with various state institutions so as to harmonize the design and implementation of policies that contribute to the goal of reducing deforestation. This level of coordination is expected in the context of the establishment of the "Inter-Agency Committee on Climate Change" with the participation of government institutions that have an important role in climate change matters. This committee has been defined in Executive Decree 495 within the scope of Executive Decree 1815 on climate change, and a working group of the committee will be charged with interagency coordination for the development and implementation of ENREDD+.
57. At present, a working document exists that can be used as a foundation for the participatory construction of ENREDD+. The Strategy is considered a document that must be continuously updated in the context of national and international dynamics. However, the goal is to have an initial document validated by both civil society and government stakeholders by early 2012.

## **91. Sectoral Context**

58. Conservation efforts started in Ecuador when the Galapagos Islands were declared a Protected Area in 1936. Thirty years later, the second Protected Area (PA), the Pululahua Geobotanical Reserve, was created. From that moment on, conservation efforts have evolved along with the formulation of standards and regulations to improve management and administration of both natural resources and their ecosystems.

59. As the oil industry expanded in Ecuador in the 1970s, the Ecuadorian government propelled the implementation of a protected areas system as a powerful tool to preserve and manage the country's natural resources.
60. As a result of Ecuador's commitment to the preservation of its biodiversity, there are presently 44 Protected Areas making up 19% of the national territory (State Natural Heritage Areas), including National Parks, Ecological Reserves, Wildlife Shelters and others with specific conservation categories. Currently, Ecuador's Political Constitution of 2008 establishes a National System of Protected Areas (SNAP in Spanish) which consists of four subsystems, namely State, autonomous decentralized, community and private systems (Annex 2).
61. In addition, Ecuador's Ministry of Environment (MAE, in Spanish) is promoting other conservation strategies such as: Biosphere Reserves (exceptional spaces in the Ecuadorian territory), connectivity corridors and innovative programs like Forest Partners designed to support both individual and community conservation efforts.
62. Furthermore, the MAE is responsible for administering the State Forestry Heritage<sup>28</sup> (PFE, in Spanish) composed of the natural forests – including both cultivated natural forest and the wild flora and fauna - which the government owns by law. This will also include forestry lands and forest that will enter into its domain in the future, with any title whatsoever, including those that shall be legally reverted to the state. In order to facilitate forestry administration and logging of State and private forests, the following classification has been made: (1) Permanent production State forests, (2) Permanent production private forests, (3) Protective forests, (4) Special or experimental forests and areas<sup>29</sup>. In total, there are 9,146,891 hectares of forest coverage owned by the State in the country, equivalent to 35.7% of the national territory. The country's natural forest cover is concentrated in the Amazon (80%), on the Coast (13%), and in the Sierra (7%)<sup>30</sup>.

### **Land use, forest policy and governance mechanism (component 2 R-PP)**

#### **1. Land Use**

63. The history of the dynamics of change in Ecuador's land use is characterized by spatially differentiated behaviours<sup>31</sup>. Moreover, in the coastal region, changes in land use were accelerated by the banana boom that promoted the aggressive conversion of native forests and the deterioration of soil and water through the extensive use of agrochemicals. In the Andean region, the agrarian reform, rather than improving land distribution, concentrated the most productive land into a few hands, forcing peasants to occupy poor highland soils, which exerted pressure on the Andean forests and moorlands. Starting in the 1970s, the oil boom (and then the mining sector) brought unplanned colonization and forest degradation, and above all social conflicts among indigenous populations and settlers in the Amazon.<sup>32</sup>
64. The change in land use is one of the Ecuadorian forestry sector's main concerns because of the pressure exerted on the native forests. To some extent, it explains the deforestation process in the country as its analysis confers special importance on the social-economic development in Ecuador<sup>33</sup>.

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<sup>28</sup> See Annex III: Map of areas within PFE. Source: MAE, 2010

<sup>29</sup> Ecuadorian Forestry Handbook. Regional Program for the Social Management of Andean Forestry Ecosystems. ECOBONA

<sup>30</sup> IDEM 29

<sup>31</sup> For reference of land use see Annex III; map of land use in Ecuador. MAP FOR LAND USE IS ANNEX 4 Ecuador.

<sup>32</sup> Identification of possible contributions of German Finance Cooperation (GFA in Spanish) to the implementation of Forest Partners Program in Ecuador. Final Report, GFA Consulting Group, August 2009.

<sup>33</sup> COMAFORS-IPS-Forest in Ecuador: A transformed vision for the development and conservation.

65. The 1990's Land Use and Land Cover Map shows that Ecuador has a natural forest cover of 13.6 million hectares, i.e., 55.16% of the country's total area. This cover includes 43.32% (10.69 million hectares) of tree formations, 5.28% (1.3 million hectares) of moorlands and 6.56% (1.62 million hectares) of bush formations. All this natural vegetation represents social and environmental benefits necessary for the formulation of sustainable forestry management policies. According to the potential land use study, the forestry capacity area in Ecuador is 13.98 million hectares, equivalent to 56.70% of the total country area. This surface differs by 3.29 million hectares compared to forest cover availability in 1990, which indicates under-use of the land.<sup>34</sup>

66. The possibility of using land based on its capacity depends on forest management and spatial planning, which must be combined with the development policies implemented by the country addressing forest use. A consequence of inadequate planning in forest exploitation is the fragmentation of the forestry cover.<sup>35</sup>

67. Agriculture is one of the main sectors directly impacting forests, as a result of changes in land use. The expansion of the agricultural frontier is one of the reasons for changes in land use. Additionally, the oil and mining sectors impact forests indirectly. Below is a table denoting the main sectors, policies and ministries, and their impact on forests.

Table1: Main sectors, policies and ministries, and the impact on forests.

<b>Sector</b>	<b>Regulating Law/Policies</b>	<b>Ministry / Regulating institution</b>	<b>Impact on Forests</b>
Agriculture	Agrarian and Colonization Law (1964).	Ministry of Agriculture and Livestock through the then Ecuadorian Institute for the Agrarian Reform and Colonization (IERAC in Spanish), now called the National Institute for Agrarian Development (INDA in Spanish)	As this law promoted changes in land use to demonstrate the possession of an estate. With this law deforestation was promoted (an activity that has continued until now)
Forests	Forestry and Natural Areas and Wildlife Conservation Act codified in 2004	Ministry of Environment – Forestry National Direction	Forestry regulations associated with this law before 2000 did not consider forest degradation, but focused exclusively on a solely extractive model; from 2000 onwards regulations are amended, introducing sustainability criteria, such as forest cover conservation, avoidance of biodiversity loss and forestry plantation exploitation was deregulated as a promotion mechanism.
Oil	Hydrocarbon Law	Ministry of Non-Renewable	Oil exploration and

<sup>34</sup> Strategy for the Sustainable Forestry Development. MAE; June,2000

<sup>35</sup> IDEM 34

	(November 15, 1978) supreme decree No. 29 67. Amended in 2000, September 2007 and July 27 2010.	Natural Resources	extraction causes forest degradation, in relation to seismic prospecting lines, pipes, platforms and roads that cause deforestation and open new colonization fronts.
Mining	Mining Law published on the Official Registry, No 517, January 29, 2009	Ministry of Non-Renewable Natural Resources	The development of mining concessions involves road construction which facilitates deforestation and forest degradation processes.
Energy	Electrical Sector Regime Law, amended on October 1996	National Electricity Council (CONELEC in Spanish)	Creation of transmission lines leads to deforestation on rights of way. Creation of stations, sub stations, dams or dikes. It generates changes in land use for deforestation or floods. The areas for future plans of wind farms could suffer alterations.

**Elaboration: MAE 2010**

**1.1 Land tenure**

68. In Ecuador, land tenure can be individual or collective. About 3,887,939 hectares of forest are legally within the indigenous areas and 2,328,870 are in the process of being legalized.<sup>36</sup> In many cases, these lands have been delimited as part of the State Forestry Heritage (PFE) or of the National System of Protected Areas (SNAP). It is estimated that approximately 65% of native forests in Ecuador are in the hands of ancestral populations and indigenous communities (62.5% legalized and 37.5% about to be legalized)<sup>37</sup>

69. Forests in Ecuador are primarily owned by the Ecuadorian State and by the indigenous peoples and nations. The Ecuadorian State has 4,754,725 hectares of native forests inside the National Protected Areas system and about 2,055,608 hectares in Forestry Heritage. The wastelands are also included in the State heritage, under the jurisdiction of the National Institute for Agrarian Development (INDA in Spanish). Most of these are located in tropical rain forest ecosystems. Meanwhile, the indigenous and Afro Ecuadorian people own the largest share of native forests in the country with approximately 7.5 million hectares. Private owners such as wood processing companies have small areas compared to the aforementioned lands.

70. According to FAO (2005), a little over 9 million hectares of the total forest area in Ecuador is owned by the State (national government, regional governments and government entities), distributed as follows: i) SNAP with 18%, about 4.7 million hectares; ii) Public Protective Forests with 9%, about 2.3 million hectares; iii) State Forestry Heritage with 8%,

<sup>36</sup> Ministry of Environment. National Environmental Policy. December 2009

<sup>37</sup> Palacios. Ethno botanical potential of the indigenous territories in Ecuador. In: Bosques Latitud Cero. no 02:19-25. Loja, Ecuador; 2005.

about 2 million hectares.<sup>38</sup> In approximately 50% of the areas owned by the State, land use and land tenure conflicts exist.<sup>39</sup>

71. The uncertainty associated with forest land tenure is one of the sector's major weaknesses. The delimitation for PFE (in the beginning of the 1980's) and for SNAP was carried out in-office on the sole basis of cartographic documents and not through a physical survey of the land. This situation has led to considerable overlaps among the different management categories<sup>40</sup> of the State-owned lands and lands belonging to ancestral peoples, indigenous nations, peasant communities and settlers – social groups formally recognized by the Ministry of Social Welfare and Ministry of Agriculture, Livestock, Aquaculture and Fisheries (MAGAP in Spanish).
72. A series of conflicts over land tenure have been identified within and outside of SNAP. With SNAP, the following reasons for conflict can be pointed out: (1) the presence of lands with titles legally acquired prior to the declaration of protected area (there are no provisions for the management of these situations), (2) ancestral properties that cannot be legalized, (3) possessions prior to the declaration and (4) the re-delimitation of protected areas. At the PFE, conflicts arise in relation to: (1) the presence of settlers/invasers and the lack of boundaries between these settlers and the ancestral owners and (2) PFE conversion to ancestral community property, without implying the removal of adjudicated lands from the PFE<sup>41</sup>.
73. Ecuador's Ministry of Environment (MAE in Spanish), as well as the National Institute for Agrarian Development (INDA in Spanish), have the authority to regulate land tenure/possession. This authority is conferred by the Agrarian Development Act (Consolidation 2004-2002 published in the supplement to Official Gazette No. 315 of April 16, 2004). The INDA may issue property titles to land squatters with agricultural or livestock vocations, owned for more than 5 years. In 1998, about 7.9 million hectares (29% of the country's total) were adjudicated. According to INDA<sup>42</sup>, 65,100 hectares were adjudicated in 2006.
74. It should be noted that in May 2010, by Executive Order 373, the legal responsibilities of securitization and sanitation of INDA's land tenure were allocated to MAGAP through the establishment of the Lands Undersecretariat. This new Undersecretariat is composed of three areas: (1) securitization (2) land tenure sanitation and (3) agrarian reform, implemented through the Land use Planning project<sup>43</sup>.

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<sup>38</sup> FAO. Evaluation of global forest resources. 2005 National Report: Ecuador

<sup>39</sup> IDEM 38

<sup>40</sup> Management categories of state lands is understood as PFE, SNAP blocks (national parks, ecological reserves, fauna production reserves, recreation areas, among others) and Private Protective Forests.

<sup>41</sup> Francescutti, D. 2002, FAO/OAA. Land tenure regularization: evolution, costs, benefits and lessons of Ecuador case. Quito. Ecuador.

<sup>42</sup> INDA internet: <http://www.inda.gov.ec/traSNAPrence/statistics.html> Access : June 2, 2010

<sup>43</sup> "Land Planning Project" or "Plan to promote land access to family farmers in Ecuador" in full, enacted in April 2010 with a budget of USD 38,009,960 for 4 years, was prioritized by National Secretary of Planning and Development (SENPLADES in Spanish) and seeks to reduce the inequality of land access in Ecuador, promoting land access to landless farmers, smallholders and family farmers, thus obtaining a more efficient land use. Among other things, the project will distribute State-owned lands to organized producers, land tenure of indigenous territories will be granted to peoples and nationalities, a land funding to allow land access through purchase or award will be created, (4) land expropriation procedures in prioritized areas will be done, (5) a cadastre system for large rural estates will be implemented, (6) land consolidation procedures will be carried out so as to have economically sustainable farms in prioritized areas, (7) the development of economic and productive activities will be supported in the lands benefiting from the new adjudications through referential technical support and (8) a new agrarian legislation will be proposed which will include the definition of procedures for the social and environment function, for the expropriation procedure and the guaranteed rents, as well as the tax mechanisms to limit re concentration and multi-property. Source: "Land Planning Project", MAGAP, January 2010.

75. On the other hand, the MAE has jurisdiction over land adjudication within the PFE and Protective Forests and Vegetations, acting in accordance with the principles established in the Codification of the Law of Forestry and Conservation of Natural Areas and Wildlife and the Ministerial Agreement No. 265 published in Official Gazette 206 of November 7, 2007.
76. Since the application of land adjudication rules at PFE and Protective Forests and Vegetations, around 270,000 hectares have been conferred, primarily benefitting indigenous peoples and nationalities with ancestral lands.
77. In general terms, there are problems with the regularization of land tenure processes. For example, many rural counties do not have a cadastre or have difficulty managing it in an appropriate manner. The adjudication process is long and expensive, and in many cases the technical instruments are not adequate.

## **2. Forestry Policy and Governance Mechanism**

78. The Ecuadorian State Forestry Policy is the guiding framework and the definite course that - along with the other actors composed of institutions, organizations, groups and individuals - will determine the future decisions regarding the forestry sector. The ongoing sustainability of this policy relies on the active participation of civil society in the different instances and levels of the decision-making process.
79. Through the forestry policy, Ecuador seeks to manage forest resources in a sustainable manner and guarantee the permanence of these resources and the associated biological and cultural diversity for society. In this context, environmental goods and services essential for human welfare and life quality are considered and appraised.
80. Ecuador's vision of managing its forest resources in a sustainable manner and guaranteeing the permanence of these resources and their associated biological and cultural diversity for society, efficiently competes in the global market of environmental goods and services, generating economic and social development that improves the quality of life of all those involved.
81. It must be noted that the Forestry Policy is composed of a group of objectives and strategies with a time horizon of at least 20 years, which must be implemented through flexible, coherent and viable action instruments. For this reason, specific goals have been established, such as: (1) stopping the loss of native forests through the implementation of tools that foster sustainable management and value the goods and services it produces, with the purpose of improving its competitiveness with other land uses; (2) conserving and managing the forests and resources in the protected natural areas, wetlands, mangroves and moorlands to generate alternatives land uses, particularly the enormous tourism potential and the sustainable use of its biodiversity; (3) restoring forestry capacity to the non-forest lands by incorporating them into the economic and social processes through a massive program to foster forestation and; (4) ensuring the participation of rural and town populations, indigenous and black nationalities, in the decision-making process and in the planning, implementation and monitoring of forestry and conservation programs.
82. To attain these specific goals, the following strategies must be considered: (1) Valuation of native forests and forestry plantations; (2) promotion and financing of sustainable forest management; (3) strengthening of civil society participation and management; (4) institutional and organizational modernization; and (5) the modernization of the legal framework.

83. Moreover, there is an overall strategy and various specific strategies<sup>44</sup> for the valuation of native forests. The overall strategy consists of adding value to forestry resources ensuring land tenure, thus creating a transparent and competitive market for the goods and services market of the forests, the forestry plantations and their biodiversity. Moreover, it is important to promote the inclusion of the sector in the markets and in the national economic agenda and incorporate it into the decisions on credit, fiscal and monetary policy.
84. Apart from the strategies proposed by the forestry sector, there is a series of legal tools that support forest management in Ecuador, notably the Forestry Law and the conservation of natural areas and wildlife, the law of environmental management and several regulating standards.
85. **Forestry Law and the Conservation of Natural Areas and Wildlife.** In 1982, Ecuador enacted the Forestry and Conservation of Natural Areas and Wildlife Law. This law established the forestry policy guidelines that remained in effect until the late 1990's, when the Regulation of the Forestry Law was amended, prior to elaborating Ecuador's Sustainable Forestry Development Strategy.
86. The Law establishes direct and permanent participation of the State in all the forestry activities in the country. In principle, the State is responsible for native forest management, forestry control, regulation, promotion and wood supply and above all, the replenishment of forestry resources used by society.
87. The replenishment of forest resources was created to promote sustainability, primarily through forest plantations, and, to a lesser degree, through exploited native forest management.
88. It also established a system of compensatory payment in the form of a forestry tax on the use of natural forest resources (for the value of standing timber). The final tax was clearly insufficient for the State to undertake successful replenishment of forest resources, mainly from the timber.
89. **Regulating standards.** Correspond to the standards and technical regulations issued for the management and sustainable use of forests and forest resources.
- The Unified Text for Secondary Environment Legislation (TULAS in Spanish); Book III, issued through Executive Decree 3399 published in RO 725 of 12/16/02, which regulates the implementation of the Forestry and Conservation of Natural Areas and Wildlife Law, contains the following basic criteria for sustainable forest management, in relation to the elaboration and implementation of integrated management plans and programs for native forest logging:
- Production Sustainability: timber utilization rate will not exceed the natural reposition rate of said products in the forest.
  - Maintaining forest cover: the native forest areas must be kept under forest use.
  - Biodiversity conservation: flora and fauna species will be preserved, as will the characteristics of their habitats and ecosystems.
  - Stewardship in management: sustainable forest management is implemented with the participation and control of the person with the forest tenure. The administrator of the comprehensive management plan and logging programs will assume shared responsibility.

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<sup>44</sup> See Annex V: Specific Strategies for Forest Policies in Ecuador.

- Reduction of negative environmental and social impacts: sustainable forest management will reduce damage to natural resources and must tend to the development of local communities.

- Forest Regulations, which become the technical guidelines by means of verifiable indicators are established for each criterion included in TULAS, permitting the evaluation of the implementation of Sustainable Forestry Management in native forests.

- The Technical Forestry Regulations are: Forest Regency System Regulations<sup>45</sup>, Administrative Procedure regulations to authorize timber harvesting and cutting<sup>46</sup>, Regulations on timber harvesting for cultivated forests and in timber harvesting for agro-forestry systems<sup>47</sup>, Regulations for Sustainable Forest Management for timber harvesting in the rainforest<sup>48</sup>, Regulation for the Sustainable Management of Andean Forests<sup>49</sup>, Regulations for Sustainable timber harvesting of dry forest<sup>50</sup>, Regulating Procedures for Land Adjudication of State Forestry Heritage, Protective Forests and Vegetation<sup>51</sup> and Regulations for Forestry Seeds.

90. It is worth mentioning that the MAE has initiated a new national evaluation and actualization process for the Sustainable Forest Development strategy. It has also initiated the creation of a New Forestry Law within the framework of the Forest Governance, which promotes Sustainable Forest Management and ecological recovery of degraded areas with a focus on ecosystems.

91. **Environment Management Law.** This law establishes environmental policy criteria and directions, determines obligations, responsibilities, levels of public and private sector participation in environment management and lays out permissible limits, controls and sanctions in this matter. This law (Art. 5) also creates a decentralized environmental management system, as a sectoral coordination, interaction and cooperation mechanism among environmental and natural resources management areas, systems and subsystems<sup>52</sup>.

92. With the issuance of the Environmental Management Law, a person who cuts down, transforms, acquires, transports, commercializes, or uses forests without authorization is obliged to pay a fine equivalent to the restoration value of the cut down or destroyed area. Through this legal tool, native ecosystems are declared highly vulnerable and guidelines established for their restoration.

93. **Sustainable Forest Development Strategy in Ecuador.** Prior to the year 2000, extractive and forest exploitation activities were carried out in the forest areas without any regulation or control whatsoever. For this reason, the Sustainable Forest Strategy was created in 2000 to reform the forestry law regulation to manage the differentiated sustainable management for rainforest, dry forest and high Andean forest alike; basically 15% of a forest may be extracted in order to guarantee its regenerative capacity.

94. The Strategy has five principles (criteria) of sustainable forest management: (1) stewardship in management, (2) biodiversity protection, (3) maintaining forest cover, (4) production sustainability and; (5) the reduction of negative environmental and social

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<sup>45</sup> MAE: Ministerial Decree 038 issued on May 18, 2004

<sup>46</sup> MAE: Ministerial Decree 139 issued on December 30, 2009

<sup>47</sup> MAE: Ministerial Decree 140 issued on January 20, 2009

<sup>48</sup> MAE: Ministerial Decree 039 issued on January 20, 2006

<sup>49</sup> MAE: Ministerial Decree 128 issued on September 18, 2006

<sup>50</sup> MAE: Ministerial Decree 244 issued on August 9, 2007

<sup>51</sup> MAE: Ministerial Decree 265 issued on September 11,

<sup>52</sup> Environment Management Law. Law No 37.RO/ 245, July 30, 1999. Internet: [www.ambiente.gov.ec](http://www.ambiente.gov.ec). Access: September 9, 2010



impacts. There are verifiable indicators for each of these criteria, with the purpose of creating a truly effective strategy. It must be noted that Ecuador has been a pioneer in implementing sustainable forest strategies, which have been subsequently replicated by other Latin American countries.

95. The strategy - elaborated in 1999 and updated in 2005 by the National Direction of Forestry - goes beyond wood production capacity to recognize the multiple uses of the forest's environmental goods and services. It is the guiding instrument of the Forest Policy in Ecuador. It establishes the idea of managing the country's natural resources in a sustainable manner, guaranteeing the permanence of these resources and associated biological and cultural diversity for society. It also contemplates the generation of economic and social development through efficient competitiveness in the world market for environment goods and services.<sup>53</sup>

Strategy objectives are summarized with special importance for REDD in the table below.

<b>Objectives</b>	<b>Actions</b>	<b>Strategies</b>
Stop natural forest loss	Implementation of promotional tools that tend to manage them in a sustainable way and value services and products (either timber or non timber and others), aiming to improve competitiveness with other land uses.	Valuation of native forests and forest plantations
Forest conservation and management	Generate alternatives of use, most notably tourism potential, sustainable use of its biodiversity, among others.  Consider existing forests in the natural protect areas and in certain special areas	Promotion and financing of sustainable forest management
Recovery of land suitable for forest restoration	Incorporate them into economic and social development processes through forestation promotion.  Consider non forest lands and/or degraded lands	Strengthening of civil society participation and management
Social participation	Ensure participation of rural populations, indigenous peoples and nationalities in the decision-making processes and in planning, implementing and follow-up of forestry and	Modernization of institutional organization  Modernization of legal framework.

<sup>53</sup> Hubbenthal, Andrés, Starnfeld Federico and Carrión Daniela. Work paper: Dialogue on REDD+ Preparation in Ecuador. June, 2010.

	conservation programs.	
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Source: Strategy for Sustainable Forest Development in Ecuador

96. **The SNAP Strategic Plan (2007 – 2016)** raises a number of objectives, among which are to: (1) Consolidate SNAP; (2) Contribute to effective SNAP management to strengthen the capacity of the National Environmental Authority and those responsible for subsystem management; (3) Promote integrated management, through the participation of actors; (4) Promote the creation of a favourable regulatory, institutional and financing framework; (5) Attain long-term financial sustainability and implement financing mechanisms for the subsystems; (6) Provide information to sustain decision-making at the management level; (7) Improve PANE governance through the management of land tenure conflicts.
97. **Forest Governance Model in Ecuador:** Ecuador's Ministry of Environment, as the National Authority on Forests, has developed a new model of forest governance. This model sets forth six goals: (1) promoting forest development in Ecuador; (2) ensuring equitable and rational access to forest resources by means of land regularization, (3) strengthening the fulfilment of forest laws and regulations based on an effective control of illicit forest activities, (4) increasing sustainable forest management in social and economic areas that decrease pressure on native forests; (5) preserving the environmental services of the forest and ; (6) strengthening capacities and knowledge to generate a forest culture through the generation of information and communication. The model's scheme is based on five main management axes (components): (1) forestry incentives, (2) forestry information, (3) forestry control, (4) forestry promotion; (5) research, training and diffusion.<sup>54</sup>
98. The need to carry out several specific activities has been identified within each component of the Forest Governance Model, some of which have already been implemented. For example, within the "Forest Information System", projects are being developed such as the National Forest Evaluation to characterize forest resources in the country and the Deforestation Base Line to determine the present deforestation rate in Ecuador. The Forest Statistics Program is also gathering information to quantify World demand and the follow-up of forest-use planning reforestation activities, among others.
99. **Other regulations for sustainable forest management.** The MAE has enacted specific standards for the management of rainforests, Andean forests and dry forests. It has the following regulations specific to native forests: (1) Use with mechanized extraction: Management Plan and Sustainable Forest Use Program (PAFSu); (2) Non-mechanized drag use: Simplified Forest Use Plans (PAFSi); and (3) Conversion of land to crops or pastures for subsistence: Management Plan and Cutting Program for Legal Conversion Area. The Cutting Program (PC in Spanish) is the tool for pioneer formations, relict trees, crop regeneration trees, planted trees and forest plantations. Land-Use permissions are granted based on this regulation. Part of the procedure includes the disbursement of a rate called "Pie de Monte" which levies the used timber at USD 3/m<sup>3</sup>. The MAE can impose fines on those acting outside the established legislation.

### **Forest conditions**

100. As previously mentioned, continental Ecuador has three natural regions (Coast, Sierra and East); each of them has different forest cover whose characteristics depend primarily on climate and soil.

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<sup>54</sup> Ecuadorian Forest Governance Model. Natural Heritage Sub secretariat. MAE 2011

101. Table 3 shows the types of covers and their coverage surface, inside and outside of the protected areas. In the table, there is information related to the Ecuador's vegetation cover.<sup>55</sup> It must be noted that the different types of cover refer to native forests.

