

A. Executive Summary			
Accredited Entity (AE)	Conservation International Foundation (CI) Name: Steven Panfil Position: Vice President, CI-GCF Agency Email: spanfil@conservation.org Tel: +1 703-341-2400 Full Office address: 2011 Crystal Drive, Suite 600, Arlington VA 22202 USA		
Has a Concept Note ^(note 2) been submitted in association with this request for support from the PPF?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, please indicate Project/Programme title: <i>Scaling the Communal Reserve Co-management Model to Reduce Emissions and Build Resilience of Indigenous People in the Peruvian Amazon</i>	Has a No-Objection Letter^(note 3) been submitted for this request for support from the PPF?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> <i>(Please note that a PPF No-Objection Letter is a requirement for the submission of this request)</i>
Total Cost	Total cost of Project Preparation activities (with AE Fees): US\$1,158,300 Amount requested from GCF PPF: US\$908,300 Grant <input checked="" type="checkbox"/> (amount: \$908,300) Repayable Grant <input type="checkbox"/> (amount:) Equity <input type="checkbox"/> (amount:) Counterpart funding from the AE: US\$250,000 US ¹		
Anticipated Duration	Number of months to implement the Project Preparation activities: 20 months, 12 for the Full Proposal development, 8 for GCF review.		
Summary of the request for Project Preparation support	<p>The Peruvian Indigenous organizations represented by ANECAP, Conservation International (CI) and the Peruvian government seek to develop a GCF Funding Proposal (FP) based on the project Concept Note to create a paradigm shifting GCF project ("the Project") that will scale the communal reserve co-management model to reduce emissions and build climate resilience of indigenous people in the Peruvian Amazon.</p> <p>This PPF grant will enable the development and submission of a high-quality FP that ensures project design is informed by rigorous analyses, achieves ownership by stakeholders at all levels, and best serves the priorities of the Government and the Project's beneficiaries. Funding is being sought from the GCF to gather baseline data and information to: ensure the Project's feasibility; engage stakeholders to inform the design of the Project interventions; develop inclusive implementation arrangements; identify ambitious but realistic mitigation and adaptation indicators and targets; analyse the Project's anticipated financial and economic benefits, including a robust sustainability and exit strategy; and develop environmental, social and gender assessments and management plans to ensure equitable and effective project management.</p> <p>CI Peru, the proposed lead Executing Entity, will lead Proposal development with significant support from DRIS and ANECAP as representatives of the indigenous organizations from Communal Reserves Landscapes (CRLs). CI will contribute technical, operational, and field expertise to review and refine technical inputs from consultancies, ensure holistic Project design, and support consultants with government and stakeholder engagement. The funding proposal will be developed and submitted to the GCF in the first 12 months of PPF grant implementation, followed by up to 8 months of revisions during the GCF review process.</p>		

¹ The counterpart funding is considered "grant" per the GCF's Financial Instrument categories or cash equivalent to support the financing of PPF activities and the development of a full Funding Proposal package.

B. Description of Project Preparation Activities	
Activities ^(note 4) and Outputs <i>(Please select Activity Areas ^(note 5) as needed)</i>	Month
	<i>(Please shade the implementation period from the starting month of the Output and Activity in the schedule. Please also indicate the month of completion of each deliverable with "X" in the corresponding cell)</i>
	1 2 3 4 5 6 7 8 9 10 11 12 1 2 3 4 5 6 7 8 9 10
Activity 1: PPF activity area: Pre-feasibility and Feasibility studies and project design	
Sub activity 1.1: Feasibility study	
Output 1.1.1: Communal Reserves Landscapes (CRLs) profiles	
Output 1.1.2: Vulnerability assessment	
Output 1.1.3: Overall risk identification and assessment for the Project	
Output 1.1.4: Synthesis of a baseline assessment	
Output 1.1.5: Options analysis	
Output 1.1.6: Detailed Project description	
Output 1.1.7: Detailed Indigenous bio-businesses incubator description as an exit strategy	
Output 1.1.8: Analysis of National and Subnational Policies and Regulatory Frameworks	
Output 1.1.9: Natural Capital and Ecosystem Services Assessment and mapping, including ecosystem mapping of each site	
Output 1.1.10: Economic and financial analysis	
Sub activity 1.2: Project design	
Output 1.2.1: Project budget	
Output 1.2.2: Operations and maintenance plan and manual	
Output 1.2.3: Procurement Plan	
Output 1.2.4: Legal due diligence	
Activity 2: PPF activity area: Environmental, social and gender studies	
Output 2.1: Environmental and Social Impact Assessment (ESIA) and Social Management Plan (ESMP) (to be revised)	
Output 2.2: Gender analysis and gender action plan	
Output 2.3: Community Engagement Plan	
Output 2.4: Consultations and stakeholder engagement plan	