Table 3  
Type of coverage and forest surface

<b>FOREST COVER TYPES</b>	<b>NATURAL COVER (hectares)</b>	<b>FOREST VEGETATION (hectares)</b>
Rain forest	10,489,756	7,881,758
Dry Forest	569,657	562,183
Bush vegetation	1,360,176	1,202,108
Mangroves	150,002	108,299
Moretales <sup>56</sup>	470,407	173,475
Moorland vegetation	1,244,831	842,736
<b>TOTAL</b>	<b>14, 284,829</b>	<b>10,770,559</b>

Source: Sánchez, 2006.

102. In Ecuador, as in other tropical countries, forests face multiple pressures of varying intensity. Numerous sources provide information on the deforestation rate in Ecuador. Recent data from the MAE's Historical Deforestation Map Project show a deforestation rate of 0.68% for the 1990-2000 period and 0.63% for the 2000-2008 period, which corresponds to a loss of 74,330.90 hectares/year and 61,764.5 hectares/year for each period, respectively. The provinces with the highest cover loss - in absolute terms - were the Amazon province and the province of Esmeraldas. It must be noted that these results are preliminary, since information is lacking information for approximately 30% of the country due to problems of persistent cloudiness. This information gap will be solved during 2011. Moreover, when analyzing focal points of deforestation in the last period and the areas without information, it can be expected that the deforestation rate in Ecuador will represent a higher value.<sup>57</sup>

103. On the other hand, according to information from FAO's statistics system, one can assume that deforestation continues. Table 5 shows that between 1990 and 2007, there was a continuous loss of forest cover, agricultural area remained relatively stable but its location did not. Surfaces with other uses (abandoned lands, urban lands, other types of forest formations) increased.

Table 5  
Land use in the period 1990-2007<sup>58</sup>

<b>Land use</b>	<b>Year 1990 (hectares)</b>	<b>Year 2000 (hectares)</b>	<b>Year 2007 (hectares)</b>
Agricultural Area	7,846,000	8,066,000	7,412,000
Forestry	13,817,000	11,841,000	10,458,000

<sup>55</sup> Ecuadorian Forest Handbook. Regional Program on Social Management for Andean Forest Ecosystems. ECOBONA

<sup>56</sup> Moretales is a characteristic formation in the Amazonia region with vegetation adapted to flooding areas, mainly dominated by morete palm

<sup>57</sup> Deforestation Historical Map Project, MAE, 2011.

<sup>58</sup> FAO/FAOSTAT-Internet.<http://faostat.fao.org/site/626/default.aspx#ancor>. Access: June 2, 2010

Area			
Other uses <sup>59</sup>	6,021,000	7,777,000	9,813,000
Total	27,684,000	27,684,000	27,683,000

Source: FAOSTAT,Internet: <http://faostat.fao.org/site/626/default.aspx#ancor>.

104. As can be noted in previous tables, there are inconsistencies in the data among the different studies with regards to forest cover in Ecuador (they vary depending on the year and the source). In order to solve this problem, in 2009, the MAE started the "Forestry National Evaluation (ENF in Spanish)) and the "Deforestation Historical Map" (MHD in Spanish) projects to obtain updated official information. As mentioned before, the "Deforestation Historical Map" project has already gathered preliminary information about the deforestation rate in Ecuador. Work is still underway in order to fill the current information gap.

**Causes of deforestation and forest degradation and barriers for its control and reduction, and the implementation of the REDD+ mechanism.**

105. Deforestation in Ecuador is a rather complex phenomenon to analyze mainly due to the lack of official statistics. Moreover, this analysis is complex for the multiple stakeholders involved in its dynamics, notably the increase in industrial monocultures, in shrimp farming activities, the expansion of the agricultural frontier and the generally poor institutional coordination. Estimates of the annual deforestation rate over the last 20 years generally indicate a figure of 198,000 hectares a year (1.47%), although other sources vary from 150 to 200 thousand hectares a year.<sup>60</sup> The most recent information, provided by the MAE's MHD project estimates that the deforestation rate in the 2000-2008 period amounts to 61,764.5 hectares a year.

106. It should be noted that all this data is very inaccurate due to the absence of recent forest data and the utilization of projections based on historical data, as the FAO does.<sup>61</sup>

Table 6  
Deforestation Scenarios in Ecuador

Cover	Remanence as of year 2000 (hectares)	Deforestation rate (% annual)	Most likely scenario (hectares/year)	Worst scenario (hectares/year)
Rainforest	10,489,756	1.49	78,148,7	156,297,4
Dry forest	569,657	2.18	6,209,3	12,418,5
Mangroves	150,002	0.84	630,0	1,260,0
Moretales	470,407	0.16	376,3	752,7
TOTAL	11,679,822	1.47	85,364,3	170,728,6

<sup>59</sup> Other uses: abandoned lands, urban lands, and another type of forest formation.

<sup>60</sup> Identification of possible contributions of German Financing Cooperation to the implementation of Programa Socio Bosque in Ecuador. Final report, GFA Consulting Group, August 2009

<sup>61</sup> IDEM 60

**Source: Estimates of CLIRSEN (Using data of 1991-2000)**

107. Analyzing two scenarios of the deforestation process behaviour in the country (see Table 6), one can observe that according to the most pessimistic scenario, Ecuador might continue to lose around 170,000 hectares a year. Based on the same analysis, the seven provinces (Table 7) with the largest amount of forest remanence (87% of the tropical forest) with the Esmeraldas province exhibiting the highest annual deforestation rate (4.1%). If conditions persist, this province will lose all of its natural forests in a period of less than 25 years.<sup>62</sup>

Table 7  
Deforestation scenarios in the main provinces with forest in Ecuador

Province	Remanence as of year 2000 (hectares)	Deforestation rate (% annual)	Most likely scenario (hectares/year)	Worst scenario (hectares/year)
Esmeraldas	674,953.5	4.07	13,735.3	27,470.6
Sucumbíos	1,086,485.6	1.61	8,746.2	17,492.4
Napo	608,743.6	2.38	7,244.0	14,488.1
Orellana	1,651,600.9	0.78	6,441.2	12,882.5
Morona Santiago	1,654,910.0	0.66	5,461.2	10,922.4
Pastaza	2,732,031.7	0.32	4,371.3	8,742.5
Zamora Chinchipe	708,098.1	0.33	1,168.4	2,336.7
TOTAL	9,116,823.4	1.17	47,167.6	94,335.2

**Source: Estimates of CLIRSEN (using data of 1991-2000)**

108. Traditionally the land-use model and the occupation of territory in Ecuador has preferred to generate financial capital, resulting in the degradation and destruction of the natural capital; based on the development of accelerated logging activity of primary resources, the expansion of oil activities towards other areas of the central and southern Amazon, and lately, creating a legal framework that allows for the realization of large scale mining activities, especially in the south-eastern region.<sup>63</sup>

<sup>62</sup> Identification of possible contributions of the German Cooperation to the Socio Bosque Program. Final Report, GFA Consulting Group. August 2009

<sup>63</sup> IDEM 62

109. Below we analyze the main stakeholders that have influenced and led to the loss of forest resources in Ecuador:<sup>64</sup>

- Industrial monocultures represent a factor that has greatly modified the use of space in the country; since native forest lands were partially or completely substituted with the implementation of monocultures. In 1982, 12,000 hectares of palm oil were planted in the Province of Esmeraldas. Estimates indicate that this crop now occupies over 120,000 hectares and many of these plantations replaced the native forest.
- Shrimp farming activities have also contributed to the loss of over 70% of the mangroves in the country as ponds replaced mangrove ecosystems along beaches and bays over the course of the last thirty years. In the year 2000, there were more than 200,000 hectares of shrimp ponds of which only 25% operated legally. This situation has not only degraded the ecosystem but also has damaged thousands of families that traditionally subsisted on the resources of this ecosystem.
- The expansion of the agricultural frontier, especially for the development of grazing systems, is one of the factors with the greatest impact of native forest loss in the Andes and the Ecuadorian Amazon, same as for 1989 covered about 6 million hectares with a progressive growth. For example, from 1972 to 1985, pasture area grew from 2.2 million to 4.4 million hectares with an increase of 244,000 hectares per year, coinciding with the deforestation rate of the time.
- Poor interaction and inter-sectoral coordination has traditionally been a major force in forest loss. Currently, however, the momentum and support that the President of the Republic has given to SENPLADES as the institution responsible for the planning development in the country, offers an opportunity to address the lack of inter-sectoral coordination, which was commonplace until now. Besides, SENPLADES is charged with the implementation of the National Plan of Good Living 2009-2013. With the definition of deforestation reduction as a national priority in this plan, the opportunity to fulfil this goal at a multi-sectoral level exists.
- Deforestation in Ecuador is related to a series of interconnected processes in which it requires cross-sectoral strategies. Arguing policy and market failures cannot alone explain the rapid deforestation in Ecuador. Technology, prices and associated interest also play a role, in situations where the revenue from natural forests is less than the income derived from other uses, particularly agriculture and ranching. The construction of access roads in forest areas, for the oil and mining sectors for example, is accelerating this process. At the root of these causes, we can identify poverty in rural population, lack of territorial planning and deficiencies in land tenure.

### **Stakeholders analysis (component 1b of R-PP)**

110. In Ecuador, an effort has been made to identify the relevant stakeholders directly related to the implementation of a REDD+ mechanism. The mapping of stakeholders focused on those connected to the development of programs, projects, institutions, politics or regulations related to the implementation of the mechanism in Ecuador.<sup>65</sup> The mapping should be considered a "snapshot" of the situation during the period from February to April of 2010, yet it should be taken into account that Ecuador REDD+ dynamics change rapidly, requiring the continual updating of the document. For the purposes of this analysis,

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<sup>64</sup> IDEM 62

<sup>65</sup> Garzón, Andrea. Mapping of actors and experiences in RED++ in Ecuador. May, 2010

stakeholders connected to REDD+ were classified according to their type of organization and work area.<sup>66</sup>

111. Thirty stakeholders who are developing or implementing various activities related to REDD+ mechanism in Ecuador were identified.<sup>67</sup> Of the stakeholders analyzed, 70% are from civil society, 20% are from government organizations and 10% are from the private sector.
112. Additionally, this mapping included an analysis of the specific activities undertaken by those stakeholders on the matter of REDD+ in Ecuador, which has been divided into four categories: (1) training and communication; (2) research; (3) advocacy and; (4) project development.
113. The analysis of stakeholder relations notably shows that (see Annex 5, Number 1): (1) there is a close and collaborative relationship among the key stakeholders in the Ecuadorian State, specifically the MAE and others in the government; (2) there is a link between key stakeholders of the Ecuadorian State and key primary stakeholders of civil society; (3) the links between primary stakeholders and secondary stakeholders in civil society are weak; (4) there are close links between key primary stakeholders of the private sector and key stakeholders of the State and civil society and; (5) existing tensions between secondary stakeholders of the State and the key stakeholders of the private sector need to be resolved.<sup>68</sup>
114. It should be noted that most stakeholders analyzed are primarily from the forestry and environmental sector. In this first analysis, other sectors, which in practice have a direct impact on the future implementation of a REDD+ mechanism in Ecuador, either for having direct influence on land-use decisions or in the political decision-making process, were not included.<sup>69</sup>
115. Below, there is a general description of the more relevant stakeholders in the process of preparation and implementation of the REDD+ mechanism in Ecuador. These stakeholders include institutions in the national and local Government, private sector, NGOs, indigenous organizations and indigenous and peasant populations and nationalities.

### **Government**

116. The MAE is the lead institution for environmental management in Ecuador. It is responsible for designing and implementing policies and measures to help reduce deforestation through SPN; it is also in charge of facilitating the design of policies to mitigate and adapt to the Climate Change through SCC.
117. Regarding the implementation of forest control system, it is relevant to highlight the role of the MAE's technical departments which are distributed at national level and responsible for the approval of forest use plans and their control.
118. The Ministry of Agriculture, Livestock, Aquaculture and Fisheries (MAGAP) - which has the power to regulate and reorganize land tenure in Ecuador through the former INDA, now Undersecretariat of Lands (in areas that are not part of the State Forestry heritage) - is in

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<sup>66</sup> See Annex VI (numeral 1) 1) to know in detail the classification of the actors in REDD+ according to the mapping of actors done.

<sup>67</sup> See Annex VI (numeral 2) 2) for more details on the key actors in REDD+ in Ecuador, roles, objectives and strengths.

<sup>68</sup> Garzón, Andrea. Mapping of actors and experiences in REDD+, Ecuador May, 2010

<sup>69</sup> With a view to include in the analysis these actors and update the mapping, a second mapping of key actors in REDD+ will be done, the same started in January 2011

charge of implementing reforestation and forestation activities at the national level, activities that are considered productive and contribute to the country's wood demand.

119. The National Secretariat of Planning and Development (SENPLADES), is the lead institution for the national planning and institutional transformation necessary for the development of the country. Its mission is to administer the National Planning System at a sectoral and territorial level, establishing goals and national policies, based on information, research, training, monitoring and evaluation processes. By directing public investment, SENPLADES promotes sustained, integrated and democratic State reform, through active citizen participation that may contribute to the transparency and efficiency of public management and increase sustainable human development.<sup>70</sup> Among other things, it is in charge of monitoring the implementation of the "National Plan for Good Living."
120. The local and provincial stakeholders are relevant stakeholders in the implementation of activities, policies and measures for local planning and development, including among other things, actions that tend to reduce deforestation at the local level in the country. Local governments will be largely responsible for the coordination, supervision and in some cases even the implementation of the National REDD+ Strategy in the field, in order to ensure an effective reduction of deforestation and associated emissions.
121. With regards to indigenous peoples and nationalities, there are two Government institutions to be considered. The first is the Council for the Development of the Peoples and Nationalities of Ecuador (CODENPE in Spanish) and the second is the Secretariat of Peoples, Social Movements and Citizen Participation.
122. CODENPE<sup>71</sup> is a public institution, directly representing indigenous nationalities and peoples of Ecuador. Among its functions are: (1) Design of public policies for the development and improvement of the economic, social and cultural conditions of indigenous nationalities and peoples in Ecuador, beginning with their identities and their own visions and realities, ensuring respect for the human rights of men and women and; (2) planning and implementation of development plans, programs and projects following an integrated, sustainable and respectful approach with regards to the identity of the indigenous nationalities and peoples of the country.<sup>72</sup>
123. Meanwhile, the Secretariat for Peoples, Social Movements and Citizen Participation is the lead organization and coordinating entity of public policy that guarantees the right to intercultural citizen participation by the Executive power, through efforts that seek to foster and consolidate peoples, social movements and citizenship in the key decisions of the new development model. Among the strategic objectives of the Secretariat are: (1) To create a viable political agenda between the State and the society, creating networks for the articulation of public policies towards organizations, peoples and citizens; (2) to strengthen citizen socio-organizational and political capacities so that they may exercise their rights and obligations; (3) to strengthen citizen socioeconomic, political and cultural processes and; strengthen the Secretariat itself.<sup>73</sup>
124. To date, with the purpose of guaranteeing inter-institutional coordination among the different government stakeholders identified, the MAE has requested that focal points be

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<sup>70</sup> Mission and vision of SENPLADES Internet: [www.senplades.gov.ec](http://www.senplades.gov.ec). Access: September 10,2010

<sup>71</sup> Government institution created through Executive Decree no 386 published in Official Registry no 86 of December 11, 1998, in response to the constitutional changes which establish the obligation of the State to allow the participation of the peoples and nationalities in the planning, prioritization of actions and decision-making levels of the State. CODENPE en la historia. Internet: [www.codenpe.gov.ec](http://www.codenpe.gov.ec) Access: September 10, 2010

<sup>72</sup> Internet: [www.codenpe.gov.ec](http://www.codenpe.gov.ec) Acceso: Septiembre 10,2010

<sup>73</sup> Mission, vision and objectives of the Secretary of peoples, social movements and citizen participation. Internet: [www.secretariadepueblos.gov.ec](http://www.secretariadepueblos.gov.ec) Access: September 10, 2010



designated for each of the relevant institutions in the process of preparation for REDD+ implementation. With these focal points, a process of inter-institutional coordination has begun. However, it is necessary to strengthen this process, especially with the MAGAP, as it might present policies that could potentially encourage the continuation of deforestation processes. Additionally, it is essential to enhance levels of coordination with CODENPE and the Secretariat of Peoples, as its function can contribute to effective involvement of the indigenous peoples and nationalities throughout the process.

## Civil Society

125. In Ecuador there are several NGOs and research institutes that work on environmental issues. National and international NGOs working in the country are relevant stakeholders, since in many cases these entities implement conservation and sustainable management activities in the ecosystems at the local level. Several of these organizations implement specific actions related to the management and conservation of forest ecosystems, actions that may be related to the REDD+ mechanism. Moreover, they represent a financing and canalization source for international financial funds, generally bilateral international cooperation from other NGOs or international foundations.
126. Another relevant stakeholder in the implementation of the REDD+ mechanism is the private sector, both as a direct and indirect actor: directly through the institutions that implement projects on forestation/reforestation, reduction of deforestation and GHG associated emissions (usually REDD+ projects); and in the timber sector, where activities sometimes conflict with REDD+ implementation, for example when logging areas include conservation priority areas.
127. Other productive sectors are indirectly related, such as agro-industrial or extractive industries that may cause deforestation in forest areas. Though ultimate goal of these sectors is not the extraction of timber, their operations facilitate the process of forest degradation, by cutting roads for example.
128. The academic sector also plays a role in providing technical support with capacity building in this area, it can directly contribute to the design process and to the formulation of politics and measures for REDD+. Moreover, because this is a relatively new issue in the world and in Ecuador, ongoing research is necessary in the provision of technical support for the proposed measures.
129. There are several civil society organizations established around forestry activity that should be involved, particularly due to the need for the creation of a public policy in several areas for the successful implementation of the REDD+ mechanisms. The mapping of actors and experiences in Ecuador is a useful guide in identifying direct and indirect actors who can influence the initiative. National NGOs are mostly associated with organized groups, generally according to the thematic affinity of their work. International NGOs have also shown interest in working with REDD+ in the country.
130. Since November 2009, under the MAE's leadership, an informal civil society group was formed to work in matters related to REDD+, including the definition of principles, indicator criteria of the REDD+ standard (which will be explained below), as well as the design of the REDD+ National Strategy, specifically in the definition of possible activities for the strategy components. In 2010, several workshops were organized to address specific matters, such as methodological and technical aspects of information-gathering projects, as well as issues related to governance, ESs legal and institutional framework, financial architecture, among others. Participation in this working group is voluntary, however, it is essential to more actively involve groups such as the private and academic sectors, as well as a wider range of national NGO's.

- Indigenous and Peasant Communities, Peoples and Nationalities, Afro-Ecuadorian people, Montubio people and communes

131. Ecuador is composed of 14 nationalities and 18 indigenous, Afro-Ecuadorian and Montubio peoples. Twelve languages are spoken within its territory and are part of the Ecuadorian identity and its historical and cultural heritage.<sup>74</sup> In addition, there are approximately six million hectares of forest within indigenous territories. Considering these two factors, the indigenous communities, peoples and nationalities, the Afro-Ecuadorian people, the Montubio people and communes play a crucial role in the preparation and further implementation of the REDD+ mechanism in the country. Since they own the land with the country's most extensive native forest, they are the potential beneficiaries of the REDD+ Program.

132. This group comprises both second and third level organizations, politically represented in the country, as well as the grassroots groups formed by the members of the communities.

133. At the organizational level, three regional organizations regroup the indigenous communities, nationalities and federations based on the country's three natural regions: CONFENIAE<sup>75</sup> in the Amazon region, ECUARUNARI<sup>76</sup> in the Sierra Region and CONAICE<sup>77</sup> in the Coast Region. Additionally, CONAIE<sup>78</sup> is a national body formed by members of the three regional organizations was created in 1986 and regroups Ecuadorian indigenous nationalities, peoples, communities and centers.

134. The international organization called the Coordinating Body for the Indigenous Organizations of the Amazon Basin (COICA) also bears mentioning. This body is composed of nine organizations- one for each country of the Amazon basin.<sup>79</sup> CONFENIAE is the organization representing Ecuador in COICA.<sup>80</sup>

135. It is necessary to outline a mechanism for ongoing dialogue between the government and the peoples and nationalities, so that they are effectively involved from the outset of the preparation stage of the REDD+ Program in the country. It is expected that this dialogue respect the organizational structure of the indigenous peoples and nationalities so as to insure the participation of national, regional and local leaders, while guaranteeing representation at the grassroots level. The PSB is a platform that offers a potential approach to the grassroots groups, based on its direct relation to the program's beneficiaries. This platform initiated the exchange between representatives of indigenous and non-indigenous communities about the dissemination of information on CC and its relation to the forest and REDD+. The government is aware of the importance of the effective involvement of these actors and therefore decided to implement a program to achieve this goal, described below.

- International cooperation

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<sup>74</sup> SENPLADES. National Plan for Good Living 2009-2013. Page 104

<sup>75</sup> Confederation of Indigenous Nationalities of the Ecuadorian Coast.

<sup>76</sup> Ecuador Runacunapik Rikcharimui (the Quichua Confederation of Ecuador)

<sup>77</sup> Confederation of Indigenous Nationalities of the Ecuadorian Coast.

<sup>78</sup> CONAIE: Confederation of Indigenous Nationalities of Ecuador

<sup>79</sup> The countries participating in COICA are: Ecuador, Colombia, Venezuela, Peru, Guyana, Surinam, French Guiana and Brazil

<sup>80</sup> Internet: [www.conaie.org](http://www.conaie.org) Access: September 10, 2010

136. International cooperation- both bilateral and multilateral- is a key factor throughout the implementation process of the REDD+ mechanism in Ecuador. It is an important source of financing for the implementation of conservation programs and the fair use of the country's natural resources. As for the REDD+ mechanism, it is worth mentioning the technical and financial cooperation provided by the German government, explained in detail in the "Management of the Preparation process for REDD+" chapter of this document.
137. Moreover, multilateral institutions that cooperated with Ecuador on environmental issues and specifically in the forest sector can be highlighted, including the FAO, UNDP, Andean Development Corporation (CAF), Andean Community (CAN), Inter-American Development Bank (IDB), among others. Some of the projects launched through these cooperating bodies will be described in depth later, as they directly contributed to the stage of preparation for the implementation of REDD+ in the country.
138. To date, the financial resources from international cooperation have complemented the government's contributions for the implementation of preparation-related activities for REDD+ in Ecuador.

### **Management of preparation process for REDD+ (1<sup>st</sup> component of the R-PP)**

139. The Ministry of Environment is the institution responsible for the forest sector, through the Undersecretariat of Natural Heritage, and issues concerning Climate Change, through the Undersecretariat of Climate Change. The MAE is in charge of the management and implementation of measures for the mitigation and adaptation to climate change, in coordination with other State departments, as well as the management and implementation of measures for the sustainable use of the country's forests.
140. In addition, the "Inter-institutional Committee on Climate Change" was established through Executive Decree 495. It is a high-level committee consisting of the Ministers of the Coordinating Ministries, the National Secretariat of Planning, the National Secretariat of Risk Management, the National Secretariat of Water, the Ministry of Foreign Affairs, Commerce and Integration and the Ministry of Environment, chair of the committee. The objective of this committee is to coordinate and make important decisions regarding policies and other instruments that help articulate efforts on climate change management at every State level. Specific working groups will be formed within the committee to address specific issues. One of these groups will be in charge of REDD+.
141. In relation to the involvement of civil society, communities, indigenous towns and nationalities, afro-Ecuadorean population, Montubio populations and communes, the MAE will begin the implementation of the "Civil Society Involvement Plan in REDD+". The Program seeks to involve these key stakeholders throughout the process, from the preparation of REDD+ to its implementation. It consists of four components: (1) Dissemination of information; (2) Consultation; (3) Effective involvement and; (4) Capacity building. The implementation of the program's first component began in the third quarter of 2010, with the available resources. Official information on climate change and REDD+ is currently being generated and will be socialized through workshops and other media during 2011. The implementation of the first component will first focus on communities, indigenous towns and nationalities, afro-Ecuadorean population, Montubio populations and communes.
142. As previously mentioned, the MAE is leading the development process of the National REDD+ Strategy of Ecuador through the SCC. After the socialization process and validation of the Strategy, SCC will manage its implementation, in constant coordination with the SPN. The SPN is in charge of many of the activities identified in the ENREDD+ components, the majority of them tied to reducing deforestation and forest degradation; therefore these activities will be implemented by said Undersecretariat. The SCC will be in charge of

implementing additional activities related to GHG emissions once the implementation of REDD+ starts reducing emissions effectively.

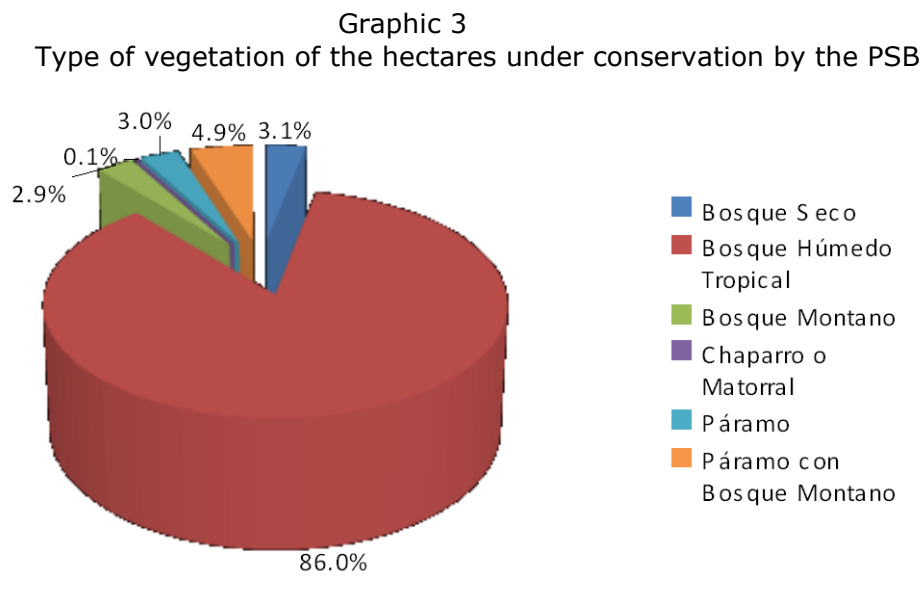
143. At present, the MAE is implementing some of the ENREDD+ activities that help to reduce the deforestation process in. The following activities are part of the preparation process for the implementation of REDD+ in the country:

144. **Socio Bosque Program: An initiative to reduce deforestation.** The program was created within the framework of the new model of forest governance, through Ministerial Agreement N° 169. The MAE has implemented the Socio Bosque Programme (PSB) since 2008, and its goal is to reconcile conservation with development, making transforming participants into active defenders of their natural heritage and co-participants in the country’s development.

145. The objective of the PSB over the next 7 years is the conservation of 4 million hectares of native forest, moorlands and other remnants of native vegetation in Ecuador; through the implementation of an incentive policy that contributes to a significant reduction of deforestation and GHG emissions, improving the living condition of 500,000 to 1 million people. This measure is an additional alternative to traditional measures of forest control.

146. The PSB launched its pilot phase in September 2008. During 2009, coverage was extended to the national level. Through July 2010 (see Appendix VI), the Program had signed conservation agreements for 539,703.90 hectares of native forest and moorlands, which represents a total investment of \$2,668.025 million dollars per year in incentives that benefit 59,462 people. 631 agreements have been signed, of which 57 are community agreements (indigenous towns and communities, legally constituted communes and non-indigenous communities), and 547 are individual agreements (private landowners)<sup>81</sup>.

148. The majority of the 629,476 hectares under conservation to date belong to tropical wet forest; the rest belong to dry, montane and “chaparro” forest and moorlands. Graphic 3 shows PSB’s conservation areas organized by ecosystem type.



Source and elaboration: PSB, 2010

<sup>81</sup> See Annex VII: PSB map with results as of July 2010

149. The PSB is part of the "incentive program" component of the ENREDD+, as a domestic incentive policy for the conservation of forests, moors and other native vegetation. It is a mechanism for the distribution of direct benefits to program participants, and a platform for direct communication and participation between indigenous and non-indigenous communities and the Government.
150. **Historical Deforestation Map.** The Undersecretariat of Natural Heritage is in charge of this project, which aims to determine the present deforestation rate in Ecuador through a multi-temporal analysis divided into three periods: 1990 – 2000 – 2008.
151. To elaborate the Historical Deforestation map, a methodology that establishes the necessary procedures to generate cover maps and land use for reference years 1990, 2000 and 2008 was developed<sup>82</sup>. Comparison between the different periods studied helps to identify changes in forest cover, deforestation, and other cover and land uses for two time periods, 1990 to 2000 and 2000 to 2008. The legend has been elaborated hierarchically, with a first general level corresponding to the types of use and land cover defined by the IPCC.
152. The results of the Project were presented in January 2011. Preliminary data shows that 74,330.9 hectares were lost per year in the 1990-2000 period, and 61,764.70 hectares were lost per year in the 2000-2008 period. Results show that when comparing the two periods, three of the six regions (Amazonia, Coast and Southern Andes). Data also shows that centers of deforestation are mainly located in the northern area of the Amazon. This data is preliminary since 30% of the information is lacking, particularly for the last year of analysis (2008).<sup>83</sup>
153. **National Forest Evaluation (ENF)** is a project lead by the SPN of the MAE. It started on July 2009, and its objective is to characterize forest resources in the country and determine carbon stocks for each type of forest, among other analysis variables. It is based on data collection realized through a forest inventory. The Project has the technical support of FAO; the methodology for data collection and management was developed during 2009, and data collection in the field started in the second semester of 2010.
154. The ENF has defined nine strata of native forest and two strata for non-forest areas, which allows for the division of the country along potential units that differ statistically with relation to carbon stocks that cover representative samples of the forest diversity of the country.<sup>84</sup> In addition, there is preliminary cartographical information (according to global data) compiled on forest carbon stocks in Ecuador (Appendix VIII) through the work of the initiative developed by UNEP and WCMC (World Conservation and Monitoring Center) in coordination with several countries, including Ecuador.
155. Some of the project's developments through January 2011 include the following: The pilot phase of the Project is expected to be finished by mid-February (50 conglomerates in dry, rain and seasonal forest and the Amazon). The dry forest conglomerates are already finished, and the database created by the Project with FAO's support began systematizing information in mid-January. The "n" value of conglomerates to be carried out at national level will be established with the information collected after finalizing the pilot phase. Activities regarding the socio-economic component of the project will start in 2011, through the design of a data collection methodology in the field. These activities will be implemented during 2011.

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<sup>82</sup> These reference years have been recommended to provide a temporal period of analysis that helps to adequately characterize recent historic deforestation tendencies (GOFC – GOLD 2009).

<sup>83</sup> Preliminary data of MHD project. MAE, 2010

<sup>84</sup> See Annex VIII: Map of Forest Strata by carbon stock. ENF, 2010

156. **Legal, Financial and Institutional Framework for REDD+.** An effective implementation of the REDD+ mechanism in Ecuador is not possible without an adequate legal, financial and institutional framework that facilitates inter-sectoral planning, policy implementation, and measures regarding the reduction of deforestation and GHG emissions. Ecuador, through its MAE, has started working to establish the necessary “operational” framework for an effective implementation of REDD+ in the country.
157. With regard to legal aspects: Ecuador has a new Constitution since 2008. According to Art. 74 of said Constitution, environmental services are not liable to appropriation, and it is the State’s responsibility to regulate the use and exploitation of said services. The regulation of GHG, as well as carbon capture and storage, are considered environmental services. Hence, Ecuador needs to define a legal framework that establishes the legal requirements to ensure its implementation, defining “carbon rights”, the distribution of benefits generated from the use and exploitation of environmental services and the application of incentive mechanisms to strengthen these services.
158. This process started during the first quarter of 2010 with the development of three studies: (1) An analysis at national level of the legal, financial and institutional context of environmental services in Ecuador, as well as other compensation schemes resulting from activities related to the management and exploitation of natural resources; (2) an analysis of the technical aspects which surround the creation of environmental services in Ecuador and; (3) an analysis at international level of the legal, financial and institutional context of carbon and other schemes related to the provision of environmental services, in the case that such schemes exist at the international level. At present, the three studies have been completed and will be used as input for proposing regulations on environmental services. The proposal is expected to result from a participative process that includes civil society interested in the subject. To this end, there are workshops planned to disseminate results of the studies and receive input for the proposal of regulations on environmental services<sup>85</sup>. The proposal will be developed during the first semester of 2011.
159. Ecuador also needs to establish a financial structure to capture and canalize funds from financial sources, such as bilateral and multilateral cooperation or the carbon market. This financial structure will serve to channel resources destined for the implementation of ENREDD+, and the channeling of benefits of ENREDD+ itself. In August 2010, with the support of German cooperation, a consultancy was established with the objective of setting up a proposal for the “financial architecture” necessary for the future management of funds destined to forest conservation, as well as funds resulting from the implementation of REDD+ in Ecuador. At present, the financial structure proposal is in the process of being validated by the MAE and the Ministry of Finance, and is expected to be operative by the first quarter of 2011.
160. **Civil Society Involvement Program.** The MAE is conscious of the importance of effectively involving civil society, indigenous towns and nationalities and other communities that are dependent on forests, and a “Civil Society Involvement Program” has been designed for that purpose. The Program, as mentioned previously, has four components: (1) Dissemination of information: providing information about what is a REDD+ mechanism, its implications and the characteristics of its implementation; (2) Consultation: the process which determines if the stakeholders agree with the mechanism and are interested in participating in its development and implementation; (3) Involvement, which consists of two phases: a) definition of the mechanisms through which key stakeholders participate in the definition of the ENREDD+ and; b) definition of the mechanisms to ensure an effective participation in the implementation of the Strategy (including the implementation of REDD+

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<sup>85</sup> The MAE decided to prioritize three environmental services: (1) the regulation of greenhouse gases, for example carbon fixation and storage; (2) hydrological regulation, including flow regulation, reducing mudslides and floods risks, reducing sediments and erosion, maintaining water quality and aquifer supply and; (3) the provision of a habitat that facilitates the conservation and sustainable use of biodiversity.

activities) and; (4) Capacity building: to generate capacities at a local level, in order to implement the Strategy through previously defined specific activities.

161. The implementation of the program's first component began in 2010, with the resources available. To this end, an informal group consisting of NGOs interested in disseminating information on the REDD+ mechanism was put together. This group has contributed with technical and financial resources, setting up workshops and informative events aimed specifically at indigenous towns and nationalities and local communities dependent on forests. Also, informative material on climate change, its relation to forests and the REDD+ mechanism is being assembled. This material will be endorsed by the MAE and, after being translated to the language spoken by the multiple nationalities, will be validated in several workshops at the national level. A strategy of communication focused on indigenous towns and nationalities and local communities dependent on forests will make sure the information on REDD+ is understood and internalized, in the best way possible for each relevant group.
162. **Ecuador's Promotion and Development of Forests Unit (Proforestal).** The PROFORESTAL Program was created through Executive Decree Nº 963, as the executive unit of the National Plan of Afforestation and Reforestation (PNFR). Its objective is to foster and promote forest plantations in "forest aptitude" lands and implement the PNFR.<sup>86</sup> The PNFR plans to reforest 1 million hectares at the national level within 20 years.
163. The 1 million hectares goal was to be achieved in the following manner: 750,000 hectares of industrial and commercial plantations, 150,000 hectares of agro-forestry plantations and 100,000 hectares of conservation and protection plantations. Since its implementation in 2008, competencies of agro-forestry and industrial plantations have been transferred to the MAGAP, while the MAE is responsible for protection and conservation plantations. At present, the PROFORESTAL Program is being reformulated; the annual goals as well as the means to achieve them will be redefined by the MAGAP. Two of the reformulated goals are: the reforestation of 60,000 hectares per year until 2015, and the change in the proportion of industrial, agro-forestry and conservation plantations as of January 2011. The reforestation of 20,000 hectares is expected before December 2010.<sup>87</sup>
164. **Implementation of REDD+ Standards.** Since May 2009, Ecuador participates as pilot country in the development of the "Social and Environmental REDD+ Standard" elaborated by the Climate Community and Biodiversity Alliance (CCBA), CARE International and Conservation International of Ecuador. Acknowledging the growing awareness for the necessity of social and environmental benefits additional to the implementation of a REDD+ mechanism, the MAE started the process of defining the standard for the performance of REDD+ activities and their future implementation. The use of the standard is expected to be used by governments in the implementation of national REDD+ schemes; however, it can also serve as reference for NGOs, financing bodies, and stakeholders planning on designing and implementing REDD+ activities. The application of the standard is also expected in all forms of financing based on funds, markets and others. Ecuador will implement the standard in its entirety.
165. The joint work plan of the "Social and Environmental REDD+ Standard" has two stages. The first stage was completed in April 2010 and consisted of developing, through consultation, the principles, criteria, and indicators of the standard. Two consultation workshops were carried out in Ecuador, with representatives from civil society and indigenous communities. The second stage is the national interpretation of the standard and its implementation through pilot exercises. This stage started in July 2010 and will last 18 months.

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<sup>86</sup> Arízaga, Fernando. Power point presentation: PROFORESTAL. MAGAP, April 2010

<sup>87</sup> Information gathered from Work meeting with MAGAP (Proforestal and Undersecretary of Land), August 2010.

166. The implementation of REDD+ standards in Ecuador guarantees the effectiveness of the social and environmental benefits derived from a REDD+ mechanism. In line with the compliance of the standard, co-benefits are to be monitored, as part of an MRV system for co-benefits.
167. **Design of an Incentive Program for Sustainable Forest Management.** Following the positive reception by PSB recipients, and with a more detailed analysis of the implementation of incentives to reduce deforestation, the MAE decided to complement the incentive for conservation granted by the PSB with an incentive for the MFS. A plan to grant incentives applied to the MFS during the third quarter of 2010 and the beginning of 2011 is in the design process. A program design is expected before the end of the first quarter of 2011, for the subsequent implementation of its pilot phase. After the implementation of the pilot phase, the necessary adjustments will be applied following the lessons learned from said phase, bearing in mind its possible implementation at the national level.
168. **Analysis of Deforestation causes.** Because the causes of deforestation at the national level are dynamic and diverse, the MAE has decided to update the relevant information on the causes of deforestation in the country, with the objective of applying more effective measures to address these causes, as part of the implementation of REDD+. To this end, the MAE has elaborated a study that identifies and characterizes the direct and indirect causes of deforestation, using the province of Napo (Ecuadorian Amazon) as a case study. A wider study will be subsequently applied to other provinces, at least in the Amazonian region, through 2011. The first draft of the study will be presented at the end of February 2011, and the information collected in the study will be used in the design of Ecuador's ENREDD+ and in the implementation of measures regarding the reduction of deforestation in the context of REDD+.
169. **Identification of social and environmental "multiple benefits" in Ecuador.** The MAE started a work program with UNEP-WCMC to identify and subsequently strengthen the "multiple benefits" related to environmental and social aspects that the implementation of REDD+ could bring to the country. These types of studies are relevant because they contribute to mid-term and long-term planning, which is necessary for the implementation of the REDD+ mechanism. The initiative collected cartographical information and statistical analysis used to define the location of potential multiple benefits. The product of this joint work was a document presented during the Conference of the Parties (COP) at the Convention on Biological Diversity (CBD) in October 2010. It can be found on MAE's website.
170. Apart from the national initiatives being implemented at present, the MAE continues its international support of REDD+ with three objectives in particular: (1) Updating details about the implementation of the REDD+ mechanism; (2) positioning the country as a pioneer in the implementation of REDD+ at the international level and; (3) identifying potential partners that contribute to the implementation of the mechanism in Ecuador.
171. As of December 2008, Ecuador has been actively participating in the international negotiations on the REDD+ mechanism. Also, since October 2009, Ecuador is part of the United Nations Programme on REDD (UNREDD). Ecuador was formally accepted as an "observer" country during the third political committee of UNREDD. Since then, Ecuador has participated in regulatory committees and technical workshops developed by the UNREDD Program. In July 2010, a delegation from the program visited Ecuador to define the overall technical and financial contribution of the UNREDD Programme to Ecuador, during the preparation and implementation phase of the REDD+ mechanism in the country. The delegation was coordinated with the German cooperation, to facilitate and guarantee a perfect coordination between both institutions. As a result, a preliminary work program was developed based on the needs previously identified by the country in these matters.



172. Ecuador is not part of the Forest Carbon Partnership Facility (FCPF), the World Bank's support program for countries in the REDD+ preparation phase, nor is it one of the pilot countries of the Forest Investment Program (FIP), the World Bank's Program to support countries in REDD+ preparation phase and the "policies and measures" phase for the implementation of the Mechanism. However, the country is the recipient of important support from a bilateral cooperation agreement with the German government. Through Germany's financial support, relevant programs for the conservation of biodiversity and natural resources have been implemented in Ecuador. On the specific subject of climate change and REDD+, there are two new programs, one supported by the German Technical Cooperation Agency (GTZ) with a budget of Euro 4 million for the 2010-2013 period, and the other supported by the German Financial Cooperation (KfW) with a budget of Euro 10 million for the 2011-2016 period. These programs are described in the item "Relations between the PNC and other initiatives related to REDD+" in the next chapter.
173. There are two programs that are relevant to the implementation of the REDD+ mechanism in Ecuador: the FAO-Finland Program for "Sustainable Forest Management in a Changing Climate" and the "Financial Sustainability of the System of Protected Areas" Program. Both projects are implemented in 2011, and they are relevant because their activities are complementary to those planned by the ENREDD+ and the PNC of Ecuador. The relevance of these projects is detailed in the item "Relations between the PNC and other initiatives related to REDD+" in the next chapter.
174. During the meeting in Oslo (May 27<sup>th</sup> 2010) for the creation of an "Alliance for the implementation of REDD+" (REDD+ Partnership), Ecuador ratified the voluntary agreement of countries, reiterating its commitment to the implementation of the REDD+ mechanism. REDD+ Partnership seeks to create a financing mechanism to support developing countries implementing the REDD+ mechanism through funds from six donor countries. These countries, in accordance with the Copenhagen Agreement (COP15 – December 2009), will allocate USD 4,000 million during the 2010-2012 period to reach the proposed targets.

## **5. Strategy, including lessons learned and proposals of the National Joint Program (NJP)**

### 5.1 Context

175. One of the environmental goals of the National Development Plan (2007-2010) was to reduce deforestation by half. The goal is still included in the current National Development Plan or National Plan for Good Living (2009-2013), but with an adjustment: reducing deforestation by 30% before 2013. As such, this goal is considered a priority in the country. The MAE, through the DNF, has the responsibility of achieving sustainable development of forest resources in the country, which prompted them to implement innovative measures to reduce deforestation. "Command and control" measures have been traditionally implemented to achieve a sustainable management of resources. However, these measures have proven to be inefficient, because they are not in compliance with legal regulations regarding forest exploitation and control
176. In 2008, the MAE decided to implement an innovative policy based on creating incentives for the conservation of the native forests and other native vegetation formations to complement the existing "command and control" measures. The PSB (described previously) was launched to implement this policy in the field. The PSB program is financed solely through State resources, with an investment of more than USD 8 million (September 2008 to December 2008). Nevertheless, in order to achieve its goals the PSB needs additional resources to complement the State investment. The options considered necessary to maintain the financial sustainability of the Program include: bilateral and multilateral cooperation, market resources and the utilization of traditional financing such as the biodiversity conservation fund. Not all the areas of the PSB are eligible for a REDD+

mechanism, but it is one of the financing options that contribute to the financial sustainability of the program.

177. Although the reduction of deforestation is prioritized in the National Plan for Good Living (2009-2013), inter-institutional coordination is still limited, which hinders the effective articulation of policies in some sectors that could be indirectly contributing to deforestation processes.
178. On the other hand, mitigation and adaptation to climate change were declared State policies in Executive Decree 1815 of June 2009. Mechanisms of inter-institutional coordination are being researched for the successful implementation of these policies and to crosscut management on climate change in Ecuador. The first initiative has been to create a high-level inter-institutional committee to coordinate and articulate policies and actions for the mitigation and adaptation to CC (through Executive Decree 495). This represents an opportunity to articulate policies for other sectors that could otherwise contribute to the sustenance or increase in deforestation processes, and an opportunity to cost-effectively mitigate climate change. If this opportunity is not seized, the possibility to mobilize technical and financial resources that seek to implement the REDD+ mechanism would be lost.
179. In addition, the current Government has placed special importance on the short, medium and long term planning processes, strengthening the management of SENPLADES. SENPLADES is the institution responsible for the implementation of the National Plan for Good Living (2009-2013), therefore all of its sectoral agencies respond to the Plan's objectives. This represents an additional step forward in the organization of cross-sector policies to achieve common goals. The new constitution (2008) and the National Plan for Good Living also aim to strengthen formal citizen participation in Government management, through the creation of the Towns Secretary (Secretaría de Pueblos) and social movements, which would complement the work of other institutions with similar objectives. However, there is a wide diversity of political opinions among stakeholders in civil society, which needs to be addressed in the implementation of the National REDD+ Strategy.

## 5.2 Relations between the PNC and other initiatives related to REDD+

180. As mentioned above, Ecuador receives support from international cooperation in environmental matters, including the mitigation and adaptation to climate change and biodiversity conservation, among others. The bilateral cooperation agreements with Germany are very important, especially the one signed in 1970 regarding environmental matters. On the subject of climate change, forest conservation and REDD+, Ecuador receives support from the German technical cooperation (GTZ) and the German financial cooperation (KfW).
181. Since January 2010, the German technical cooperation (GTZ) has been responsible for a new component of the Sustainable Management and Natural Resources Program (GESOREN) called "Climate Change and REDD+". The implementation of this component is the fourth and final stage of the GESOREN Program, which culminates in December 2013. The "Climate Change and REDD+" component has a fund of Euro 4 million over a period of 48 months. The objective of this component is the strengthening of the institutional, operational and technical capacities of the MAE and of local stakeholders in charge of implementing mitigation activities (especially those concerning the REDD+ mechanism) and adaptation to climate change at the national level.

182. The planning of activities is carried out annually. In January of this year, four central themes were established for the implementation of the "Climate Change and REDD+" component. These are: (1) Supporting the development of the legal and institutional framework of environmental services and climate change in Ecuador; (2) supporting the design of Ecuador's National REDD+ Strategy through a participative process; (3) supporting the consolidation of Ecuador's new model of forest governance and; (4) supporting the development of Ecuador's National Program of adaptation to CC, through specific studies of vulnerability and local experiences focused on adaptation to climate change in the country.
183. Alternatively, in June 2010, the MAE and the KfW signed a contract for Euro 10 million in the concept of non-reimbursable aid for the period 2011-2016, for the implementation of the "Conservation of Forests (PSB) and the REDD+ Program. The MAE and the KfW outlined the program in November 2009. Its objective is to upgrade and consolidate the incentives program for the conservation of forests (PSB), as part of the REDD+ actions at the national level. It seeks to lower the deforestation rate in Ecuador and contribute to the general objective of the cooperation between Ecuador and Germany in the sustainable management of natural resources (by substantially preserving biodiversity and life's natural resources).
184. Five components were outlined in the Program: (1) Establishing the Financial Mechanism for REDD+ and the PBS; (2) initiating a monitoring system for forest areas under conservation and deforestation; (3) creating additional areas of private and communal forests established in the four intervention provinces of the financial cooperation (Esmeraldas, Morona Santiago, Napo y Zamora Chinchipe); (4) accessing financing through REDD (carbon finance) and; (5) developing governance models and technologies that support the forest conservation. In November 2010, a KfW delegation visited Ecuador to revise the Program before launching its implementation in 2011.
185. With the support of the German government, Ecuador has initiated the development of the "operational framework" necessary for the implementation of the REDD+ mechanism. This "operational framework" includes legal, institutional and financial aspects that the country needs to define as part of the process of preparing for REDD+. In addition, the work program established with both GTZ and KfW help to strengthen the MAE's initiatives, which are currently solely financed through Ecuador's State resources. The GTZ and KfW programs are coordinated with the Outcome 4 of the PNC described in a subsequent section.
186. In July 2010, a proposal was submitted to the German cooperation's "SFF" studies fund, the same fund approved by the German Ministry at the beginning of September 2011. The proposal allocates USD 500,000 dollars for approximately one year (March 2011 – March 2012). The proposal is part of the development of the National REDD+ Strategy, and its purpose is to carry out the studies needed to support the MAE's forest information-gathering initiatives, through three components: (1) Reference Scenario for Emissions from Deforestation (2) Historical Deforestation Map and (3) National Forest Evaluation. Component (1) has a budget of USD 50,000; component (2) has a budget of USD 403,800, of which USD 200,000 is contributed by German cooperation, USD 55,800 are fiscal contributions from the State Budget and USD 148,000 are contributions from other sources<sup>88</sup> and; component (3) has a budget of USD 250,000 contributed by German cooperation.<sup>89</sup>
187. The proposal to the SFF fund contains four specific objectives: the objective of component (1) is to develop and validate, through pilot activities, the meteorological protocol necessary to determine the Scenario of Reference Emission Levels from

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<sup>88</sup> These sources contribute specifically in the Study for meteorological validation of LIDAR technology and are International Conservation, CARNEGIE and CONDESAN.

<sup>89</sup> Ecuador's project proposal to the German cooperation's SFF studies fund. SCC – MAE, 2010.

Deforestation at the national level; component (2) has two specific objectives which are: (a) to validate the use of RADAR technology to estimate deforestation rates and forest carbon stocks in areas with high cloud cover, in the context of the Historical Deforestation Map project, and (b) to validate the use of LIDAR technology to estimate deforestation rates and forest carbon stocks in areas with high cloud cover, in the context of the Historical Deforestation Map project. Finally, the objective of component (3) is to support information gathering in the field to characterize forest resources in Ecuador. The implementation of this proposal (the SFF fund) is complemented by Outcome 1 of the PNC described in a subsequent section.

188. There are also two projects that complement the PNC presented to the UN-REDD Programme: (1) "Sustainable Forest Management in Climate Change" and; (2) "Financial Sustainability of the SNAP" (National System of Protected Areas). Both projects are included within the framework of UN agency cooperation.

189. The "Sustainable Forest Management in Climate Change" project has been implemented by the MAE with the support of FAO since January 2010. Its objective is to promote sustainable forest management, and it is implemented in five countries, including Ecuador. It has a budget of USD 3,203,359 for a two-year period (January 2010 – December 2011); of which FAO contributes USD 1,414,918 and the balance by Ecuador's government in relation to the first component of the Project. It has three components: (1) National Forest Evaluation; (2) National Forest Program, which includes: MFS assessment, Legislation and Integration with Climate Change and; (3) Sustainable Forest Management.<sup>90</sup>

190. The following outcomes are expected from component (1): (a) The creation of capacities to develop the methodology for a national forest inventory, in compliance with national policies and requirements and international reports such as GHG (greenhouse gas) and REDD inventory, (b) strengthening of capacities for the development of mapping methodologies for vegetation cover, forests and other uses for PSB, based on the integration of information gathered in the field to monitor deforestation, carbon and GHG inventory, (c) capacity building for collection of high-quality data and making it available to users involved in the decision-making process, (d) ensuring that ENF stakeholders are well informed of the results and information integrated into strategies and policies, (e) the institutionalization of the national forest monitoring and inventory system for REDD and MFS requirements and GHG report, and (f) strengthening the country's capacities for effective maintenance and use of the ENF (National Forest Evaluation) electronic system, and for analysis and national and international reporting like the National Communications to the UNFCCC (United Nations Framework Convention on Climate Change).<sup>91</sup>

191. FAO's contribution to this specific component (National Forest Evaluation) is USD 265,050 for a two-year period. This contribution is in coordination with the activities that are to be financed with Outcome 1 of the present document. FAO's support for this project is dedicated to operational expenses such as: project staff, contracts, travel, training and capacity-building, fungible and non fungible materials, among others; whereas PNC's contribution to Outcome 1, for the ENF project, is directed mainly to information gathering in the field and processing.