Output 2.5: Accountability and Grievance Mechanism Plan design and development																				
Activity 3: Identification of programme/project level indicators PPF activity area: Identification of programme/project level indicators																				
Output 3.1: Specific baseline analysis on biodiversity																				
Output 3.2: Logical framework and theory of change as per Integrated results management framework (IRMF)																				
Output 3.3: <i>Develop the Project indicators and co-benefits assessment</i>																				
Output 3.4: Assessment of GHG emissions reductions																				
Output 3.5: Monitoring and Evaluation Plan																				
Output 3.6: Implementation arrangements																				
Output 3.7: implementation timetable																				
Output 3.8: Beneficiaries calculation (Mitigation and Adaptation)																				
During months 10–12, CI will review and revise the work in collaboration with partners. Revisions based on feedback from GCF will continue in months 13–20.																				
Estimated time for submission of Funding Proposal package to the GCF – <i>Month 12</i>																				

Please see Annex 1, Consultant ToRs for more detail on the below description of PPF activities.

A consolidated and well consulted Funding Proposal will be prepared in line with GCF requirements and in coordination with MINAM, the ABA Steering Committee, the IPLCs and its representatives (ANECAP, ECAs and IPLCs), by including workshops in keys cities where stakeholders from the 10 Communal Reserves will participate. The Full Funding Proposal revision will be based on the comments and observations of CI Peru, CI GCF and the GCF (proposed timeline is one year of FP development, submission to the GCF at the end of month 12, followed by 8 months of GCF review and revision).

The proposal will be designed considering the need to explore coherence, complementarities and synergies with other projects in GCF's pipeline and portfolio (WWF Peru, Profonanpe EBBF, Amazon Bioeconomy Fund among others) as well as the Peru's REDD+ process.

Activity 1: Pre-feasibility and Feasibility studies and project design

1 The Pre-feasibility Study will be developed to present technical, environmental, social and policy assessment of solutions and approaches proposed by the project, based on the information collected and presented in the baseline study.

2. The Feasibility Study will include the economic and financial analyses, and the different options for the strategy and a detailed description of the selected Project approaches. Each feasible option will be analysed and tested again, including comparisons between BAU agricultural/forestry practices versus climate smart practices. CI will review and revise these alternatives in collaboration with partners to be included as the Options Analysis, part of the Feasibility Study (Annex 2) for the Funding Proposal. Further revisions to the Feasibility Study will be based on GCF comments.

4. Indigenous People are the direct beneficiaries of project activities and therefore the GCF Indigenous Peoples Policy will guide the overall project design.

Sub activity 1.1 Feasibility study

5. This PPF activity will engage CI Peru staff and consultants to support the design of the Project, comparing “with” and “without” project scenarios, reviewing current baselines, undertaking an options analysis, and finalizing the project description after the theory of change and logical framework are completed. The final Feasibility Study will be refined to ensure consistency with the Project logical framework and desired outputs.

Output 1.1.1: Communal Reserves Landscapes (CRLs) profiles

6. The CRLs profiles will provide a brief overview of the physical and biological nature of the 10 CRLs and describe their ethnic and cultural diversity, political systems, productive customs, demography, and the nature of the local economies and limitations to economic development.

Output 1.1.2: Vulnerability Assessment

7. The climate change vulnerability assessment will focus on the 10 CRLs and will provide a clearer overview of the climate and socio-economic vulnerability of the targeted indigenous peoples (beneficiaries of the Project). It will also assess the vulnerability of the CRLs / ecosystems to climate change, including potential impacts on ecosystem services provided by these landscapes to indigenous communities.

Output 1.1.3: Overall risk identification and assessment for the Project

8. Beyond the specific risk assessments and plans noted above, an overall Project risk identification and assessment will be conducted, and mitigation plans developed for these risks. These could include political, economic, conflict, and natural disaster risks to project implementation.

Output 1.1.4: Synthesis of a baseline assessment

9. Baseline information will be collected to help establish indicators for the Project, to elaborate on the climate rationale of the Project, and to support identification of prioritized Project implementation sites.

10. A baseline survey will be developed as a first step, and the study will particularly stress on the impacts of observed extreme events (e.g., forest fires, landslides, floods, rains, droughts) related to climate variability across the project's target sites (CRLs).

Output 1.1.5: Options Analysis

11. The Options Analysis will describe alternative approaches to support indigenous communities including analysis of work undertaken in the past and lessons learned. The options analysis will assess the comparative advantage of the project-selected approaches and provide rationale and justification for that selection vs approaches not selected by the Project.