192. The "Financial Sustainability of the National System of Protected Areas (SNAP)" project has the long-term goal of improving SNAP's sustainability to ensure a healthy and sustainable environment that guarantees nature's rights as established by the Constitution. The project's objective is to implement a financial and institutional framework for the strengthening of SNAP in selected areas, by promoting the financial

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<sup>90</sup> Project document "Sustainable Forest Management in Climate Change". FAO – MAE 2010

<sup>91</sup> Project document "Sustainable Forest Management in Climate Change". FAO – MAE 2010

sustainability of protected areas in Ecuador. This project has a budget of USD 19,931,844, of which USD 6,400,000 are financed by GEF and the balance by several institutions such as TNC, FUNDAR, International Conservation (CI), Private Forest Network, FAN, UNDP and the MAE.

193. Four outcomes are expected from this program. Outcome (3) “the value of SNAP is better regarded by the communities living in the protected areas, public authorities, and public and private investors (national and international)”;

sub-outcome (3.2) attempts to quantify the biomass content in the intervention areas of the project<sup>92</sup>. In this sense, this outcome contributes to the ENF project because it would generate information on biomass contents in selected protected areas. In order to supplement this activity with some of ENF’s activities, the “Financial Sustainability of the SNAP” project will use the methodology developed and approved by the MAE (through the ENF project) to gather information in the field. This methodology will also serve to complement the resources of those “parcels” that the ENF project intends to create in protected areas that overlap those of the “Financial Sustainability of the SNAP” project are financed through said project, allowing for resources available to the ENF, as well as other financial resources from cooperation, to finance the gathering of information in unprotected areas.

### 5. 3. Lessons learned

194. Ecuador has made significant efforts to reduce deforestation since 2008. Some of the lessons learned from the activities implemented to achieve this goal will help to ensure a successful implementation of REDD+ in the country. These lessons are already being incorporated into Ecuador’s National REDD+ Strategy, and the following are some of the most important:

- To guarantee an effective reduction of deforestation and GHG emissions associated with this activity, it is necessary to invest in the regulation and reorganization of land tenure programs at the national level<sup>93</sup>. In Ecuador, the ownership of forest areas is not clearly defined, which makes the effective control of these areas very difficult. Also, it is not possible to identify potential recipients of incentive policies and financial mechanisms that could contribute to the reduction of deforestation. This lack of clarity in land tenure facilitates the illegal exploitation of wood and does not guarantee any legal certainty for investment.
- Through the implementation of the Socio Bosque Program, an incentive policy for the conservation of native forests, it was determined that apart from forest conservation there are additional activities that need to be implemented in order to reduce deforestation, such as sustainable forest management, afforestation and reforestation, as well as coordinating incentive policies and control policies. For this reason, the MAE started working simultaneously on the development of the National REDD+ Strategy and the new model of forest governance in the country.
- Inter-institutional coordination is fundamental to ensure the success of a REDD+ mechanism in Ecuador. Coordination between different State departments is necessary for the crosscutting implementation of policies and measures aimed at reducing deforestation, without overlapping other government policies in strategic sectors. The MAE has started a process for mainstreaming the matter by establishing “focal points” in each of the relevant State departments, such as MAGAP, SENPLADES, Ministry of Finance, Ministry of Heritage Coordination, and

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<sup>92</sup> Sub-outcome (3.2) has been allocated approximately USD 380.000 to achieve the objectives proposed.

<sup>93</sup> It is important to clarify that, to date, there are no analysis on the impact of land tenure reorganization as a direct cause of deforestation. However, with the lack of legal certainty over the land, invasions and unplanned changes of the use of land are more probable.

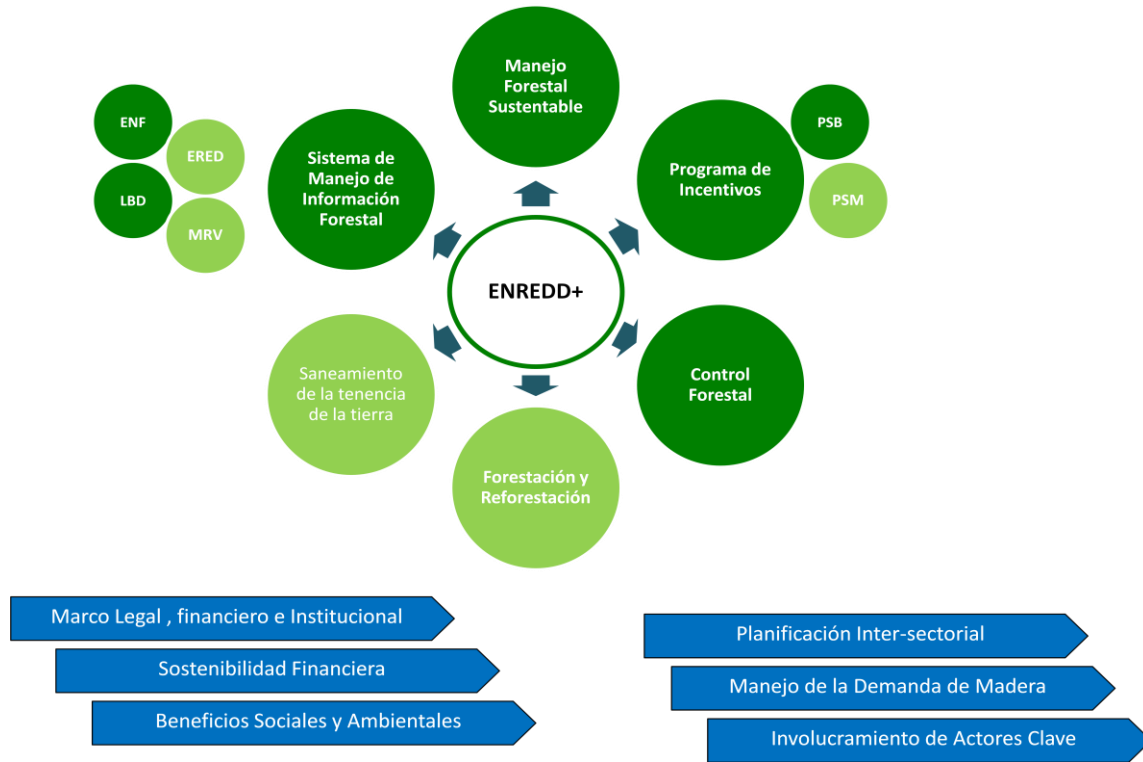
the Ministry of Economy, among others. They will help in implementing the mechanism and try to facilitate the coordination and the implementation of activities requiring the participation of other sectors. In addition, all the matters regarding decision-making for the implementation of a REDD+ mechanism will be dealt with in the inter-institutional committee on climate change.

- An effective involvement of civil society is necessary to implement a REDD+ mechanism. Its participation is essential in the design and implementation of the National REDD+ Strategy, with special emphasis on the indigenous population and forest owners to ensure the success of the strategy. Aware of the importance of civil society's participation in the process, the MAE is designing an Involvement Plan to inform, query, and effectively involve key stakeholder right from the beginning, as mentioned in previous sections.
- If a policy of economic incentives is to work effectively and reduce deforestation, first it is necessary to understand the causes in detail. That way we can characterize the associated opportunity costs and determine which of these costs can be covered with the implementation of a policy of economic incentives. For the costs, it is necessary to identify alternative measures to complement those of the incentives, for example through effective implementation of "command and control" measures.

#### 5. 4. The National REDD+ Strategy (*component 2b of the R-PP*)

195. The Ministry of Environment, through the SCC, heads the process for the construction of a National REDD+ Strategy (ENREDD+) in Ecuador. The process is expected to initiate a participative process in the construction of the Strategy. At the moment, there is a base document on the Strategy.
196. This Strategy is the guiding framework for the implementation of REDD+ activities in Ecuador. The activities, supported by the UNREDD Program, are part of this Strategy and in some cases constitute essential activities to prepare the country for the future implementation of the mechanism. In other cases, they are the typical activities of REDD+ mechanism implementation.
197. **Objective of the National REDD+ Strategy.** Contribute in tandem with the mitigation of climate change and the good use of forests, through the implementation of activities, projects, measures and policies at national level, to reduce deforestation and its associated GHG emissions in Ecuador.
198. **Elements of the National REDD+ Strategy.** The Strategy consists of six components that stem from those identified for the Model of Forest Governance, and are the following: Forest Information System, Forest Control, Incentive Programs (including the Socio Bosque Program), Sustainable Forest Management, Afforestation/Reforestation and Reorganization of land tenure.
199. At the moment, some specific activities are being outlined for each of these components. The activities have the same final objective of the National REDD+ Strategy, to reduce GHG emissions produced by deforestation and stop the degradation of forests. Achieving this specific objective is what makes this Strategy different from the Model of Forest Governance, which has a broader goal.
200. In addition, six crosscutting components have been identified in the Strategy: Financial sustainability, additional social and environmental benefits, legal, financial and institutional framework, inter-sectoral planning, involvement of key stakeholders and management of wood demand.

Graphic 4  
Components of the National REDD+ Strategy of Ecuador



Elaborated by: SCC, 2010.

201. As presented in the graphic, the Strategy consists of six components directly related to necessary activities for the reduction of deforestation and associated emissions in the country. The table below shows the objective of each of the components directly related to the reduction of emissions caused by deforestation and forest degradation:

Table 8  
Direct Components of the ENREDD+

Component	Objective
Forest Information System	To establish an integrated Forest Information System relevant for the implementation of REDD+ activities
Sustainable Forest Management	To harmonize the exploitation of forest resources in native ecosystems in accordance with sustainability principles, guaranteeing regeneration capacity without altering the natural conditions of said ecosystem.

Incentives Programme	To implement incentive policies to complement the "command and control" policies to reduce deforestation. Including the Socio Bosque Program (incentives for forest conservation).
Forest Control	To implement a system of forest control that allows the instauration of forest exploitation practices within the established legal framework.
Afforestation/Reforestation	To reduce the exploitation of forest resources in native ecosystems in the country, increasing carbon stocks while responding to wood demand.
Reorganization of land tenure	To increase the number of potential recipients from the implementation of the REDD+ mechanism, and to ensure legal certainty over land tenure for local populations that live in forest areas.

202. In addition, six crosscutting components have been identified in the National REDD+ Strategy. These elements are relevant to the implementation of all the activities defined in reducing deforestation and associated emissions. These crosscutting components are shown below:

Table 9  
Crosscutting components of the ENREDD+

<b>Component</b>	<b>Objective</b>
Financial sustainability	Collection of funds to guarantee the implementation and financial sustainability of ENREDD+
Social and environmental benefits	To guarantee additional social and environmental benefits in the implementation of REDD+ activities in the country
Involvement of key stakeholders	To guarantee effective involvement of key stakeholders in the design and implementation of ENREDD+
Legal, financial and institutional framework	To guarantee the legal, financial and institutional framework to regulate the development of REDD+ activities in Ecuador
Inter-sectoral planning	To maintain coherence between policies established by the multiple strategic sectors
Management of wood demand	To understand wood demand in Ecuador in order to propose alternatives to change this demand

203. As mentioned in this and other sections of the document, the MAE is heading the the ENREDD+ development process, through the components described in this section. A first working document is expected to initiate a process of socialization and participative construction with civil society, municipalities and nationalities and other government stakeholders.



## 5.5 Proposed National Joint Programme<sup>94</sup>

204. With the evidence presented in the previous sections, the Government of Ecuador proposed the following National Joint Program (NJP) aimed at the achievement of six results that will help complete the preparation phase for the implementation of REDD+ in Ecuador over a period of two years (2011-2012).
205. The long-term goal of the NJP is that "Ecuador has completed its preparation phase for the implementation of REDD+ at the national level with the involvement of relevant institutions and actors who have more skills and tools to exercise their right to a safe and healthy environment, environmental sustainability, including biodiversity conservation, integrated management of natural resources, environmental management and development of responses for mitigation and adaptation to climate change."
206. The goal of the NJP is "to support Ecuador in completing its preparation for the implementation of REDD+ at the national level through specific activities framed within the country's National REDD+ Strategy."
207. This is to be attained through the achievement of six results, as detailed below:
208. Outcome 1: "National forest monitoring system designed and implemented." Ecuador has found that the implementation of a REDD+ mechanism requires creating a single verifiable, transparent, consistent, comparable, complete, cost efficient and, as far as possible, accurate Measurement, Reporting and Verification (MRV) system for emissions by sources and removals by sinks that meets the requirements agreed in the UNFCCC. Outcome (1) will help install the technology and human capacity needed for the development of national GHG inventories and implementation of GHG MRV monitoring system at the national level.
209. The proposal of this result seeks to complement the efforts on this issue funded by the National Government and the German Cooperation so that the MRV forest information and monitoring system is implemented (installed and in operation) by the end of the program in 2012. It will seek mechanisms that are cost-efficient in each case (forest information and monitoring system).
210. Additionally, within the framework of the NJP implementation and for all the products listed in this result, opportunities will be sought for sharing experiences with other countries undergoing similar processes (development of methodologies, information gathering, etc.), including community-level exchanges. Outputs to comply with this result are listed below:
211. Output 1.1: National Forest Assessment. This output provides support for the ENF project that is currently being implemented by the MAE, with technical support from FAO, at the field data collection and processing phase. The proposed support for the NJP includes the following two activities.
212. Activity 1.1.1: Support for ENF data collection in the field. As mentioned above, the ENF project has already defined the methodological protocols for field data collection, through an exercise similar to a national forest inventory. The geographic location of the plots for the collection of field data and the type of plot that will be used for this purpose

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<sup>94</sup> The effective implementation of the proposed NJP will account for existing capacities, strengthening them and building new capacities throughout the process of preparation for the implementation of REDD+.

has also been defined. Methodological protocols specify the type of information that will be gathered in the field, including socio-economic data, as well as data on the type and structure of forests, including an estimation of carbon content. All this work has been agreed with FAO. NJP's support for this activity consists in increased availability of funding for field data collection. It has been estimated at a cost of approximately USD 1,200 per plot and the specific requirement presented through the NJP is funding about 50% of all plots to be examined (about 1,000 across the country).

213. For gathering information in the field, capacity building at local level is planned in order to, where possible, engage community members in local technical teams in charge of field data collection. This local capacity-building process will take into account an adequate number of staff in data collection, further recognizing local practices and knowledge on the subject. Also, in order to achieve the effective involvement of local stakeholders in data collection, appropriate criteria will be established for communities to be informed about project objectives and activities to be undertaken prior to field data collection. These criteria will be defined together with local communities.
214. During the process of data collection in the field and the subsequent processing thereof, it shall be ensured that all information gathered through the ENF project is made available to civil society and, in particular, is returned to local communities.
215. At a later stage, a process of monitoring the results of the ENF project should be undertaken. For this purpose, permanent plots will be established in previously defined sites, among other things. Incorporating members of local communities in the teams will be crucial for the monitoring of permanent plots.
216. Activity 1.1.2: Support for ENF data processing. In this case, the support proposed through the PNC is to finance the costs associated with processing field data. These costs may be related to staff recruitment, development of the management information system, installation of the technological capacity for data processing, among others. These costs could be shared between the UNREDD Program and the Government. The national emission factor should be obtained from the development of these two activities, as well as uncertainties in the data, among other variables to be considered by the ENF. The second activity should provide the appropriate stratification for reporting under the UNFCCC and to optimize the information about changes in carbon content in the forests of Ecuador.
217. Output 1.2: Historical Map of deforestation, degradation and carbon sequestration related activities. This product provides support for the MHD project executed by the MAE with the support of national experts and the GIZ. The MHD project has now updated data on the rate of deforestation, through multi-temporal analysis of land use change assessed in three periods: 1990 - 2000 - 2008 for the entire continental territory. However, 30% of the territory lacks satellite data in areas with persistent cloud cover in the north of the country. This information gap must be covered using other technologies. The analysis of degradation and activities related to carbon sequestration will be included at a later stage. For now, the product 1.2 is focused on the analysis of deforestation in Ecuador.
218. Activity 1.2.1: Data collection in areas with no information. The support proposed through the NCP is covering the costs associated with the capture of geographic information with RADAR and LIDAR sensors in the areas of persistent cloudiness. Half of the estimated amount needed to gather this information with these two technologies will be covered by the by the UNREDD+ Program, 25% by German financial cooperation and the remaining 25% will be raised or allocated from other sources. The project has already contacted third parties to collect information with RADAR and LIDAR technology (NASA-

UCLA and CARNEGIE Research Institute, respectively). It is anticipated that the capture of information will begin in 2011 in pilot sites. Subsequently, the use of each of those technologies will be validated, and funds allocated through UNREDD+ will be used to gather data in areas with no information with the technology that is considered relevant.

219. Output 1.3: Reference Scenario for emissions from deforestation, degradation and carbon sequestration activities (ERED, in Spanish). The information provided by the ENF and MHD projects will be used as a basis for the definition of a "Reference Scenario for Emissions from Deforestation" (ERED). It has not yet been defined whether this scenario will include a prospective analysis of deforestation to estimate future emissions, or whether this scenario will contain data about emissions from forest degradation. This activity has not yet been developed and should begin once information from ENF and MHD projects is available. The analysis of degradation and activities related to carbon sequestration will be included at a later stage. During the current phase only GHG emissions from deforestation will be analyzed.
  
220. At the end of 2009, the MAE developed a methodological approach to the definition of the ERED, which can be used as input for this output. In this case, the PCN proposal includes full funding of this output (except for the support of the German Cooperation for the first activity), through the development of the following three activities.
  
221. Activity 1.3.1: Development of ERED Methodological Protocol. While the MFA undertook an approximation of the technical criteria to be considered for the definition of the ERED methodological protocol, the protocol as such should be fully developed. The German Cooperation will fund the development of this protocol, which will be implemented as a pilot. Specific criteria for the location of the pilot sites will be defined prior to implementation. The support sought through the PNC aims to identify and address additional information requirements and the process for obtaining it. Furthermore, this activity should include the analysis of national circumstances to be considered for the definition of the ERED and must indicate whether the integration of this analysis will be part of the methodological protocol or whether national circumstances will be considered outside the protocol.
  
222. Activity 1.3.2: Definition of the ERED. It is the result of the implementation of the methodological protocol developed with the support of the German cooperation. This activity should include obtaining additional information required, apart from that provided by the MAE and other involved institutions. The development of this activity must address the needs of technical/technological and human capacities for the implementation of methodological protocol. The Ecuadorian ERED should result from this activity.
  
223. Activity 1.3.3: Definition of the country's projection of emissions from deforestation and forest degradation. According to the analysis of the national context developed in the first activity of this product, it will be decided how to incorporate this context in the definition of the ERED. The result of this decision may include the definition of a projection of future emissions from deforestation in the country. The definition of this projection should include the development of a specific model for this purpose, which shall be designed and implemented as a result of this activity taking into account the national circumstances.
  
224. Output 1.4: National GHG MRV Monitoring System for the Forestry Sector. The final output of Ecuador PNC's outcome 1 is the implementation of a national GHG MRV monitoring system for the forestry sector to assess emissions and removals associated with processes of land use change in the forestry sector. The system will include processing satellite data and the development of GHG inventories and information processing, among others. The implementation of this product is expected to be fully financed by the PNC and consists of 2 activities.

225. Activity 1.4.1: Design and implementation of national GHG MRV monitoring system for the forestry sector. This activity involves the design and development of the monitoring system, including the definition of the technical/technological and human capacity requirements for the implementation of the system.
226. Activity 1.4.2: Development of institutional and technical capacities for the development of a GHG inventory. This activity includes the installation of the technical/technological and human capacities required for the development of the national GHG monitoring system in the forestry sector at the MEA. This may include an analysis and proposal for the definition of institutional arrangements for improving future implementation of the monitoring system, according to the requirements of inter-institutional coordination identified in the process of implementing such a system.
227. Outcome 2: Process of consultation with and involvement of civil society, communities, indigenous peoples and nationalities, Afro-Ecuadorian people, Motubio people and communes for REDD+ implemented nationwide. Since coordination and joint activities among various stakeholders in government, civil society, communities, indigenous peoples and nationalities, Afro-Ecuadorian people, Montubio people and communes, is necessary for the effective implementation of the PNC, and participation and involvement is a crosscutting area throughout the preparation process for REDD+, this result will contribute to effective engagement of these actors in the process of preparation and implementation of REDD+ in Ecuador. While the process has already begun with representatives of civil society (through the informal working group mentioned above) and representatives of indigenous peoples (at the level of organizations and foundations), it is necessary to deepen the process, which is the expected result of this outcome.
228. The provisions stated in the Constitution of the Republic and the Citizen Participation Act will be the basis for the whole process of involvement of local stakeholders and civil society in general, both in the implementation of the PNC and the National REDD+ Strategy. Other international instruments will also be taken into account in this process such as relevant UN-REDD guidelines, including the Operational Guidance on the Engagement of Indigenous Peoples and Other Forest Dependent Communities and the Social Due Diligence Tool, the United Nations Declaration on the Rights of Indigenous Peoples and ILO Convention 169, provided that they are not in contradiction of the provisions of the national law. The implementation of REDD+ activities in Ecuador is voluntary; however, some activities related to the implementation of REDD+ may require consultation.
229. Additionally, opportunities will be sought within the framework of implementation of the PNC for sharing experiences, lessons learned, and best practices on participation and consultation processes with other countries undergoing similar processes.
230. It is intended that this involvement go beyond a process of information and consultation during the design phase and prior to the implementation of REDD+ in the country, since the scope should be broader so as to achieve the effective engagement of key stakeholders both in the process of designing the National REDD+ Strategy and the process of implementing the mechanism. The implementation of the outcome 2 seeks to create a sense of ownership and commitment among all stakeholders, not just REDD+ direct beneficiaries, but also stakeholders for whom the mechanism represents an alternative to other activities that will still help generate profits.
231. In this respect, as mentioned in previous sections, the MAE has developed a "Civil Society Involvement in REDD+" Program. Through outcome 2, the program will be implemented nationwide through the implementation of the four components described above, namely: (1) Dissemination of information, (2) Consultation, (3) Involvement, and

(4) Capacity building. With the resources available, the MEA began implementing the first component of the program in 2010, conducting a series of workshops and working groups at various levels: with Government stakeholders, working with focal points designated by each institution; with civil society, including sectors such as academia, the private sector and NGOs; and with representatives of indigenous and local communities.

232. In the case of communities, indigenous peoples and nationalities, Afro-Ecuadorian communities, Montubio people communes, the process will differ due to its intercultural approach. The international human rights instruments and the Ecuadorian Constitution (art. 57) contain measures to ensure respect for collective rights. A dialogue with the peoples and nationalities has been initiated for their effective involvement. The continuity of this process will be defined in detail with stakeholders involved.
233. The implementation of component (1) is a continuous process, which must be maintained throughout the preparation phase for REDD+. For this reason, it is considered one of the outputs of this outcome.
234. Output 2.1: Dissemination of REDD+ information among key stakeholders. It is important that this product is implemented on a continuous and immediate basis in order to create the capacities required for the effective implementation of the three following components of the Civil Society Involvement Program. The dissemination of information should be done through appropriate and flexible procedures, according to the characteristics of each stakeholder. This component is crucial to start the approach, especially to indigenous peoples and nationalities, as that engagement should begin with the transfer of information from the Government to all organizational levels, including the bases. This product is achieved through the completion of the following three activities:
235. Activity 2.1.1 Informational workshops. There will be hands-on workshops at the national level to exchange information, answer questions and to publicize progress in the whole process of preparation for the implementation of a REDD+ mechanism in Ecuador. The activity also intends to create spaces for dialogue between different stakeholders, taking advantage of those created by other non-governmental organizations and taking into account the different realities. Additionally, to ensure continuity in the reporting process, a follow-up mechanism to the workshops will be implemented, selecting, for example, workshop participants who volunteer to follow up the process.
236. Activity 2.1.2. Training events. This activity seeks to create opportunities for REDD+ training, including locally-generated spaces and in the communities, such as community assemblies. In order to actively involve communities in the training process, schemes will be implemented, such as "training of trainers", and REDD+ and CC issues will be included in formal (and non formal) education curricula at different levels. Thus, it seeks to train local trainers/promoters who will help disseminate information and train local stakeholders (at the grassroots community level). To ensure a cost-efficient process, the activity will seek to leverage the existing capabilities of key stakeholders in the field to supplement the training process.
237. Activity 2.1.3. Production of REDD+ communication materials. As part of information dissemination and implementation process of training programs, it is necessary to produce communication materials to support these activities. This material should be suitable for the target audience, particularly communities, indigenous nationalities and peoples, Afro-Ecuadorian peoples, Montubio people and communes. Consultations with various stakeholders, including representatives of local communities, indigenous peoples and nationalities, will be conducted to define the type of material, which must take intercultural aspects into account. Thus, emphasis will be placed on the production of audiovisual material, newsletters, radio spots, among others, in several languages – that

are easy for communities to understand (both organizations and bases) and using local media.

238. Output 2.2 Development and implementation of the "Civil Society Involvement Program" implementation strategy. This product is relevant in achieving the effective involvement of stakeholders throughout the process. It ensures the successful implementation of the National REDD+ Strategy in the country and contributes to other goals such as those of the forest governance model and the National Program for CC Mitigation. Activities to be implemented in this product include:
239. Activity 2.2.1 Development of the "Civil Society Involvement Program" implementation strategy. Parallel to the implementation of component (1) and in order to begin implementation of the second, third and fourth components of the program, a strategy to put the consultation, involvement and capacity building components into operation in the field will be developed. It is expected that representatives from local communities, indigenous peoples and nationalities and other relevant stakeholders of civil society will participate in this activity.
240. The definition of the strategy should include a stakeholder identification or mapping phase. The identification of stakeholders should be done with local promoters who will contribute to the process of stakeholder and needs identification (including communities). Also, a work plan will be developed together with stakeholders previously identified.
241. Activity 2.2.2 Proper process of dialogue with communities, indigenous nationalities and peoples, Afro-Ecuadorian people, Montubio people and communes. This activity will seek opportunities to strengthen dialogue with this group of stakeholders towards the implementation of REDD+ in the country. This will include a component to support dialogue and strengthening communication among second- and third-degree indigenous organizations, to effectively engage communities, indigenous and non-indigenous peoples and nationalities and different organizational levels in the process.
242. Activity 2.2.3 Implementation of the consultation process at the national level. This process starts with the definition of the procedures required for a proper consultation process. These procedures must be defined in a participatory manner taking into account that the consultation process may be different for the different actors, in particular for communities, indigenous peoples and nationalities, Afro-Ecuadorians, Montubio people and communes. After a joint definition of the best way to undertake the consultation process, it must be implemented at the national level during the preparation phase for implementing REDD+ in the country.
243. Activity 2.2.4. Creation of working groups on specific ENREDD+ topics. This activity seeks to consolidate the process of the two components of the Civil Society Involvement Program in the activities implemented in previous activities (information dissemination and consultation) looking for effective engagement of stakeholders in the process. The aim of the workshops, among other things, is to develop joint proposals that contribute to the preparation phase for REDD+ and can be implemented later. It will be necessary to establish a methodology for working groups to ensure their effectiveness; specific timeframes and issues will be considered.
244. Activity 2.2.5 Implementation of capacity-building programs. This activity aims to develop local capacity for effective implementation of REDD +. These programs should be on specific issues according to what was defined in ENREDD+.

245. Activity 2.2.6. Evaluation of the implementation of the output strategy (2.2) and update. It is considered that the engagement of stakeholders throughout the preparation process for the implementation of REDD+ is dynamic, and therefore will require periodic evaluation of the implementation of the strategy to adjust it to a new context if deemed necessary.
246. Output 2.3 Monitoring System to assess the effectiveness of the engagement of key stakeholders and good governance. This output seeks to create and implement a monitoring and evaluation system of effective involvement of civil society and communities, indigenous peoples and nationalities, Afro-Ecuadorian people, Montubio people and communes, in the process of designing and implementing the REDD+ mechanism in the country. The ultimate goal is to evaluate participatory governance led by the Government and include all stakeholders, taking into account gender, poverty and multicultural dimensions. In addition, the REDD+ Social & Environmental Standards as well as guidelines developed by the UN-REDD Programme will be taken into account in the definition of the system. The system will include the definition and implementation of a mechanism for conflict resolution and monitoring of complaints related to the development and implementation of the ENREDD+. Activities under this output include:
247. Activity 2.3.1. Design of the monitoring system through a participatory methodology. This should include developing specific indicators to conduct a proper monitoring process.
248. Activity 2.3.2. Implementation of the system in some pilots. Incorporating communities in this activity to establish a mechanism to evaluate the information shared in the communities through field visits, encouraging the creation of citizen oversight committees or establishing monitoring groups in local communities to monitor the involvement of members of organizations and grassroots movements throughout the process of preparation and implementation of REDD+ in the country.
249. Activity 2.3.3. Periodic evaluations of the engagement and governance process. This activity aims to evaluate the engagement process so as to provide input to adjust the process and achieve the desired objectives of the preparation and subsequent implementation of REDD+ in the country. Furthermore, it is intended that the process of engagement will ensure "good governance" in REDD+ activities.
250. Outcome 3: Policies and instruments for the implementation of REDD + developed. Whereas REDD+ is a cost-effective way to mitigate climate change, an effective implementation of the mechanism and long-term sustainability of the measures implemented to reduce emissions from deforestation and forest degradation will require that these activities are coordinated with and complement other alternatives that contribute to social and economic development of the country in the future. REDD+ will meet its long-term objectives if additional funding is leveraged in the future through new investments in sectors/activities that complement those implemented through REDD+.
251. For example, it is necessary to invest in alternative measures to reduce the demand for forest resources both nationally and internationally. This will require investments to improve the use and development of current options for the forestry sector, to identify alternatives to forest resources and encourage them and, investing in the development of new options. Outcome (3) is to demonstrate that the REDD+ is a real alternative for the development of Ecuador but also represents a first step that, with the profits generated, will contribute to making new investments for the implementation of other activities that also support the development of the country and allow long-term sustainability of the results achieved through REDD+.

252. In Ecuador, it is necessary to carry out multi-criteria studies (accounting for economic, social, environmental issues) to assess the social and financial costs involved in the implementation of REDD+ and compare them with potential benefits in the short, medium and long term. These studies seek to demonstrate that REDD+ represents a real alternative to other land uses. The work is not only analytical but also develops policies and policy instruments that can be applied in the country considering, among other things, the national context and current legislation.
253. Additionally, it is important to analyze the causes of deforestation and forest degradation in greater depth and detail, and look for sustainable alternatives, as a requirement to effectively reduce deforestation and forest degradation in the country.
254. Output 3.1 Socio-economic analysis of the implementation of a REDD mechanism + in Ecuador. This output seeks to conduct the necessary studies to estimate the costs and benefits of implementing REDD+ in Ecuador, considering, among other things, the external determinants of the implementation of the mechanism. Different options or scenarios should be considered with alternative land use for comparative analysis and cost-effective ways to then seek options to promote REDD+ activities vs. other land use alternatives. The "alternatives" proposed are directly related to the relationship sought between REDD+ and other "alternatives" to contribute to sustainable socio-economic development and the mobilization of additional financial resources in the future.
255. Activity 3.1.1 Identify and analyze the causes of deforestation and forest degradation at the national level. As mentioned in previous sections, it is difficult to characterize the causes of deforestation and degradation in Ecuador as the process is quite dynamic and varies from region to region or by province. However, the MAE recognizes the importance of identifying these causes before implementing policies and measures to solve them. Only in this way will actions to reduce deforestation and degradation and resulting GHG emissions be effectively implemented. This analysis should include the study of the impact of the demand for wood in deforestation and forest degradation. It is necessary to understand the dynamics of the demand for wood in Ecuador, both at the national and international levels.
256. Activity 3.1.2 Propose actions to address the causes of deforestation and degradation. It is necessary not only to identify the causes but to define specific policies and activities to thwart these causes. Parallel to the definition of actions to address the causes of deforestation, it is necessary to propose sustainable alternatives to the use and exploitation of resources.
257. Activity 3.1.3 Conduct a multi-criteria analysis of REDD+ that includes determining the total costs and expected benefits of implementing a REDD+ mechanism in Ecuador. It is necessary to develop a multi-criteria study to analyze REDD+ as a policy to be implemented nationwide. Moreover, it is necessary to estimate the costs of implementing REDD+ for the country. The analysis should include costs associated with the operation of the mechanism, transaction costs and opportunity costs. This last aspect is directly linked to activity 3.1.1 as estimating the opportunity costs is critical to understanding the causes of deforestation and forest degradation. In addition to estimating costs, it is necessary to estimate the expected benefits for a country that would be defined by the difference between the income received from reducing emissions and what it costs to reduce them. This corresponds to the direct benefits of the implementation of REDD+. However, when talking about multiple benefits it would also be necessary to calculate economic estimates to assess these additional benefits, both environmental and social, so that implementation of the mechanism has a value added. Also, it should be taken into account that there is a difference between estimating the costs of REDD+ and estimating the costs of ensuring emission reductions in the long term. This activity should consider the two aspects.



258. Activity 3.1.4 Analyze other land uses and compare them with the implementation of REDD+. This activity is directly linked to the analysis of opportunity costs of activity 3.1.3 as, when analyzing the costs and benefits of other land uses and comparing them with those of REDD+, what is being estimated is the benefits that would be forgone by prioritizing the implementation of the mechanism compared to other land uses. The development of this activity should be conducted through an analysis of scenarios and then, based on the results, propose viable and sustainable alternatives in the long term.
259. Output 3.2 Design of policies and actions for the effective implementation of REDD+. In addition to an economic analysis, this result seeks to define policies, instruments and mechanisms, that are viable proposals to be implemented immediately in the current context of the country, using as input the results of output (3.1). Besides helping to reduce emissions from deforestation and forest degradation, these measures should also promote socio-economic development in the country. Policies and measures for REDD+ should be developed in a participatory manner, taking into account the results of cost-benefit and multi-criteria analysis, prioritizing them, by including feasibility analysis and implementation of policies and measures in pilots.
260. Outcome 4: Development of the necessary operational framework for the implementation of the REDD+ mechanism. The operational framework required for the implementation of the REDD+ mechanism in Ecuador is composed of the necessary legal, institutional and financial structures to enable the implementation of the REDD+ mechanism. As mentioned before, a great part of the technical and financial support from the German cooperation includes activities related to the development of this operational framework. However, it will be necessary to include other complementary activities to the work of the MAE related to this result. As previously stated, the current support that the MAE receives from GIZ basically consists of efforts to define a regulatory proposal for Art. 74 of the Constitution to regulate the service, supply, use and development of the Environmental Services (SA in Spanish). Meanwhile, with the German Development Bank (KfW), through the System Benefit Funds (SBF), the financial architecture for the development of REDD+ activities in Ecuador is being designed, taking the particularities of the country into consideration. Additionally, in compliance with the provisions of Executive Decree 495, the Undersecretariat of Climate Change is developing a registration system for mitigation measures at the national level. This system includes a module for the registration of REDD+ initiatives developed in Ecuador.
261. The registration system information will be accessible to the general public, made available through the MAE's web page. The system will provide the public with a section that allows them to view registered projects and their relevant information. In order to guarantee that local communities consent to the development of the project, which is a requisite for obtaining the registration letter, the system will also require that the project developer attach a document through which the communities grant their support for the development of the project. It is crucial to ensure the existence of evidence proving that all community members have knowledge of the project and that the decision has been made according to established norms and procedures.
262. This NJP result seeks to create a tracking and monitoring module for REDD+ projects as part of the registration system (REDD+ module) and use it in the initiatives that are currently being developed in the country.
263. Output 4.1: Module for tracking and monitoring REDD+ initiatives, developed within the national registration system. This output includes the definition and implementation of a tracking and monitoring module for REDD+ projects developed in the country. The module would be part of the national registration system for climate change mitigation activities and initiatives, which includes a specific module for REDD+. The REDD+ registration and tracking system will be similar to the MAE's registration system for Clean Development Mechanism (CDM) projects. Among other things, a registration letter and, subsequently, a backup or approval letter for REDD+ projects developed in Ecuador, will

be issued by a competent national authority, i.e. the MAE. This output will be achieved through three activities.

264.

265. Activity 4.1.1: Support to the operation of the REDD+ tracking and monitoring module, as part of the national registration system for Climate Change mitigation activities, which include REDD+ activities. This activity consists of the module's operational and technological development and its installation at the MAE for operation. The activity includes identifying technical/technological and human capacity requirements for its operation, as well as the development of the activities necessary for the installation of these technical/technological and human capacities in the MAE, so that the module can be set in motion. It is necessary to consider that independent monitoring processes such as field visits and project evaluations should be carried out as part of the tracking and monitoring procedures.

266. Activity 4.1.2: Integration of the national registration system for REDD+ initiatives within the international system. If efforts to reduce GHG emissions from the forestry sector are to be consistent, it is necessary to have an international system that allows for the determination of the reduction of GEI emissions attributed to REDD+. Consequently, this activity will seek to make the necessary arrangements for the integration of the Ecuadorian national registration system into the international system. Although this output depends on the existence of such an international system, it is understood that the countries implementing REDD+ initiatives could define a model international system within the UN-REDD Programme, for the eventual definition of a UNFCCC system.

267. Activity 4.1.3: Strengthening of institutional capacities: ensuring the necessary institutional capacity for system maintenance, including the capacity to modify the system components and its permanent updating, so it can respond to the continuing requirement of features linked to the registration system.

268. Activity 4.1.4 Piloting the REDD+ tracking and monitoring module in the field. This activity seeks to undertake pilot activities to test the module developed in activity 4.1.1 and adjust it, if deemed necessary.

269. Outcome 5. Multiple<sup>95</sup> environmental and social benefits guaranteed. As mentioned above, ensuring the delivery of "multiple benefits" or "co-benefits" associated with the implementation of REDD+ is of extreme importance for Ecuador. Considering the linkages between indigenous peoples and forest-dependent communities and their ecosystems, it is essential for the country to ensure the multiple benefits of implementing REDD+. Moreover, given the high biological diversity of native forests in the country, the ES associated with the good conditions of these native forests and the poverty levels of the populations living in or next to them, offer a great opportunity to demonstrate how the implementation of REDD+ would contribute to the conservation of biological diversity, the maintenance of ESs and the improvement of the quality of life of populations living in or next to the forest. Thus, Ecuador seeks to implement a "high quality" REDD+ mechanism, which contributes not only to the reduction of deforestation emissions, but also to the promotion of other social and environmental benefits. This is also aimed at ensuring compliance with the environmental and social safeguards established in the UNFCCC.

270. This output seeks to define mechanisms to measure and monitor those multiple benefits, as well as to identify the mechanisms that allow for the leveraging of the delivery of the above-mentioned multiple benefits, or others that can be associated with the implementation of REDD+ in Ecuador. It also seeks to supplement the efforts already

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<sup>95</sup> Multiple benefits means those additional social and environmental benefits from deriving from the implementation of a REDD+ mechanism, that is to say those benefits additional to GEI emissions due to deforestation and forest degradation.

launched by Ecuador through the "REDD+ Social and Environmental Standards" initiative in terms of financing and defining, measuring and monitoring the multiple benefits.

271. Output 5.1: Multiple benefits monitoring system. This output seeks to define a multiple benefits monitoring system to be subsequently implemented by the MAE or other institutions that may be in charge of system implementation, and to identify other stakeholders relevant to the implementation of the system and their role. The aim is to coordinate and complement the efforts already initiated at the MAE through the "REDD+ Social and Environment Standards" initiative, whose current second phase seeks to develop the national interpretation for Ecuador and its implementation in pilot sites. In this case, the monitoring system should result from a harmonization between the "REDD+ Social and Environment Standards" initiative and the initiatives of the UN-REDD Programme on this matter, so that there is only one monitoring system for the multiple benefits in the country. Two activities are proposed to achieve this outcome.
272. Activity 5.1.1: Identification of social and environmental benefits (baseline) related to REDD+ (second phase of the work program with UNEP-WCMC). This activity intends to identify and characterize the social and environmental benefits associated with the implementation of REDD+. This activity is intended to complement Ecuador's present efforts, including the "REDD+ Social and Environmental Standards" initiative (where the standard's principles, criteria and indicators have been identified, allowing for the identification of social and environmental benefits) and a joint initiative with UNEP-WCMC to identify environmental benefits. The latter has already started working in Ecuador, and both global and national (if available) data is being used to identify social and environment benefits. The second phase of this initiative will draw on specific country information, where available (such as information provided by the Environment National Fund- ENF) to adapt the identification of environmental benefits at the country level. This activity should identify the social and environmental benefits to be monitored by the system, which have been identified based on the harmonization of different ongoing initiatives in Ecuador ("REDD+ Social and Environment Standards", UNEP-WCMC and UNREDD Program)
273. Activity 5.1.2: Definition of the multiple benefits monitoring system. This activity consists of developing a multiple benefits monitoring system applied to the social and environmental benefits identified in the previous activity. Additionally, this activity seeks to identify technical/technological and human capacity requirements, as well as the stakeholders involved in its implementation.
274. Output 5.2: Definition of the multiple benefits leverage strategy. This output seeks to define a strategy that goes beyond the identification of multiple social and environmental benefits and rather serves to enhance the capacity to ensure that the implementation of REDD+ truly contributes to maintaining these benefits. This is an additional product not yet included in any ongoing activity on this matter in Ecuador. Three activities are suggested to achieve this output.
275. Activity 5.2.1: Definition and implementation of mechanisms to enhance multiple benefits (including economic and multi-criteria valorization). This activity consists of conducting the necessary studies to define valid mechanisms – that account for national circumstances in Ecuador – to enhance the capacity to deliver multiple benefits through the implementation of REDD+, for example, including an approach that improves the ecosystem functions of forests. The result of this activity should provide a description of those mechanisms and a proposal for their implementation in the context of the National REDD+ Strategy in Ecuador. Subsequently, it seeks to implement "pilot actions" of the proposed mechanisms to test their effectiveness in the country and, eventually, scale up their implementation.
276. An adequate Strategy implementation requires case studies to identify and enhance the multiple benefits through pilot activities, considering local realities with regards to

geographical and socio-economic situations. To this end, work will be done at the local level, in the communities, taking into account the existing capacities and ancestral knowledge.

277. Activity 5.2.2: Implementation of the MRV monitoring system for multiple benefits. This activity needs to incorporate MRV criteria into the monitoring system of multiple social and environmental benefits associated with the implementation of REDD+. Moreover, the necessary actions to meet the technical/technological and human capacity needs of stakeholders for the implementation of a multiple benefits monitoring system with MRV features need to be implemented. This is closely linked to activity 5.1.2., which defines the multiple benefits monitoring system, especially the system's methodological protocol.
278. Activity 5.2.3: Application of harmonized REDD+ standards, UN-REDD" – "REDD+ Social and Environmental Standards". As mentioned above, the objective of this NJP outcome is to harmonize both ongoing initiatives in Ecuador related to the multiple benefits associated with REDD+ implementation, so as to obtain a consolidated multiple benefits initiative in Ecuador that allows for the application of those standards in specific cases. The need for pilot exercises in the application of standards has been determined, either using the PSB platform, or in early REDD+ demonstrative activities in Ecuador. Once the application of standards is implemented through the pilots, this activity will also include the necessary adjustments to the standards for their application at the national level. This activity should result in standards harmonized among the multiple benefits initiatives applied in Ecuador, the pilot exercises, and the necessary adjustments for their application implemented at national level.
279. Outcome 6: Design and implementation of the benefits distribution system.<sup>96</sup> As part of the institutional, legal and financial arrangements for implementing REDD+ in Ecuador, it is necessary to work on the definition of a REDD+ benefits distribution system. As explained above, the development of the operational framework for implementing REDD+ in Ecuador is currently supported primarily through the German cooperation. As part of the operational framework definition, institutional, financial and legal resources need to be specified to develop REDD+ initiatives in the country. This NJP outcome seeks to contribute to the definition of the benefits distribution system, which is tied to the definition of legal tools and financing resources for the implementation of REDD+. Given that REDD+ implementation initiatives may potentially involve economic benefits for the participants in REDD+ initiatives, it is crucial to clearly define a system for the distribution of these benefits. The creation of a specific independent body to ensure transparency in the benefits distribution system is suggested. This body would undertake oversight and audit processes as defined in output 6.1. This NJP result seeks to design and implement this system for Ecuador.
280. Output 6.1: Mechanism for benefits distribution validated and in process of implementation. Three different ways of developing REDD+ demonstrative activities have been identified in Ecuador (REDD+ projects in areas that are part of Socio Bosque Program; projects in areas of the State Forest Heritage and other areas under the MAE's jurisdiction; and private projects and initiatives in areas that are not part of Socio Bosque Program). This output aims to develop and implement a mechanism for the distribution of benefits that includes: (1) all the possible alternatives for REDD+ projects in Ecuador and (2) all the stakeholders that participate in REDD+ initiatives. The MAE's preliminary definitions of this issue establish that most of the benefits should target forest owners or direct beneficiaries (indigenous communities or other local communities) implementing the activities to reduce deforestation and associated emissions at the local level.

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<sup>96</sup> In this result, "benefits" specifically refers to potential economic benefits from the implementation of a REDD+ mechanism.

281. The mechanism for benefit distribution should consider planning tools at the local level such as community life plans, local development plans and local land-use plans. The provisions of these tools can be an input for the definition of benefit distribution schemes and for the potential activities supported by those benefits at the community level. These tools should take the organizational structure of communities into account and should also include a module for tracking and monitoring benefit distribution at the community level so as to ensure transparency, through the definition of accountability procedures.
282. Activity 6.1.1: Identification of alternative mechanisms for benefit distribution and analysis of their potential impacts. This activity aims to define and analyze different alternatives for the distribution of economic benefits associated with REDD+ implementation, drawing on Ecuadorian experiences in implementation, such as the Socio Bosque Program (PSB). Additionally, this activity must define the potential impacts that those mechanisms may have on the participants in the implementation of different REDD+ schemes in Ecuador. This analysis must consider specific national conditions, including the mechanism for benefit distribution proposed by PSB. The result of this activity would be a study that identifies different options for benefit distribution schemes, describing their application and analyzing advantages, disadvantages and impacts on the different stakeholders involved in REDD+ implementation, according to the different schemes suggested for Ecuador. Experiences of other countries on the matter will also be taken into account to complement the study.
283. Activity 6.1.2: Review of the benefit distribution mechanism design and of pilot project implementation which will test the proposed system. As the analysis developed in the previous point about the possible mechanisms for benefit distribution indicates, this activity presents the definition of one of those mechanisms for each REDD+ implementation scheme and its application in demonstrative activities. The implementation of these mechanisms can generate lessons learned for the adjustment of said mechanisms in its implementation at the national level. The product of this activity will be the implementation of benefit distribution mechanism/s in REDD+ activities or pilot projects.
284. Activity 6.1.3: Analysis of how to include criteria to ensure an equitable and horizontal distribution. One of the challenges in defining benefit distribution schemes is to guarantee an equitable and inclusive distribution to ensure the welfare of and provide attractive benefits to all those involved, including the local stakeholders. This activity seeks to carry out an analysis of how to guarantee the achievement of an equitable benefit distribution, without jeopardizing any stakeholder's opportunity to benefit. The result of this activity will be a study that defines the criteria to be considered in guaranteeing an equitable benefit distribution among the REDD+ implementation stakeholders and how to implement them. This study should include the definition of criteria for strengthening monitoring processes, conflict resolution and accountability at the community level.

#### Sustainability of results

285. The legal provisions that ensure the sustainability of the results in Ecuador's case are the Constitution, the National Plan for Good Living and the National Environmental Policy. These instruments establish the country's environmental priorities, which include the definition of deforestation reduction, and establishing mitigation and adaptation to climate change as a matter of State policy. The NJP will be framed within those existing legal tools and will be implemented to strengthen ongoing REDD+ processes in Ecuador. The implementation of this NJP result will contribute to capacity building and ensure that Ecuador completes its preparation phase for the implementation of REDD+.
286. The sustainability of the results is also guaranteed because the NJP is integrated into the National REDD+ Strategy. The Strategy is the general framework for the preparation and future implementation of REDD+ in the country. On the other hand, the National

REDD+ Strategy articulates with the model of forestry governance and the CC National Mitigation Program, the MAE's vehicles for forest and climate change management. The implementation of the Forest Governance Model and of the National Climate Change Mitigation Program are the two cornerstones for mainstreaming environmental management in Ecuador.

287. Additionally, this NJP is designed for implementation in a coordinated manner with other ongoing initiatives and articulately with other cooperation programs, such as the German cooperation or other UN projects. This ensures synergies and diversifies the stakeholders and financial resources, even when the goal is the same, completing the preparation phase for the implementation of REDD+ in the country and ensuring the sustainability of activities.

## 6. Results Framework

Long-term Goal							
By 2013, Ecuador will have completed the readiness stage for the implementation of the REDD+ mechanism at the national level with involvement of all relevant institutions and stakeholders, who have more skills and tools to exercise their right to a safe and healthy environment, environmental sustainability, including biodiversity conservation, integrated natural resource management, environmental management and the development of responses for adaptation and mitigation to climate change.							
Program Outcome							
Support Ecuador in completing the readiness stage for the implementation of the REDD+ mechanism at the national level through the implementation of specific activities framed within the country's National REDD+ Strategy							
Result	Participating UN agency	UN agency's Corporate priority	Implementing partner	Indicative activities for each output	Resource allocation and indicative time frame* (1.000usd)		
					Y1	Y2	Total
<b>Outcome 1: National forest monitoring system designed and implemented</b>							
National Forest Assessment	FAO	1. Promote the sustainable use of natural resources 2. Promote sustainable forest management 3. Participatory development of national plans for	SPN - MAE	1.1.1 Support for ENF data collection in the field 1.1.2 Support for ENF data processing	272.578	272.578	545.156

Historical Map of deforestation, degradation and carbon sequestration related activities	FAO	natural resources management 4. Strengthen policies that contribute to poverty reduction for local development and encourage capacity building at local, national and regional levels	SPN - MAE	1.2.1 Data collection in areas with no information	210.000	106.294	316.294
Reference Scenario for emissions from deforestation, degradation and carbon sequestration activities (ERED)	FAO-PNUMA		SPN - SCC - MAE	1.3.1 Development of ERED Methodological Protocol 1.3.2 Definition of the ERED 1.3.3 Definition of the country's projection of emissions from deforestation and forest degradation	105.690	63.000	168.690
National GHG MRV Monitoring System for the Forestry Sector	FAO		SPN - SCC - MAE	1.4.1 Design and implementation of national GHG MRV monitoring system for the forestry sector 1.4.2 Development of institutional and technical capacities for the development of a GHG inventory	210.000	317.156	527.156
<b>Outcome 2: Process of consultation with and involvement of civil society, communities, indigenous peoples and nationalities, Afro-Ecuadorian people, Montubio people and communes for REDD+ implemented nationwide</b>							
Dissemination of REDD+ information among key stakeholders	UNDP	Priorities mentioned in the previous section	SCC	2.1.1 Informational workshops 2.1.2 Training events 2.1.3 Communication materials	159.000	104.578	263.578



Development and implementation of the "Civil Society Involvement Program" implementation strategy	UNDP- UNEP		SCC	<p>2.2.1 Development of the "Civil Society Involvement Program" implementation strategy</p> <p>2.2.2 Proper process of dialogue with communities, indigenous nationalities and peoples, Afro-Ecuadorian people, Montubio people and communes</p> <p>2.2.3 Implementation of the consultation process at the national level</p> <p>2.2.4 Creation of working groups on specific ENREDD+ topics</p> <p>2.2.5 Implementation of capacity-building programs</p> <p>2.2.6 Evaluation of the implementation of the output strategy (2.2) and update</p>	263.872	316.000	579.872
Monitoring System to assess the effectiveness of the engagement of key stakeholders and good governance	UNDP		SCC	<p>2.3.1. Design of the monitoring system through a participatory methodology;</p> <p>2.3.2. Implementation of the system in some pilots;</p> <p>2.3.3.- Periodic evaluations of the engagement and governance process</p>	105.432	105.431	210.863
<b>Outcome 3: Policies and instruments for the implementation of REDD + developed</b>							

Socio-economic analysis of the implementation of a REDD+ mechanism in Ecuador	UNDP – UNEP	Priorities mentioned in the previous section	SPN - SCC	<p>3.1.1 Identify and analyze the causes of deforestation and forest degradation at the national level</p> <p>3.1.2 Propose actions to address the causes of deforestation and degradation</p> <p>3.1.3 Conduct a multi-criteria analysis of REDD+ that includes determining the total costs and expected benefits of implementing a REDD+ mechanism in Ecuador.</p> <p>3.1.4 4 Analyze other land uses and compare them with the implementation of REDD+.</p>	85.000	73.147	158.147
Design of policies and actions for the effective implementation of REDD+	UNDP – UNEP		SPN - SCC	3.2.1 Proposal of policies and actions	105.578	158.000	263.578
<b>Outcome 4: Development of the necessary operational framework for the implementation of the REDD+ mechanism</b>							
Module for tracking and monitoring REDD+ initiatives, developed within the national registration system	UNDP	Priorities mentioned in the previous section	SCC	<p>4.1.1 Support to the operation of the REDD+ tracking and monitoring module, as part of the national registration system for Climate Change mitigation activities, which include REDD+ activities.</p> <p>4.1.2 Integration of the national registration system for REDD+ initiatives within the international system</p> <p>4.1.3 Strengthening of institutional capacities</p> <p>4.1.4 Piloting the REDD+ tracking and monitoring</p>	32.629	30.630	63.259

				module in the field.			
<b>Outcome 5: Multiple environmental and social benefits guaranteed</b>							
Multiple benefits monitoring system	UNEP-UNDP	Priorities mentioned in the previous section	SCC	5.1.1 Identification of social and environmental benefits (baseline) related to REDD+ (second phase of the work program with UNEP-WCMC) 5.1.2 Definition of the multiple benefits monitoring system	64.345	20.000	84.345
Definition of the multiple benefits leverage strategy	UNEP - UNDP		SCC	5.2.1 Definition and implementation of mechanisms to enhance multiple benefits (including economic and multi-criteria valorization) 5.2.2 Implementation of the MRV monitoring system for multiple benefits 5.2.3 Application of harmonized REDD+ standards, UN-REDD" - "REDD+ Social and Environmental Standards".	74.000	105.233	179.233
<b>Outcome 6: Design and implementation of the benefits distribution system</b>							

Mechanism for benefits distribution validated and in process of implementation	UNEP – UNDP	Priorities mentioned in the previous section	SCC	6.1.1 Identification of alternative mechanisms for benefit distribution and analysis of their potential impacts 6.1.2 Review of the benefit distribution mechanism design and of pilot project implementation which will test the proposed system 6.1.3 Analysis of how to include criteria to ensure an equitable and horizontal distribution	85.147	73.000	158.147
<b>Common expenses</b>	Staff, office, evaluation, audits, communication, others (UNDP)				220.000		220.000
FAO	Program Cost Funds managed by UNDP for common expenses Total before indirect costs Indirect costs Funds transferred from MDTF, including indirect costs						1,546,285 "-73,333" 1,472,951 103,107 1,576,058
UNDP	Program Cost Funds managed by UNDP for common expenses Total before indirect costs Indirect costs Funds transferred from MDTF, including indirect costs						1,399,131 "+73,333" 1,472,465 103,073 1,575,537
UNEP	Program Cost Funds managed by UNDP for common expenses Total before indirect costs Indirect costs Funds transferred from MDTF, including indirect costs						792,902 0 792,902 55,503 848,405
Total	Indirect Program Cost (7%)						261.682
	Program Cost						4.000.000

## UN-REDD Ecuador Logical Framework Proposal

Result	Indicator	Baseline	Target	Means of verification	Risks and assumptions
<p><b>Goal:</b> By 2013, Ecuador will have completed the readiness stage for the implementation of the REDD+ mechanism at the national level with involvement of all relevant institutions and stakeholders, who have more skills and tools to exercise their right to a safe and healthy environment, environmental sustainability, including biodiversity conservation, integrated natural resource management, environmental management and the development of responses for adaptation and mitigation to climate change.</p>					
<p><b>Objective:</b> Support Ecuador in completing the readiness stage for the implementation of the REDD+ mechanism at the national level through the implementation of specific activities framed within the country's National REDD+ Strategy</p>	<p>National REDD+ Strategy developed in a participatory manner and implemented in Ecuador nationwide.</p>	<p>SCC is currently preparing the ENREDD+ document for its socialization, discussion and validation with key stakeholders. Some of the activities that are part of the strategy are already being implemented.</p>	<p>By 2012, Ecuador has completed the design of the ENREDD+ at the national level started its implementation</p>	<p>ENREDD+ documents; workshops and meetings, results of implemented activities.</p>	<p>Lack of inter-sectoral and inter-institutional coordination causes problems in the ENREDD+ implementation process. The reduction of deforestation in the country remains a national priority.</p>
<p>Outcome 1: National forest monitoring system designed and implemented</p>	<p>Information about carbon and biomass by forest type estimated at the national level in Ecuador</p>	<p>The implementation of the National Forest Assessment Project began in July 2009. To date, methodological protocol developed and validated; data collecting in the field began in September.</p>	<p>In late 2012, Ecuador has preliminary results of the National Forest Assessment at the national level</p>	<p>Project progress documents developed as data is gathered and subsequent processing of field information</p>	<p>Ecuador's forest diversity may cause difficulties in data gathering in the field</p>
	<p>Ecuador's deforestation rate updated</p>	<p>The Deforestation Historical Map project started in 2009 to determine, through 3-period multi-temporal analysis (1990 - 2000 - 2008), the deforestation rate in Ecuador. Preliminary results of the deforestation rate at the national level are available. There is an</p>	<p>By 2011, Ecuador knows its deforestation rate at the national level (including analysis of information gaps)</p>	<p>Final document with the results of Deforestation History Map project" with detail of the deforestation rate in Ecuador in 2008 (this document includes analysis of the information gaps related to the persistence of clouds in the North, which</p>	<p>Data gathering becomes difficult in the north due to the persistence of clouds in the area. For this reason, it is necessary to use other technologies for data capture.</p>

		information gap of 30% due to persistent cloudiness.		will be compensated with the use of new technologies such as RADAR and/or LIDAR	
	Reference Scenario for Emissions from Deforestation defined	In December 2009, Some approaches were made in December 2009 to define the methodological protocol to be applied in the creation of the ERED.	By 2012, Ecuador has defined the historical ERED and projected future emissions	Results of the validation of methodological protocol to develop the ERED. Document containing historical results and projections of future emissions of the ERED	ENF projects and "Historical Deforestation Map" present results as planned. Technical errors directly impact the estimates of emission reduction that could be achieved through the implementation of REDD + and, therefore, future potential benefits are directly affected.
	National GHG MRV Monitoring System established for forestry	Ecuador has not yet begun working on the development of the National GHG MRV Monitoring System. Development of the methodological protocol for the PSB monitoring system	By 2013 Ecuador is implementing a GHG monitoring system with MRV features applied to forestry	Technical / technological and human capacities installed in the MAE  Operational GHG monitoring system	

### Outputs

1.1: National Forest Assessment

1.2: Historical Map of deforestation, degradation and carbon sequestration related activities

1.3: Reference Scenario for emissions from deforestation, degradation and carbon sequestration activities (ERED)

1.4: National GHG MRV Monitoring System for the Forestry Sector

Outcome 2: Process of consultation with and involvement of civil society, communities, indigenous peoples and nationalities, Afro-Ecuadorian people, Montubio people and communes for REDD+	Number of dissemination and capacity-building workshops on REDD+ with different sectors	1. The process of participation and engagement with stakeholders of civil society through the creation of an informal group to work on the preparation for the	By 2012, the issue of REDD+ has been socialized at local, provincial, regional and national level with all those involved directly or indirectly in the	Presentations prepared for the workshops; communication materials produced and disseminated; number of workshops; record of	Indigenous peoples and nationalities are interested in maintaining a constant dialogue with the Government (MAE) and receive
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implemented nationwide		<p>implementation of REDD + in Ecuador with those interested in working with the MAE on the subject has begun.</p> <p>2. Forest Dialogue held in June for the implementation of REDD+ in Ecuador. The event was</p>	implementation of the mechanism.	attendance	information about the REDD+, and are also interested in getting involved in the preparation process for implementing the mechanism in Ecuador both at the organization and grassroots level.
	Number of local stakeholders who know and participate in the process of construction and implementation of the ENREDD+ in Ecuador	<p>attended by national NGOs, private sector, representatives of indigenous communities, Government actors) and international stakeholders (other countries that are also in the preparation phase for</p>	By 2012, key stakeholders are aware and involved effectively in all processes related to the design and implementation of ENREDD+ in Ecuador	Participation in meetings and workshops; joint implementation of activities (Government and other stakeholders); attendance lists; documents prepared; validated ENREDD+	Other stakeholders in government, indigenous peoples and nationalities and other civil society stakeholders interested in working effectively in the design and implementation of REDD+ in Ecuador.
	Stakeholders trained for the implementation of REDD+ activities at the local level	<p>implementing REDD+ in their countries, international NGOs, representatives of international cooperation, the UNREDD program, the FCPF, among others).</p> <p>3. Dialogue with and rapprochement to peoples and nationalities at second and third level organizations.</p> <p>4. Platform created by the PSB used to start dialogue on REDD+ with indigenous representatives at the grassroots level.</p> <p>5. Existing information about REDD+ is being disseminated throughout the</p>	At the beginning of 2013, the necessary capacities in local stakeholders who implement activities to reduce deforestation and associated emissions have been built to effectively implement the mechanism.	Training courses and workshops held, specific implementation activities; record of attendance.	Conflict among key stakeholders and potential beneficiaries.

		country.			
<b>Outputs</b>					
2.1: Dissemination of REDD+ information among key stakeholders					
2.2: Development and implementation of the "Civil Society Involvement Program" implementation strategy					
2.3: Monitoring System to assess the effectiveness of the engagement of key stakeholders and good governance					
Outcome 3: Policies and instruments for the implementation of REDD + developed	Economic studies conducted on REDD+	The German cooperation will support a research to identify the causes of deforestation in the Amazonia province (Napo); the analysis will be expanded to other provinces next year	By 2012, Ecuador has an economic analysis and case studies to ensure that the mechanism is a viable alternative for reducing deforestation and associated emissions, and contributes to social and economic development.	Studies completed, presented and approved by the MAE; workshops and socialization.	In Ecuador, the analysis of causes of deforestation is complex as it is quite dynamic, and varies from province to province.
	Policy proposals and measures designed (based on results of output 3.1)	Ecuador has no previous economic studies on REDD+ issues	By 2012, there are at least three measures implemented as pilots aimed at changing the trend of deforestation in the country.	Proposed policies/measures implemented; results of the implementation of measures developed in specific sectors of the country	The proposed policies are articulated and complemented by other Government policies in other strategic sectors and feasible to implement given the national context.
<b>Outputs:</b>					
3.1 Socio-economic analysis of the implementation of a REDD+ mechanism in Ecuador					
3.2 Design of policies and actions for the effective implementation of REDD+					
Outcome 4: Development of the necessary operational framework for the implementation of the REDD+ mechanism	Registration system compatible with the international system established at the MEA	Some REDD+ projects (demonstration activities) are being developed in Ecuador; these projects will coordinate directly with the SCC at the MEA, however there is	By 2012, the MAE has a registration system for REDD+, aligned with the criteria developed at the international level.	Number of registered REDD+ initiatives and corresponding progress reports. System developed and in process of implemented.	Key stakeholders involved in the development of REDD+ initiatives are interested in participating from the start



		no formal registration system for these initiatives. In addition, the legal, financial and institutional framework required to implement REDD+ activities in the country is not yet defined.			
	Human capacity required for implementation of the REDD mechanism established	The MAE team working on the issue of REDD + is small. It is necessary to expand it and build capacities in the area.	By 2012, human capacities in REDD+ have been enhanced	Number of people trained in REDD+ and supporting the work done by the MEA in this area.	Reducing deforestation remains a national priority and the MEA continues to work actively in the country's readiness process to implement REDD+

**Outputs:**

4.1 Module for tracking and monitoring REDD+ initiatives, developed within the national registration system

Outcome 5: Multiple environmental and social benefits guaranteed	Multiple benefits identified and encouraged through the implementation of ENREDD+ in Ecuador	Multiple benefits (social and environmental) is a crosscutting component of ENREDD+; efforts to identify these potential additional benefits to WCMC joint initiative; additionally, the beginning of the second phase for the implementation of the social and environmental REDD+ standard in the ENREDD, June 2012	By 2013, mechanisms to ensure and enhance social and additional environmental benefits from the implementation of REDD+ will have been implemented	Results of working with UNEP-WCMC and the application of " REDD+ social and environmental standard"; studies developed; pilot actions implemented as mechanisms to enhance the multiple benefits.	Ensuring multiple benefits from implementing REDD+ remains a priority both nationally and internationally
	Multiple benefits monitoring system established	The implementation of REDD+ social and environmental standard will also evaluate options for monitoring the multiple benefits. No work has been done on developing a	By 2013, there is a multiple benefits monitoring system with MRV features	Reports on the multiple benefits from implementing a REDD+ mechanism	

		multiple benefits monitoring system as such.			
<b>Outputs:</b>					
5.1 Multiple benefits monitoring system					
5.2 Definition of the multiple benefits leverage strategy					
Outcome 6: Design and implementation of the benefits distribution system	Mechanism for the transfer and distribution of REDD among stakeholders defined and implemented	Preliminary analysis of the mechanisms of benefit distribution has been conducted through studies to define the regulations on environmental services in Ecuador.	By 2013 the Ecuador has a fair and equitable distribution mechanism established, which includes various alternatives for REDD+ activities in the country.	Registration of projects, beneficiaries, revenues, costs, etc. Studies to analyze alternative mechanisms for benefit distribution approved by the MEA.	Stakeholders agree on a benefit distribution mechanism and enable its implementation.
<b>Outputs:</b>					
6.1. Mechanism for benefits distribution validated and in process of implementation					

## **7. Management and Coordination Arrangements**

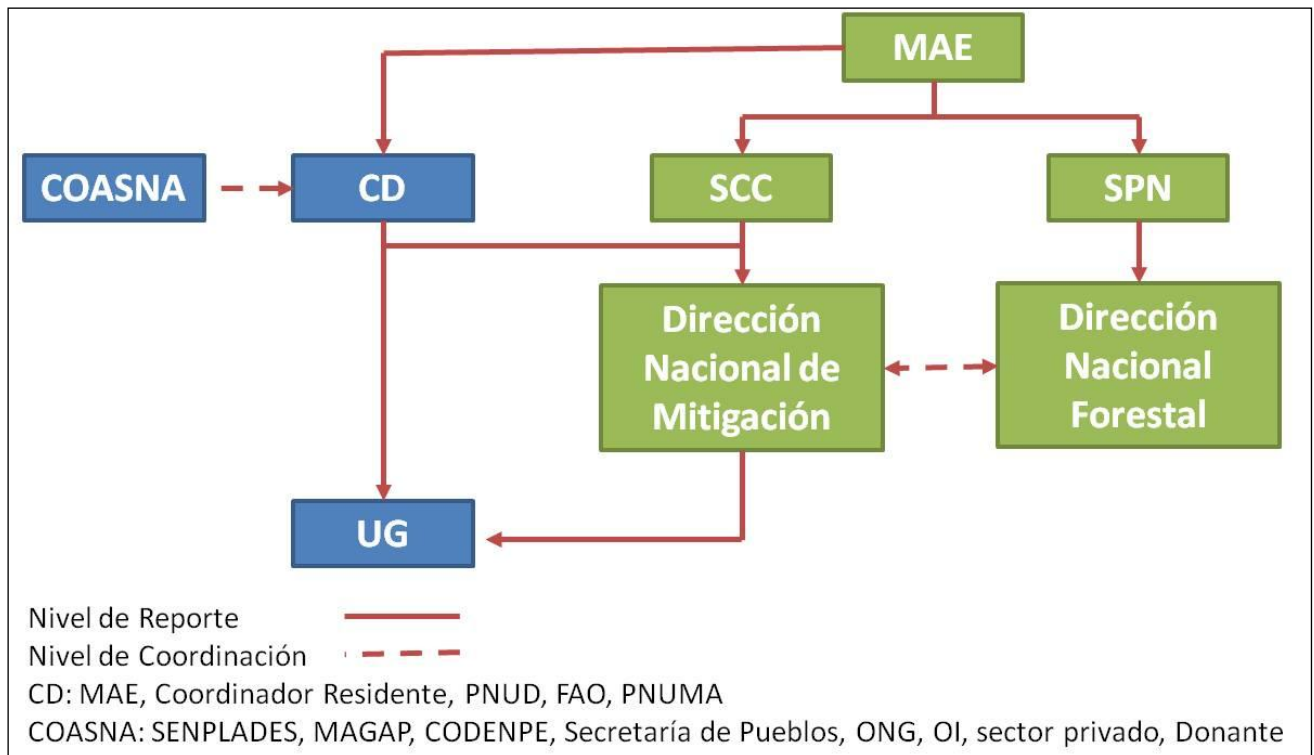
### ***PNC Global Organizational Structure***

288. The UN-REDD Policy Board provides overall leadership and sets the strategic direction of the UN- REDD Program. It decides on Program financial allocations, in line with the budget parameters set out in the UN-REDD Framework Document, and develops monitoring mechanisms, with a view to ensuring Fund-wide success. The UN-REDD Policy Body will ensure coordination with REDD actors at a global scale, such as the World Bank's FCPF participants' committee. The Terms of Reference and Rules of Procedure for the UN-REDD Policy Board will be made available on the UN-REDD Program website [www.un-redd.net](http://www.un-redd.net). The Indigenous People are represented in the UN-REDD Regulatory Board by the President of the United Nations Permanent Forum on Indigenous Issues, or designated person, and three observers representing the indigenous people of the three regions: Africa, Asia and the Pacific, and Latin America and the Caribbean.
289. The UN-REDD Secretariat serves the Policy Board, using the capacities of the participating UN organizations, research institutions and recognized experts. It ensures policies and strategies decided by the Policy Board are implemented and adhered to. The Secretariat will manage the national joint program review process. It will also manage the UN-REDD's overall monitoring and evaluation function which includes inter alia monitoring allocations to and delivery by the country joint programs, and tracking Program-wide progress and ensuring that monitoring mechanisms are applied.
290. The Secretariat's main roles can be summarized as follows:
- Policy Board support
  - Partner and external relations
  - Quality assurance and oversight of national joint programmes
  - Quality assurance and oversight of the International Support Functions described in the Global Joint Programme (hereafter referred to as the "Global Joint Program")
  - Monitoring and knowledge management
291. The Participating UN Organizations' Coordination Group consists of representatives of the three UN agencies: FAO, UNDP, and UNEP. The Coordination Group will have the main function in ensuring active, participatory, and well-coordinated engagement by the agencies to implement the goals and objectives of the overall UN-REDD Program, as well as to provide oversight of the Secretariat consistent with the strategic directions and decisions provided by the Policy Board.
292. Administrative Agent (AA): The UNDP Multi-Donor Trust Fund (MDTF) Office is the Administrative Agent of the UN-REDD Fund. The MDTF Office manages the distribution of resources and serves as the administrative interface with donors. The MDTF Office as AA will be responsible for:
- Receipt, administration, and management of contributions from donors;
  - Disbursement of funds to the Participating UN Organization, in accordance with the instructions of the UN-REDD Policy Board;
  - Provide support to FAO, UNDP, and UNEP in their reporting functions;
  - Compilation of consolidated narrative and financial reports to the Policy Board through the Secretariat, national steering committees, and to donors.

293. UN Resident Coordinator: The UN-REDD Programme will be supported by UN Resident Coordinators in their strategic leadership of the UN Country Team and relationships with national authorities. The UN Resident Coordinator will provide ongoing oversight to the joint program at the national level, ensuring the participating UN organizations are meeting their obligations. The Resident Coordinator is entrusted with supporting the overall program design under the government's leadership, ongoing programmatic oversight of the UN-REDD activities, and UN coordination with the National REDD Office where such exist. The Resident Coordinator also facilitates ongoing monitoring and evaluation of UN-REDD activities in conformity with UN standards. On receipt of consolidated country level reports, the Resident Coordinator will provide an overall assessment of the program's progress and results. He/she will also facilitate ongoing monitoring and evaluation of Fund-supported activities in conformity with UN standards and any guidance provided by the UN-REDD Technical Secretariat or Policy Board.
294. At the national level, the MAE is the official governmental partner in the Program and is ultimately responsible for its implementation. The SCC is responsible for ensuring that the implementation of the Programme is in compliance with the provisions of ENREDD+.
295. A Executive Board (ExB) will be constituted as the supreme body of governance of the Programme at the country level. This committee will be chaired by the MAE, together with the UN Resident Coordinator in Ecuador and the participation of the UN agencies involved in the program (FAO, UNDP and UNEP). If deemed necessary, the ExB can invite other stakeholders to join the Committee such as: other government agencies and civil society, including representatives of indigenous peoples and nationalities and other forest-dependent communities, as stipulated in the operative guidelines for the participation of indigenous peoples and other forest-dependent communities. The main function of this Board is to coordinate, guide, supervise and monitor the program.
296. In order to ensure an inclusive process for program implementation, a National Advisory Committee (COASNA) consisting of government and civil society stakeholders, including indigenous peoples and nationalities, will be established ensuring equity in the representation of interests. Initially, the Advisory Committee will consist of a representative and acting representative of SENPLADES, MAGAP, CODENPE and Peoples' Secretariat, National Directorate of Biodiversity, National Directorate of Forestry, Coordinating Ministry for Cultural and Natural Heritage and other stakeholders to facilitate governance and coordination between the different levels of government as stated in the mandate of the 2009-2013 National Plan for Good Living. Civil society, indigenous peoples and nationalities will be represented in the COASNA by a representative and acting representative of NGOs, indigenous organizations, social organizations and private sector, who will be appointed taking into account the procedures and modalities established by these groups for that purpose. This committee will make recommendations to the ExB on Program management and implementation issues. The MAE will have a representative and acting representative who will act as observers. If deemed necessary, a representative and acting representative of relevant cooperation agencies that operate outside of the program but contribute to the country's readiness for REDD+, may be invited by the ExB participate in the COASNA.
297. A Program Management Unit (PMU) will also be established as the Program technical and operational implementing entity and Executive Secretary of the ExB. Funds for the PMU will be defined in the PNC budget for Ecuador. The PMU will be located at the offices designated by the Foreign Ministry, through the SCC, as the Government focal point for the program. The PMU will consist of a coordinator and technical and

administrative/finance support as required according to the work plan for the implementation of the Program. PMU functions include: (1) implement the Joint Program in order to achieve the expected outcomes and outputs; (2) prepare and review operational plans and annual reports of the joint program; (3) review and validate the plans and Program budgets after submission to the CD; (4) consolidate the quarterly technical progress reports and biannual narrative progress reports developed by each participating agency for their submission to the ExB; (5) establish the program's monitoring and evaluation system, ensuring timely data collection and analysis of performance indicators; (6) establish and revise the monitoring and follow-up mechanisms and reports to be submitted to the ExB; (7) ensure that the work plans, budgets, reports and programmatic documents are in compliance with the provisions of the program and submission to the ExB; (8) organize and secure support in the contracting and conduction of periodic internal evaluations; (9) make recommendations for redistribution of funds among agencies and budget revisions, for the consideration of the ExB; (10) solve management and implementation problems; (11) coordinate the external evaluation and audit processes; (12) systematize lessons learned; (13) coordinate the activities financed under the Program with other financial sources available to contribute to the preparation phase for REDD+.

Fig. 5  
PNC Management and Coordination in Ecuador



298. The management and coordination arrangements presented above will be completed following a review meeting with civil society and prior to the signing of this document.

## **8. Fund Management Arrangements**

299. Fund management arrangements will be jointly defined with the GoE and UN agencies after a validation meeting and prior to the completion and signing of the document. Results of the HACT assessment, lessons learned during the implementation of joint programs in Ecuador, and UN-REDD guidelines for fund management will be taken into account.

## **9. Monitoring, Evaluation and Reporting (component 6 of R-PP)**

300. The logical framework matrix describes the intervention logic of the program (objectives, outcomes and outputs) and describes the means of verification and risks and assumptions associated with each outcome. The results framework identifies the UN agency to provide specific technical cooperation for the achievement of each result. The following table summarizes the monitoring framework of the National Joint Program, which is, in turn, the monitoring and evaluation plan. Annual operational plans will be derived from the results framework and the logical framework matrix; outcomes, outputs and activities to be implemented under the program will be detailed, as well as deadlines and inputs by each participating UN agency. It will also represent a monitoring and evaluation tool.

## Monitoring Framework of the National Joint Programme

Expected results	Indicators (with baseline situation and indicative times)	Means of verification	Methods of collection (with indicative times and frequency)	Responsibilities	Risks and assumptions
Objective: Contribute to Ecuador's completion of the preparation phase for the implementation of the REDD+ mechanism at national level through the implementation of specific activities in the framework of the National REDD+ Strategy	Indicator: National REDD+ Strategy developed in a participative manner and implemented at national level in Ecuador. Baseline: The SCC is currently preparing the ENREDD+ document to start a process of socialization, discussion and validation of the Strategy with key stakeholders. Some of the activities that are part of the Strategy are already being implemented.	ENREDD+ documents; workshops and work meeting; results of implemented activities.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP/UNEP/FAO	Lack of inter-sectoral and inter-institutional coordination causes problems in the process of implementation of ENREDD+. Reduction of deforestation in the country is still a national priority.
Outcome 1: National System of Forest Information designed and implemented	Indicator: Biomass and carbon information by forest type estimated in Ecuador at national level. Baseline: The implementation of the National Forest Evaluation project started in July 2009. The methodological protocol has been developed and validated to date. On-field data collection started in September. Time: until end of 2012	Progress documents on the Project as the collection and processing of information is carried out.	Ongoing progress reports; evaluations during and at the end of the implementation.	FAO	Forest diversity in Ecuador can cause difficulties to on-field data collection.
	Indicator: Updated deforestation rate in Ecuador. Baseline: The objective of the History Map of Deforestation project is to determine the deforestation rate in Ecuador, through a multi-temporal analysis divided in three periods (1990 - 2000 - 2008). There are preliminary results at national level, although there is a lack of information of 30% due to persistent cloudiness.	Final document of the History Map of Deforestation, Degradation and activities related with GHG absorption, with final results on the deforestation rate in Ecuador as of 2008 (the document includes	Ongoing progress reports; evaluations during and at the end of the implementation.	FAO	Information gathering in the northern area of the country is hindered by the persistence of cloudiness in the region. It is necessary to use different technologies for data collection.

	Time: End of 2011	analysis of the information vacuum caused by persistent cloudiness in the northern area, which will be covered with the use of new RADAR and/or LIDAR technologies).			
	Indicator: Defined reference scenario of emissions from deforestation. Baseline: Approaches to define the methodological protocol needed for the generation of ERED carried out in December 2009.	Results of the validation of the methodological protocol needed to develop the ERED. The document presents historic results and previsions of future emissions from ERED.	Ongoing progress reports; evaluations during and at the end of the implementation.	FAO	The ENF and History Map of Deforestation projects present results according to plan. Technical errors affect the reduction of emissions resulting from the implementation of the REDD+ mechanism, which has a negative impact on potential future benefits.
	Indicator: National Monitoring System of GHG with MRV characteristics for the established forest sector. Baseline: Ecuador has not started work on the development of a National Monitoring System of GHG with MRV characteristics. Development of the methodological protocol for the PSB monitoring system.	Technical/technological and human capacity in the MAE. GHG Monitoring System operational.	Ongoing progress reports; evaluations during and at the end of the implementation.	FAO	
Outcome 2: Process of consultation and involvement of the civil society, communities, indigenous populations and nationalities, afro-Ecuadorean population, montubio population and communes for the	Indicator: Number of workshops of information dissemination and capacity building in REDD+ and other sectors. Baseline: 1. Consultation process with civil society stakeholders initiated with the creation of an informal work group dealing with the preparation for the implementation of REDD+ in Ecuador, for those interested in working with MAE on the subject. 2. In June, the forest dialogue on the preparation process for the implementation of REDD+ in Ecuador took place, with the participation of relevant national and international stakeholders. At national level:	Presentations for workshops prepared; communication material produced and disseminated; number of workshops; participants' attendance lists.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP	Indigenous populations and nationalities are interested in keeping a constant dialogue with the Government (MAE) and receiving information on the REDD+ mechanism, and they are also interested in getting involved in the process of preparation for the implementation of the



implementation of REDD+ at national level	<p>NGOs, private sector, representatives of indigenous communities, Government stakeholders; and at international level: other countries on the preparation process for the implementation of REDD+, international NGOs, representatives of international cooperation, the UNREDD programme, the FCPF, among others.</p> <p>3. Initiation of approach and dialogue with populations and nationalities, with second and third degree organizations.</p> <p>4. The platform created by the PSB was used to start the dialogue with indigenous representatives at a base level.</p> <p>5. There is disinformation on the REDD subject disseminated across the country.</p>				mechanism in Ecuador, with organizations and at a base level.
	Number of local stakeholders that know the process of construction and implementation of the ENREDD+ in Ecuador and participate in it.	Participation in panels and work meetings; joint implementation of activities (Government and other key stakeholders); participants' attendance lists; documents prepared; ENREDD+ validated.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP	Other Government and civil society stakeholders, indigenous populations and nationalities are interested in effectively collaborating in the design and implementation of the REDD+ mechanism in Ecuador.
	Stakeholders with capacities for the implementation of REDD+ activities at a local level.	Capacity building courses and workshops organized, with specific activities on implementation; participants' attendance lists.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP	Conflicts between key stakeholders and potential recipients.
Outcome 3: Developed policies and instruments for the implementation of REDD+	<p>Indicator: Economic studies on REDD+ carried out.</p> <p>Baseline: A study to identify deforestation causes in Napo, a province of the Amazon region, will be carried out through the German cooperation. The analysis will be extended to other provinces next year.</p>	Studies conducted, presented and approved by the MAE; socialization workshops on the subject.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP/UNEP	The analysis of deforestation causes in Ecuador is complex due to the variability and dynamism of the different provinces.
	Indicator: Policy and measure proposals designed (based on the results of product 3.1)	Policy and measure proposals designed; results of the	Ongoing progress reports;	UNDP/UNEP	Planned policies developed and complemented with

		implementation of measures in specific sectors of the country.	evaluations during and at the end of the implementation.		other Government policies in strategic sectors, with viable implementation considering the national context.
Outcome 4: Development of the operational framework needed for the implementation of the REDD+ mechanism	Indicator: Record system compatible with the international system established by the MAE. Baseline: Some REDD+ projects (demonstrative activities) being developed in Ecuador; although these projects are in direct coordination with the SCC in the MAE, there is no formal record system for said initiatives. Besides, the legal, financial and institutional framework needed to implement REDD+ activities in the country is not yet defined.	Number of REDD initiatives registered along with progress report. System created and implemented.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP	Key stakeholders involved in the development of the REDD+ initiative interested in benefiting from it from the start.
	Indicator: Human capacities required for the implementation of the REDD+ mechanism established. Baseline: The MAE team working on REDD+ needs to be increased; necessary capacities on the subject need to be generated.	Number of people with capacities for REDD+ and supporting MAES's work on the subject.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNDP	Reduction of deforestation is still a national priority, and the MAE keeps working actively in the preparation of the country for the implementation of REDD+.
Outcome 5: Multiple social and environmental benefits	Indicator: Multiple benefits identified and encouraged through the implementation of the ENREDD+ in Ecuador. Baseline: The multiple benefits (social and environmental) are a cross-cutting component of the ENREDD+; these additional benefits are under the process of being identified in a joint initiative with the WCMC; in addition, the second work phase for the application of the social and environmental REDD+ standard in Ecuador's ENREDD+ was initiated in June of the present year.	Results of the work between UNEP-WCMC and application of the social and environmental REDD+ standard; studies conducted; pilot measures to strengthen multiple benefits implemented.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNEP	Guaranteeing multiple benefits from the implementation of a REDD+ mechanism is still a national and international priority.
	Indicator: Monitoring system of multiple benefits established. Baseline: Options to monitor the multiple benefits evaluated also through the application of the social and environmental REDD+ standard.	Reports of the multiple benefits from the implementation of a REDD+ mechanism.	Ongoing progress reports; evaluations during and at the end of the implementation.	UNEP	

<p>Outcome 6: Design and implementation of the benefit distribution system</p>	<p>Indicator: Mechanism for the transference and distribution of benefits from REDD between stakeholders defined and implemented. Baseline: Preliminary analysis on the benefit distribution mechanisms, elaborated through the studies conducted to define the regulations on environmental services in Ecuador.</p>	<p>Record of projects, recipients, income, costs, etc. Studies conducted to analyze options of the benefit distribution mechanisms approved by the MAE.</p>	<p>Ongoing progress reports; evaluations during and at the end of the implementation.</p>	<p>UNDP/UNEP</p>	<p>Involved stakeholders reach agreements on the benefit distribution mechanism and allow its implementation.</p>
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**Annual/Regular reviews**

301. The GoE, represented by MAE delegates (SCC and SPN), the Program Management Unit and participating UN agencies, will held periodic and annual meetings: (1) planning and evaluation of the activities included in the Results Framework; (2) monitoring and evalaution plan and PNC operational plans; and (3) risk evaluation and hypothesis to verify performance against the annual operational plans.

302. Activities carried out by the Participating UN Organization shall be subject to internal and external audit as articulated in their applicable Financial Regulations and Rules. In addition, the Technical Secretariat will consult with the Participating UN Organizations on any additional specific audits or reviews that may be required, subject to the respective Financial Regulations and Rules of the Participating UN Organizations. Participating UN Organizations will provide a summary of their internal audit key findings and recommendations for consolidation by the MDTF Office and submission to the Policy Board and National REDD Committee as applicable.

**Risk Management**

303. The following table shows the primary risks facing the appropriate implementation of the NJP and corresponding mitigation actions.

Table 10: Risk identification

Risk type	Risks identified	P*	I*	Proposed mitigation actions	Institution in charge
Environmental	<u>Fire</u> : It destroys forest areas and increase pressure on forest resources.	3	3	Early Warning Systems	National Secretary of Risk Management in coordination with MAE
	<u>Natural disasters</u> : they cause socio-economic problems that can increase pressure on forest resources.	3	1		
Financial	<u>Very high opportunity costs</u> : forest uses in Ecuador may face opportunity costs associated directly with the value of the wood, agro-industrial activities, and indirectly with oil extraction and mining.	5	5	Promotion of forest certification for MFS to improve the price of wood removed legally.  Combination of measures of various types to prevent the conversion of land use (tax measures, better control, tighter forest law)	MAE, private sector  MAE, other State agencies
	<u>Social costs</u> : the social cost of implementing REDD+ is very high and therefore does not represent an attractive opportunity for society.	3	4	Find alternatives for development that are profitable and sustainable on the long-term and viable in the short-term.	Coordinating Ministry for Economic Policy
	<u>Demand for wood</u> : The existence of a demand for timber can determine	4	5	Having complementary control policies and incentives are implemented efficiently	

	market rules that encourage deforestation.			Find ways to reduce the use of wood products.	
Operational	<u>Changing political priorities in the forestry sector</u> could determine that incentive mechanisms are no longer a priority or the implementation of such tools is no longer monitored.	3	4	Definition of REDD+ type policies as State policies	MAE, Office of the President, National Assembly
	<u>Methodological problems in the calculation of deforestation:</u> the migration of the protocol for the estimation of deforestation in Ecuador to the system proposed by Brazil could cause problems with the results.	3	2	Early training in the Brazilian system of MAE technicians responsible for the calculation of the deforestation rate for early harmonization of methodologies	MAE, UNREDD
	<u>Ineffective measures in command - control in the forestry sector:</u> The difficulties in implementing adequate forest control may determine the persistence of illegal logging causing deforestation.	5	5	Increased investment in forest control  Review rules and other legal tools for forest monitoring	MAE, donor countries and organizations  MAE (DNF)
Organizational	<u>Absence of an interinstitutional coordinating agency</u> to identify major difficulties for the articulation of inter-sectoral policies and actions aimed at reducing deforestation.	2	5	Close monitoring with the Office of the President for signing the Executive Decree establishing the Interagency Committee on Climate Change  Continuous monitoring to the State agencies involved and updating REDD+ related initiatives.	MAE  MAE
	<u>Lack of engagement and dialogue with key actors and indigenous peoples</u>	3	5	Disseminate and implement relevant UNREDD guidelines such as the guide for the engagement of key stakeholders, the Social Due Diligence Tool. The appropriateness of having the free, prior and informed consent governing the UN-REDD Program will be revised and the FPIC guide (under development) will be considered. Consultation processes will be conducted nationwide.	MAE
Political	<u>Delay in the regulation of Article 74 of the Constitution:</u> this would delay the definition of an important part of the legal,	4	2	Preliminary work to approach the National Assembly	MAE
				Preparation of an alternative regulation of Article 74 as a transitional measure	MAE

	financial and institutional framework related to the implementation of REDD+.				
	<u>Implementation of agrarian reform</u> : land considered "unproductive" would be expropriated from their owners.	3	3	Socialize the ideas about the value of standing forest ecosystems, versus the alternative land use in a comprehensive manner.  Influence the definition of land to be considered 'unproductive'	MAE  MAE, SENPLADES
	<u>Overlap between conflicting policies</u> : policies on productive issues in the areas of oil and minerals as well as agriculture can indirectly determine patterns of deforestation.	4	5	Coordinate policies to achieve the goal of reducing deforestation  Definition of policies to safeguard the maintenance of vegetation cover in forest ecosystems against the development and implementation of policies that can lead to deforestation	SENPLADES, MAE  MAE
	<u>Disinformation campaign</u> : Misinformation campaigns can spread manipulated information on REDD+ creating resistance in potential stakeholders towards the implementation of REDD+.	5	3	Information campaigns (workshops, outreach materials, etc.) to inform on REDD+  Facilitate the development of capacities related to REDD+	MAE  MAE
Regulatory	<u>Difficulties with the regulations of Article 74</u> : The delay in defining the rules for the regulation of Article 74 or the difficulty in creating legal instruments make the implementation of REDD+ viable can stop the implementation of demonstration activities.	2	4	Definition of several scenarios (in terms of legal instruments to be used) for the regulation of Article 74.  Anticipated work with the Environment Commission of the National Assembly and other relevant stakeholders	MAE  MAE
Strategic	<u>Prioritization of other policies opposed to the reduction of deforestation</u> may cause weak political commitment to reducing deforestation.	4	5	Find adequate platforms for inter-agency coordination  Linking REDD+ with general ideas about development in decision-makers	SENPLADES, MAE  SENPLADES, MAE
Strategic	<u>Indigenous political views opposed to the approach of government</u> : this could discourage the active participation of indigenous peoples and nationalities in the implementation of REDD+.	4	5	Maintain permanent communication with the indigenous peoples and nations on the peculiarities of REDD+, including the proposals for their participation.  Encourage participation of the peoples and nationalities in the definition of the National REDD+ Strategy	MAE  MAE

\* Probability and impact are evaluated using the following scale: 1 = unlikely / very low, 5 = very likely / very high

### **Evaluation**

304. The Technical Secretariat will establish an Evaluation Plan which ensures that all programs supported by the UN-REDD Program will undertake a final evaluation, which will assess the relevance and effectiveness of the intervention, and measure the

development impact of the results achieved, on the basis of the initial analysis and indicators described at the time of program formulation. Furthermore, the Technical Secretariat from time to time shall lead reviews for programs as necessary.

## **Reporting**

305. At the national level, the Participating UN Organizations are required to provide narrative reports on results achieved, lessons learned, and the contributions made to the Joint Program. The information shall be consolidated by the Program Manager into a narrative report every 6 months. The Technical Secretariat shall provide the Policy Board updates on the implementation progress of the Joint Program every 6 months, based on information received from the Program Manager. The UN Resident Coordinator will assist in ensuring the Participating UN Organizations at the country level provide the necessary information. The UN-REDD Coordination Group shall also follow-up with the relevant officers and representatives of the Participating UN Organizations.
306. The Administrative Agent will provide regular updates on the financial status of the MDTF to the Policy Board, for review and action as appropriate.
307. Participating UN Organizations in receipt of UN-REDD resources will be required to provide the Administrative Agent with the following statements and reports:
- Narrative progress reports for each twelve-month period ending December 31, to be provided no later than three months after the end of the applicable reporting period;
  - Annual financial reports as of December 31 each year with respect to the funds disbursed to it from the Joint Program Account, to be provided no later than four months after the end of the applicable reporting period;
  - A final narrative report and financial report, after the completion of all Joint Program activities financed from the UN-REDD MDTF, to be provided no later than April 30 of the year following the financial closing of Joint Program activities;
  - A final certified financial statement, to be provided no later than June 30 of the year following the financial closing of Project activities.
308. The Administrative Agent shall prepare consolidated narrative progress and financial reports consisting of the reports referred to above submitted by each Participating UN Organization, and shall provide those consolidated reports to the respective Resident Coordinator, the MAE and the UN-REDD Policy Board through the Technical Secretariat.
309. Subsequently, in accordance with the MOU and the SAA, the Administrative Agent will submit consolidated narrative and financial reports to all UN-REDD Program donors. Agreed standard UNDG financial and progress reporting formats will be utilized. The Administrative Agent will also submit to donors a certified annual financial statement (Source and Use of Funds).
310. Joint Communication: Information given to the press, to beneficiaries of the UN-REDD Program, and all related publicity material, official notices, reports and publications, shall acknowledge the role of the GoE, UN-REDD donors, UN Agencies, and any other relevant party.

311. Whenever possible and to the extent that it does not jeopardize the privileges and immunities of UN Agencies, and the safety and security of their staff, UN Agencies will promote donor visibility on information, project materials and at project sites, in accordance with their respective regulations, rules, policies, and procedures

## **10. Legal Context or Basis of Relationship**

312. The Basic Cooperation Agreement between the Government of Ecuador and UNDP, signed on January 19, 2005, is the basis of the relationship between them. The Action Plan of UNDP Country Programme for 2010-2014, approved and signed on June 24, 2010 by the Ministry of Foreign Affairs, Trade and Integration of Ecuador, the National Secretariat of Planning and Development and the Ecuadorian Agency of International Cooperation, is implemented and interpreted in accordance with the Basic Cooperation Agreement.

313. The Headquarters Agreement established on 16 December 1977 (as an alternative to the agreements of 1953 and 1956), which determined the establishment of the FAO Representation in Ecuador, is the basis for cooperation between FAO and the Government of Ecuador. FAO Representation in Ecuador relies on the National Medium Term Priority Framework, signed September 2009, which contains the following priority areas: construction and implementation of a rural development strategy; construction and implementation of the strategy for food security and sovereignty; support for the implementation of alternatives to mitigate the effects of the global food crisis in the country; improvement and modernization of agricultural health; support for the implementation of fisheries and aquaculture development plan, with emphasis on artisanal fisheries in Ecuador; assistance in the implementation of sustainable forest development strategies, biodiversity and agro-biodiversity; support for a proposal for a risk management system and its implementation in the agriculture and livestock sector.

314. For UNEP, in line with its position as a non-resident agency with a global mandate for technical cooperation and capacity building, the signed Joint Programme document shall be the legal basis of UNEP's relation with the Government of Ecuador within the context of this program. UNEP will work in close coordination with UNDP, FAO and the Resident Coordinator's Office.

315. The Participating UN Organizations agree to undertake all reasonable efforts to ensure that none of the funds received pursuant to UN-REDD are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by Participating UN Organizations do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this program document.

## **11. Work Plans and Budget<sup>97</sup>**

### **2011 Work Plan**

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<sup>97</sup> The work plan and corresponding budget will be developed following a review meeting of the this document and prior to the initial program workshop.



<b>NJP Outcome:</b>										
UN organization-specific Annual target	UN organization	Activities	TIME FRAME				Implementing Partner	PLANNED BUDGET		
			Q1	Q2	Q3	Q4		Source of Funds	Budget Description	Amount
<b>NJP Output 1: Improving capacity among national government institutions for implementing REDD+ activities, and monitoring and assessing carbon stock in forests.</b>										
(of UN organization 1)							PNCC	UN-REDD		
							PNCC	UN-REDD		
<b>NJP Output 2: Improving civil society's capacity for implementing REDD+ activities</b>										
(of UN organization 1)							PNCC	UN-REDD		
							PNCC	UN-REDD		
(of UN organization 2)							PNCC	UN-REDD		
							PNCC	UN-REDD		
<b>NJP Output 3: Generating REDD+-related experience at a local level, with the participation of territorial bodies and the civil society.</b>										
(of UN organization 1)							PNCC	UN-REDD		
							PNCC	UN-REDD		
(of UN organization 2)							PNCC	UN-REDD		
Total Planned Budget										
Including *	Total FAO									
	Total UNDP									
	Total UNEP									

Source and preparation: MAE, 2010

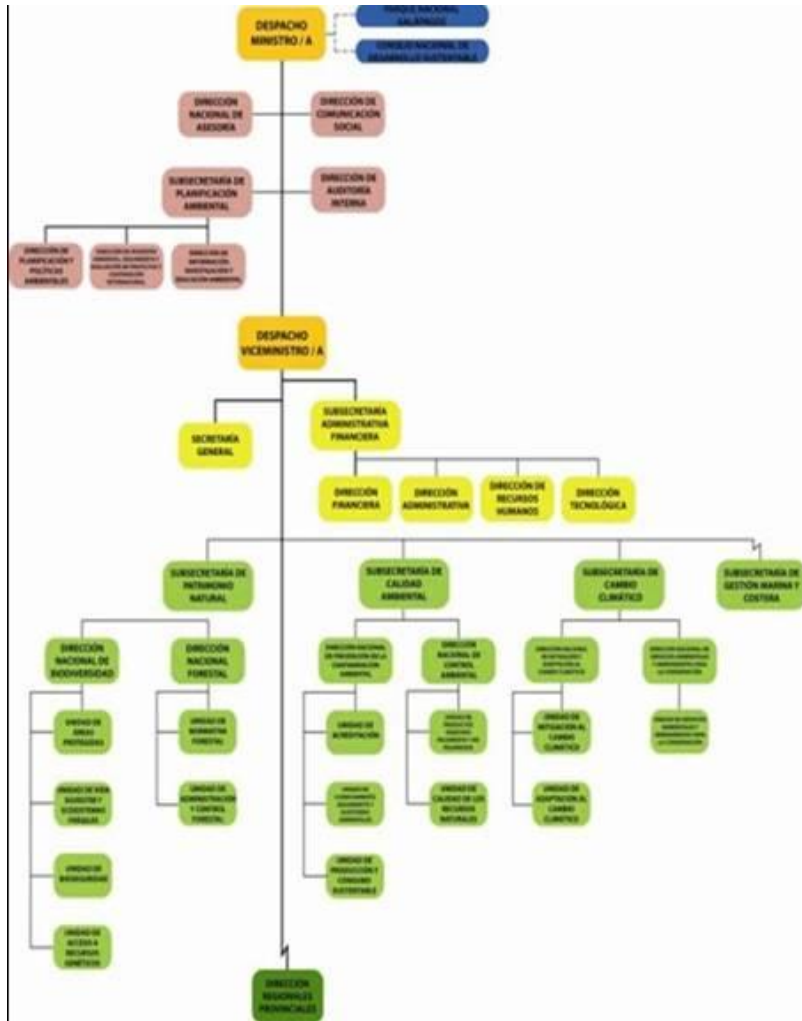
## 12. Signatures

UN Organizations	National Coordinating Authorities
Name: José Manuel Hermida Position: Resident Coordinator of the UNS / UNDP Resident Representative Signature: Date	Name: Position: Institution: Signature Date
Name: Firmin Edouard Matoko Position: Representative a.i. Institution: FAO Signature Date	Name: Position: Institution: Signature Date
Name: Margarita Astralaga Position: Regional Director Institution: UNEP Signature Date	Name: Position: Institution: Signature Date
Name Position Institution: Signature Date	

Social Organizations	Social Organizations
Name Institution Signature Date	Name Institution Signature Date
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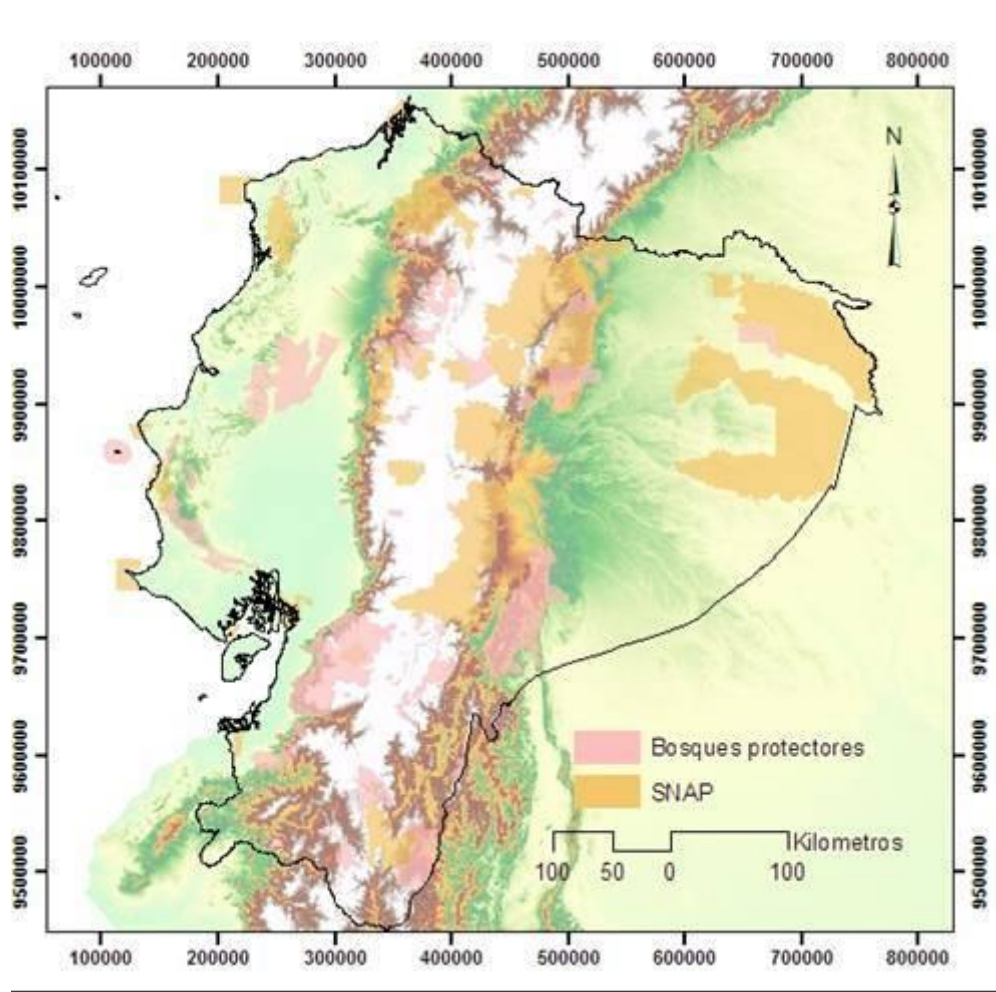
### 13. Annexes

Annex I: Ecuador's Ministry of Environment: Organization Chart



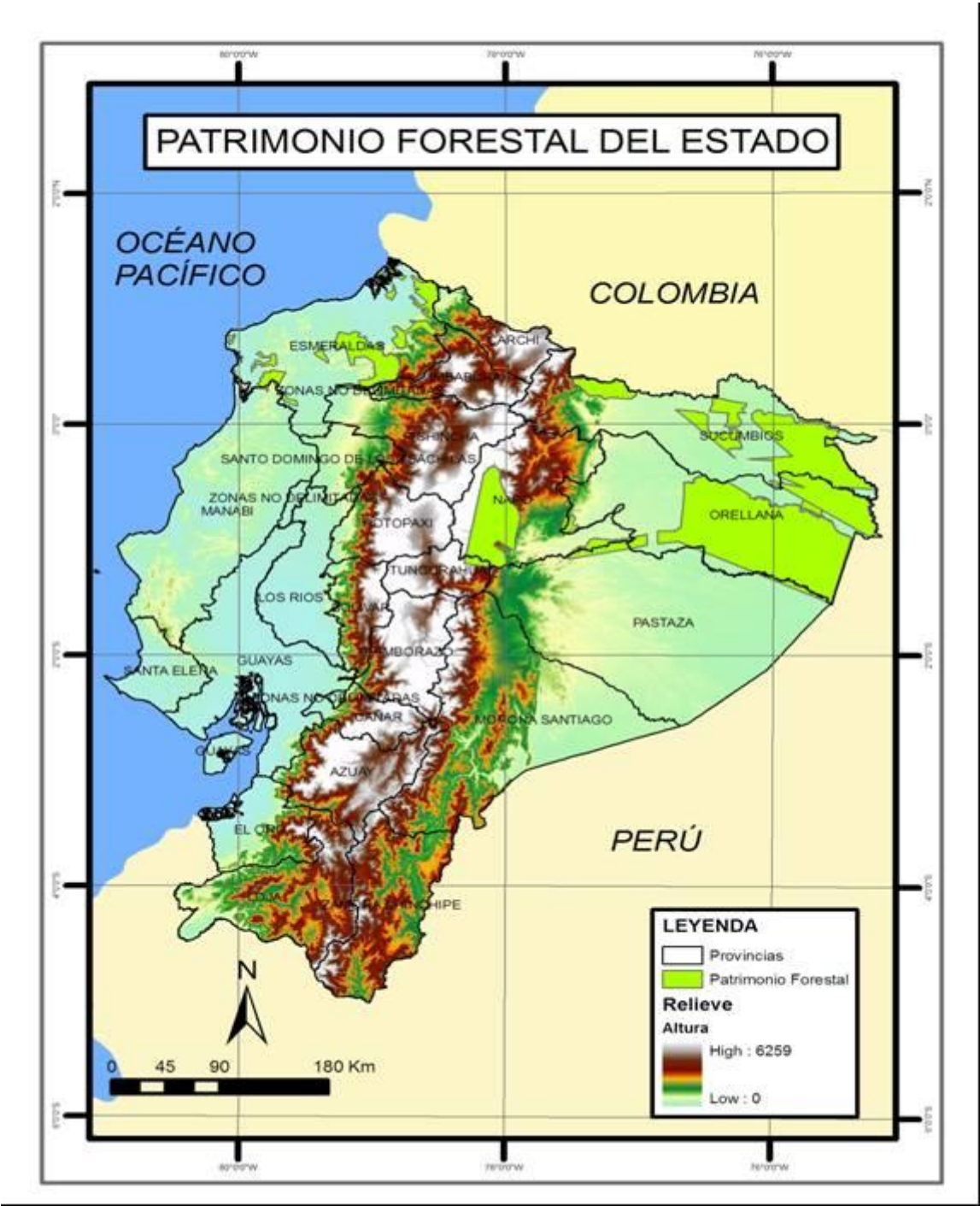
Source and preparation: MAE

Annex II: Map of Ecuador's Protected Areas and Protective Forests



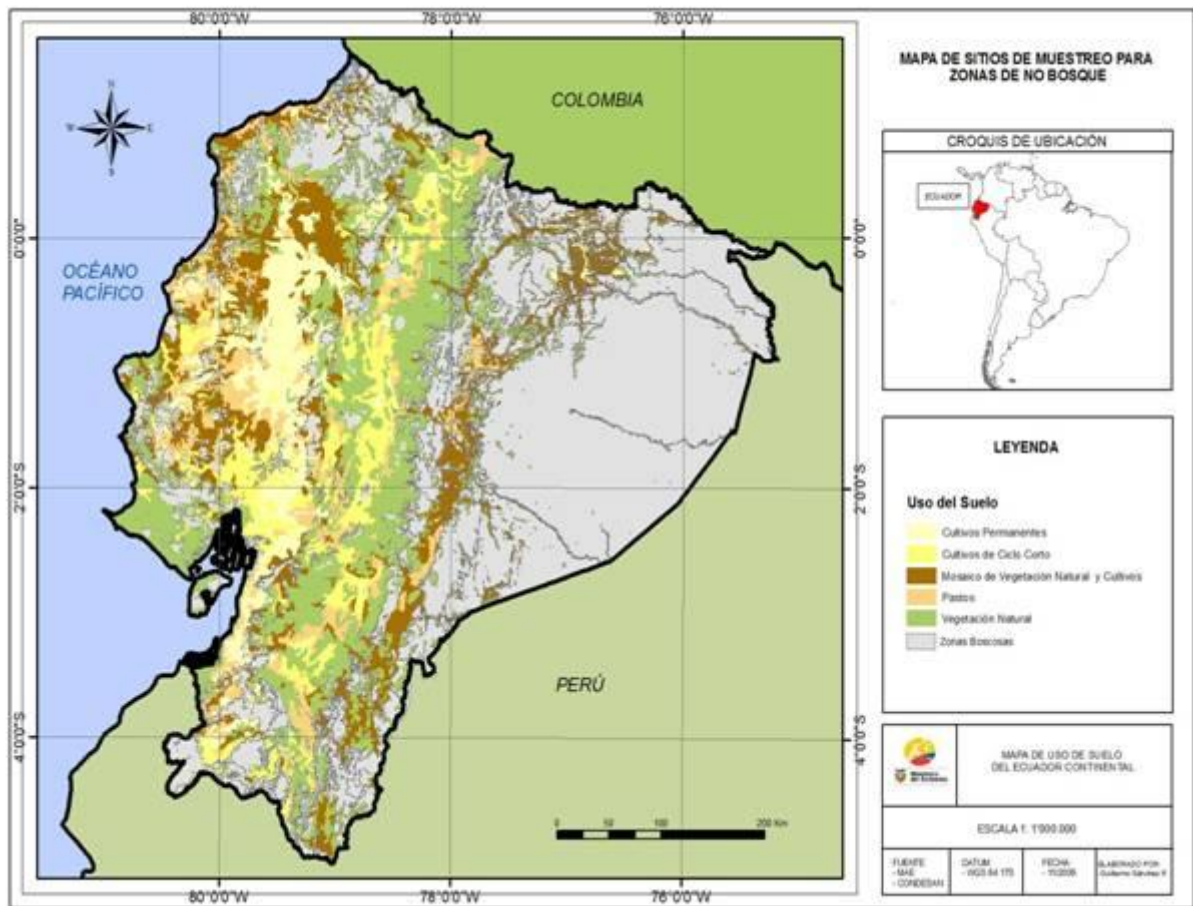
Source and preparation: MAE, 2010

Annex III: Map of Ecuador’s State Forest Heritage



Source and preparation: MAE, 2010

Annex IV: Ecuador's Land Use Map



## **Annex V: Specific Strategies for the implementation of the Forestry Policy in Ecuador**

- Promote and enforce sustainable forest management plans and the integrated management of farms and community forests.
- Create and promote mechanisms and the legal basis allowing charging for environmental services provided by forests, so that their owners receive a monthly cash payment for the services they provide. The society demands from forests the protection of soils and other infrastructure, quality and regulation of water quantity, protection of biodiversity and scenic beauty, among others. However, Ecuador has not yet established mechanisms to internalize the cost of these services and directly compensate the owners of forests.
- Award the State Forestry Heritage to indigenous and black peoples and nationalities, settlers and other social stakeholders, provided that they ensure the sustainable management and conservation of the forests awarded.
- Recognize the ownership of the territory to ancestral peoples and nationalities settled within the National Protected Areas System (SNAP) prior to its declaration.
- Award concessions to local communities that live on the sustainable use of mangroves and other wetlands.
- Promote market transparency and encourage the timber trade, especially of lesser-known commercial species, and non-timber forest products, from sustainable forest management.
- Consolidate local and regional land use.
- Encourage voluntary forest certification processes and access to markets for timber from managed forests.
- Assess, promote and regulate access to genetic and biodiversity resources, recognizing the ancestral knowledge of peoples and ensuring equitable distribution of benefits, in accordance with the provisions of the Convention on Biodiversity.
- Macro-economic policies and policies of other sectors of the economy should not affect the profitability of forestry and, on the other hand, should tend to enhance the forest and its products, so it does not lose its competitiveness against other land uses, or other economic activities of a more rapid return.
- Incorporate the forest sector as independent from the agricultural sector in national accounts.
- Promote the creation of a national forest culture at the national level.

## **Annex VI: Mapping of Stakeholders and REDD+ Experiences in Ecuador**

### 1. Stakeholder Classification

REDD+ related stakeholders were classified according to their role and participation, the type of organization and their scope of action.

- Classification by degree of engagement
  - A. Key stakeholders: organizations working directly with REDD+ in Ecuador, developing or implementing related programs, projects, institutions, policies or regulations,
  - B. Primary stakeholders: organizations indirectly related with REDD+ programs, projects, institutions, policies or regulations being developed or implemented in Ecuador, and

C. Secondary stakeholders: organizations that should be considered in REDD+ National Plans or sub-national projects, given their positive or negative impact on deforestation.

This classification reflects the current level of relation with REDD+ discussions, but mails to give the big picture of sectors that actually take part in land use and policy decision-making.

- Classification by type of organization
  - A. Government: organizations of the Government of Ecuador, provinces or municipalities. Organization of other governments whose scope of action includes Ecuador.
  - B. Civil society: non-governmental organizations, associations, Networks and others.
  - C. Private sector: Businesses and individuals.
- Classification by scope of action:
  - A. National: organizations whose scope of action is limited by the boundaries of the Ecuadorian territory.
  - B. International: organizations with an International scope of action, also working in Ecuador

## 2. Table of key stakeholders in REDD+ Ecuador, roles, objectives, strengths

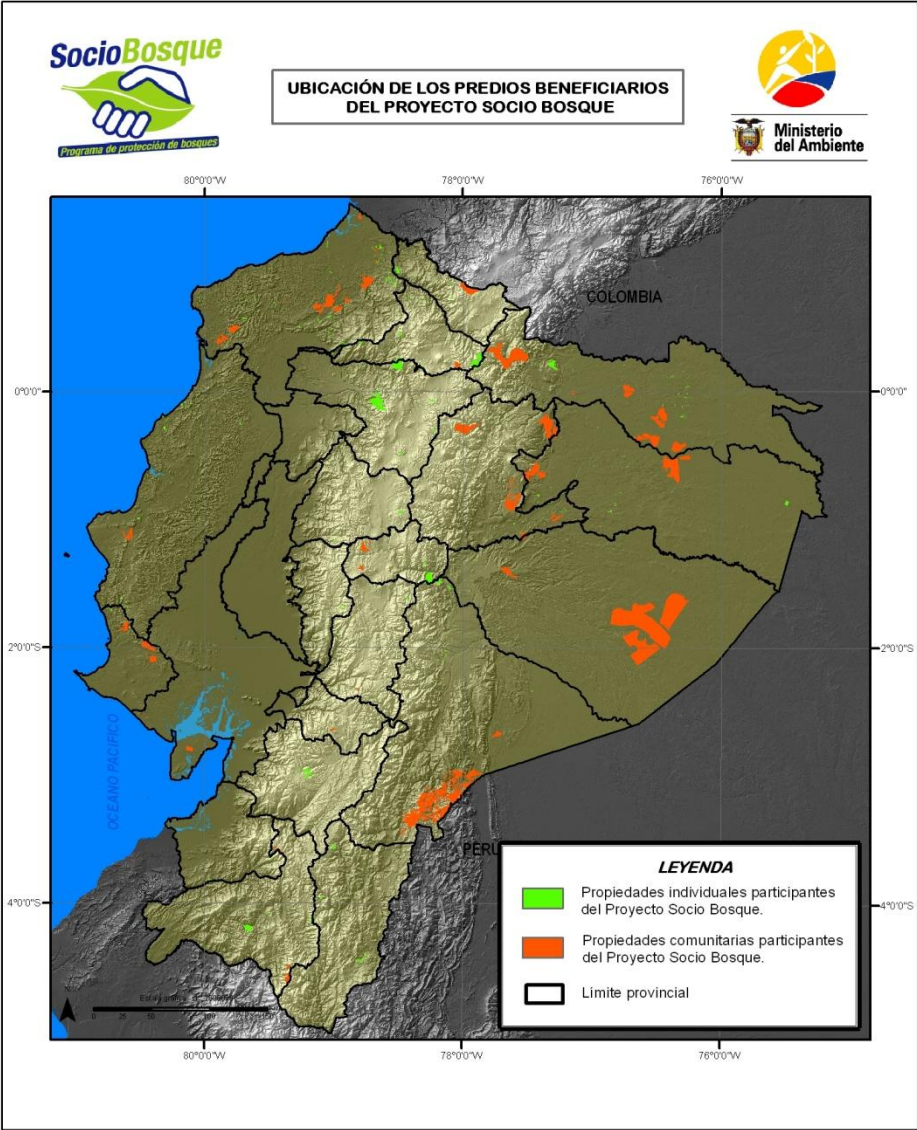
	<b>Stakeholder</b>	<b>Role in REDD+</b>	<b>REDD+ related objectives</b>	<b>Valuable strengths for REDD+</b>
<i>National Governmental Organizations</i>				
	MAE – Subsecretariat of Climate Change	Regulator	Development and implementation of REDD+ National Strategy	Policy Development Power to implement as national authority
	MAE - Socio Bosque	Regulator	Financial sustainability strategy and mechanism for benefit distribution	Experience in distribution of benefits
	MAE National Directorate of Forests	Regulator	Development and Implementation of a National Forest Assessment	Technical capacity National Forest Authority
<i>International Governmental Organizations</i>				
	German Technical Cooperation GTZ—GESOREN	Technical cooperation	Support to the relevant national authority for institutional strengthening in order to promote REDD+ in the country.	REDD+ international experience International contacts in REDD+
	FAO, UNDP and UNEP	Technical cooperation	Implementación del Programa ONU-REDD+,	Human resources, global experience, dialogue with governments
<i>National Civil Society Organizations</i>				
	CEFOVE	Consultant	Contribute to the development of the tool	Connected to the network of environmental lawyers Experience with certification
	Fundación Natura	Technical cooperation	Design conservancy REDD+ projects	Knowledge of the area of Putumayo Germany counseling for the project.



	EcoCiencia	Technical cooperation	Explore REDD+'s potential	Experience and capacities in Geographical Management and Remote Sensing, ESs, management and conservation of biodiversity with local communities
	Corporación ECOPAR	Consultant Technical support	Support REDD+'s development	Experience in carbon quantification, baseline definition and formulation of proposals
	Fundación Futuro Latinoamerica no		Mainstream CC and its effects in economic, political, environmental and social decision-making	Promotion of multisectoral dialogue
	Fundación Pachamama	Technical cooperation	Disseminate and create opportunities for reflection and debate on REDD +. Expanding the debate on CC, forests and indigenous peoples	Technical capacities in REDD+ and CC. Trustful and good relations with indigenous organizations
	Fundación Sobrevivencia Cofán	Rights holder Technical cooperation	Development and management of territories eligible for funds/support within a REDD+ program	Direct coordination with Cofán
	Servicio Forestal Amazónico	Technical cooperation	Improve forest management in the ecuadorian Amazon	Years of experience in provinces with 50% of the forests of Ecuador. Coordination with owners
	Fundación Altropico	Technical cooperation	Support for the implementation of the Socio Bosque Program	Experience in forest management and organizational strengthening.
	Programa Derechos, CC y Bosques (RFN / CEPLAES)	Technical cooperation	Informed advocacy on forest policies at the international and national level, with a focus on rights	Productions of information on the linkages between socio environmental rights and REDD+
<i>International Civil Society Organizaitons</i>				
	Katoomba Group	Technical cooperation Donor	Contribute to the developemnt of the tool	Contacts and people in global markets and ESs.
	International Cooperation	Technical cooperation Donor	Support for the National Plan REDD + and its implementation. Applying standards	Technical capacity Financing
	CARE International Ecuador	Technical cooperation Donor	Promoting REDD+ policies that are pro-poor and do not adversely affect the most vulnerable and to protects forests	Advocacy and conceptual frameworks advanced at the international level Global information
	CONDESAN	Technical cooperation	Support MAE in the development of ENREDD +	Experience in geographic modeling
	COICA	Regulator	Represent Amazonian indigenous peoples in international negotiations	Immersed in international negotiations Amazon Vision
	The Nature Conservancy	Technical cooperation	Support the implementation of market mechanisms that are in harmony with nature, and ensure equitable distribution of benefits.	Relation to indigenous groups Conducting baselines. Ability to give training

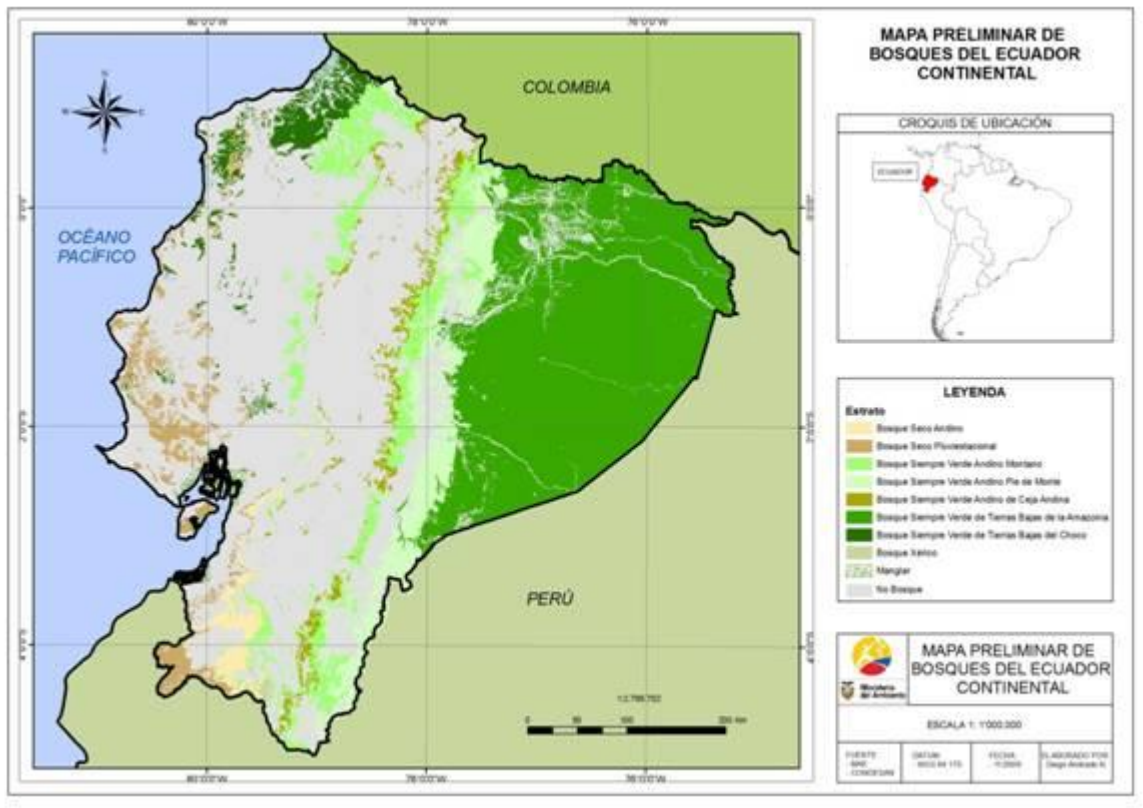
	Climate, Community and Biodiversity Alliance	Certifier	Developing standards to assess the impacts on climate, communities and biodiversity, and promoting them	Experience in development and promotion of standards
	Ecobona Regional Program – Intercooperation	Technical cooperation	Identify the relevance of the REDD+ issues in Andean ecosystems	Experimental application of this issue in other countries. It contributes to the dialogue between civil society and the environmental sector.
	International Union for Conservation of Nature	Technical cooperation	Developing consultation processes for the construction and implementation of REDD+, with synergies and participation	Network of members in Ecuador, South America and worldwide; experience created in other countries
	Iniciative for Conservaiton in the Andean Amazon	Donor Technical cooperation	Support implementation of MAE's REDD+ National Plan	Experience and knowledge of over 20 organizations
	Articulaci3n Regional Amaz3nica	Technical cooperation	Capacity building in REDD + as a tool for conservation in the Amazon region	Network of key people and organizations in 6 Amazonian countries
	Network of those interested in Environmental Services	Network	Promote discussion and exchange on ESs financing mechanisms	
<i>National Private Sector</i>				
	EcoDecisi3n	Consultant	Support REDD+ development and implementation as a tool for conservation	Experience in feasibility studies for PDDs and REDD+ projects Partnership with key stakeholders at international level
	PROFAFOR S.A.	Investor buyer / Consultant	Support and propose the design and development of REDD+ to implement projects in the field and at the same time marketing the CERs in the voluntary market	Experience and technical knowledge of forest carbon, certification, project design and formulation of CDM <b>A/R</b>
<i>Internaitonal Private Sector</i>				
	Ecosecurities	Consultor Broker Consultant	Provide advice to connect REDD+ projects and certificates buyers	Experience in research related to REDD+ at global level

Annex VII: Results of Socio Bosque Program (December 2010)



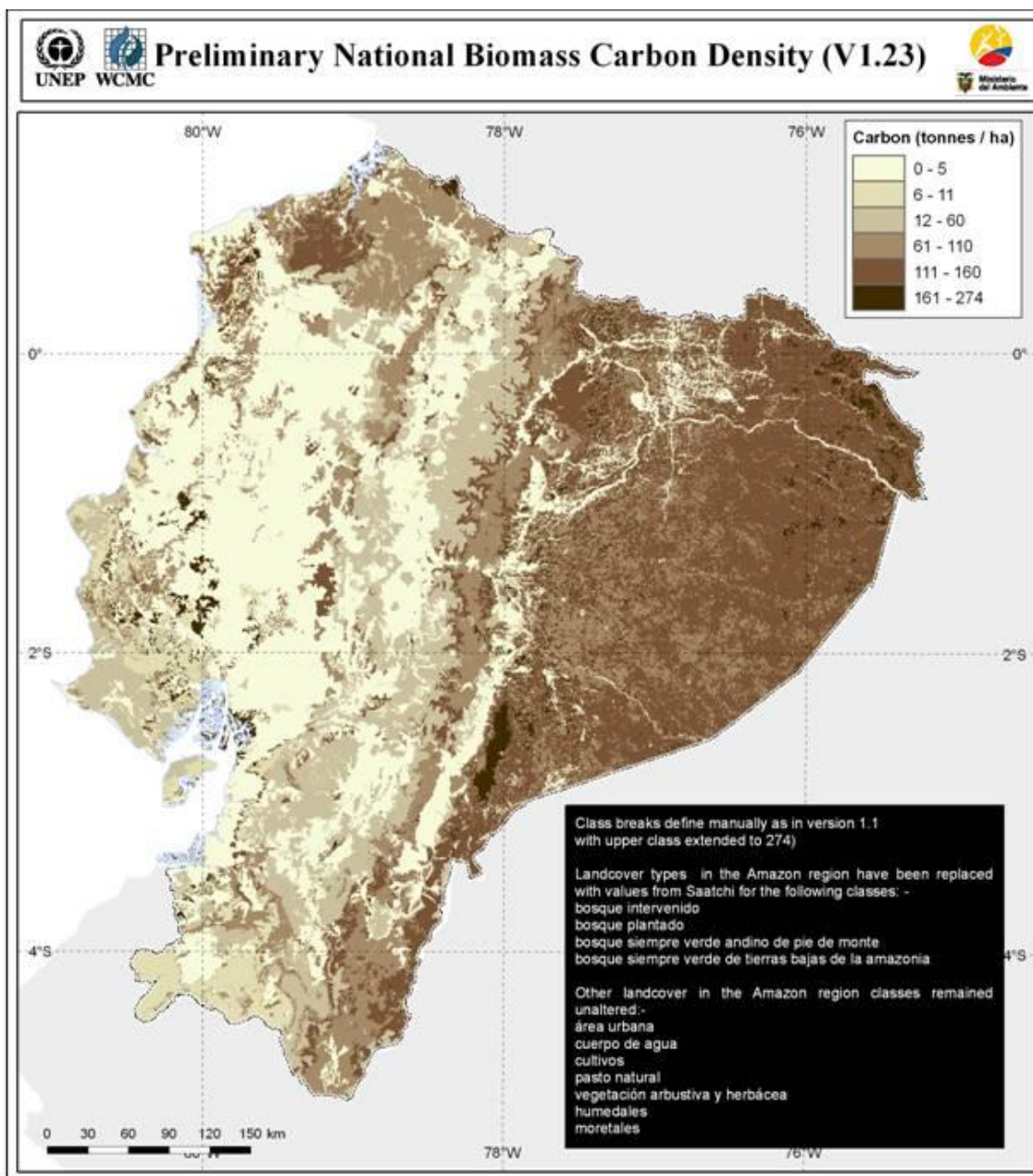
Source and preparation: Socio Bosque Program 2010

Annex VIII: Map of forest strata by carbon content. ENF, 2010



Types native forest strata in continental Ecuador. The nine strata correspond to the strata used for the design of ENF's sample. Source: MAE, ENF. 2010.

Annex IX: Map of Ecuador's Biomass Carbon Density



Source: UNEP-WCMC and MAE , 2010. Preliminary National Biomass Carbon Density (V1.1) generated from scientifically published above ground biomass estimates for different landcover classes, Root-to-shoot ratios for below ground biomass calculated based on IPCC conversion by ecological zones

Data sources (to be completed):  
 MAE, 2010. Uso de bosque.  
 Ecocencia, 2009. Ecosistemas amazonicos.  
 CAN - Condesan, 2009. Ecosistemas andinas.

Map prepared by UNEP-WCMC and Ministry of the Environment Ecuador