Output 1.1.6: Analysis of National and Subnational Policies and Regulatory Frameworks

12. This output will produce an overview of all relevant national and subnational climate, land use, biodiversity and environmental policies, plans and strategies related to indigenous people and prioritized value chains in each Communal Reserve. Moreover, it will include a thorough policy analysis and identify appropriate policy and legal reform needed at national and subnational levels (Departments, Districts, etc.) to optimize Project actions in accordance with environmental norms and standards of practice. Finally, it should identify gaps and potential reforms to support a paradigm shift (if Indigenous people will have the technical capacities and finance needed to sustainably manage CRLs for the provision and regulation of key ecosystem services, including food production, then access to markets, traditional knowledge preservation and conservation, low emissions and climate change resilience will be achieved). Recommendations for Project interventions will be produced.

Output 1.1.7: Natural Capital and Ecosystem Services Assessment and mapping, including ecosystem mapping of each site.

13. For each of the project sites, CI, partners, and consultants will assess and map the locations and changes in spatial extent over time of important ecosystems and natural capital using existing data derived through desktop research and/or expert guidance. Where available, data from national mapping initiatives will be utilized. Degraded areas will be identified for potential restoration to improve ecosystem services as well as the methodology to monitor the territory and natural resources of CRs and landscapes by exploring linkages with the national monitoring or similar systems.

Output 1.1.8: Economic and Financial Analysis (EFA)

14. Includes the Economic Internal Rate of Return (EIRR), the Financial Internal Rate of Return (FIRR), and sensitivity analysis, based on the budget and logical framework targets.

Output 1.1.9. Detailed Project Description

15. This output will include barrier identification, interventions to remove those barriers, project design and implementation approaches, the development of a methodology for the finance and risk mitigation mechanisms and compensation schemes that will be designed and implemented during the project execution phase, the design and structure of the technical and financial assistance component that will include the analysis of training needs and knowledge management for strengthening the sustainability and replicability of the project.

Output 1.1.10: Detailed Indigenous bio-businesses incubator description

16. This output consists of conducting a more comprehensive needs assessment to understand the value chains in the target area and the type of bio businesses, including business models, the project will support. Moreover, an overall assessment of adaptation potential as well as potential negative effect (environmental, biodiversity and social) and mitigation actions of the various business models that are intended will be developed, together with the selection criteria for bio-business and the value chain diagnostics including market studies for the prioritized value chains.

Sub activity 1.2: Project design

Output 1.2.1 Project budget design and development

18. CI will work with partners and stakeholders to develop a comprehensive budget, including co-financing, by results areas and in alignment with the logical framework and Project implementation timeline.

Output 1.2.2: Operations and maintenance plan and manual

19. Develop the Project Operations and Maintenance Plan including maintenance requirements and budget for Project procured durable goods both during implementation and beyond the project period of performance - based on the GCF template and in coordination with participating partners and institutions.

Output 1.2.3: Procurement Plan

20. Based on the budget, logical framework, and corresponding procurement needs, a detailed procurement plan for durable goods will be developed to support Project implementation.

Output 1.2.4: Legal due diligence

21. The legal opinion will include information consistent with the requirements set forth in the section describing Annex 9: Legal due diligence (Regulation, Taxation, and Insurance) on pages 163-165 of the GCF Programming Manual and will include such information and analysis as described in this section, along with any other relevant information that the legal counsel determines necessary to respond to those requirements.

22. The scope and contents of opinion is expected to cover, among other elements where relevant, the following:

- An overview of the main laws and regulations, including any international treaties and conventions that will apply in the implementation of the Project, and how the AE or other third parties, including GCF-approved consultants, involved in such implementation (e.g., Executing Entities (EEs)) will comply with them.
- An overview of any government, regulatory or corporate approvals, licenses or permits, including land and marine rights, required for implementing and operating the Project, the relevant issuing authority and the date of issuance or expected date of issuance.
- Tax implications, including any applicable taxes on the expenditures to be financed with GCF resources and/or, depending on the type of financial instrument, the financial reflows to be received by the AE or EE from the downstream recipients and ultimately transferred to GCF (or any exemptions therefrom).
- Foreign exchange regulations and currency conversion arrangements related to the Project, including all documentation required for a payment to be made by and/or to the GCF.
- Any insurance requirements to be obtained by the AE, EE, or other involved parties, including GCF-approved consultants, for the implementation of activities; and
- The treatment and ownership of any immoveable assets that are financed by the Project. This must be consistent with the exit strategy to be outlined in the PPF.
- Any other applicable laws or regulations relevant to the Project.

Activity 2: Environmental, social and gender studies

23. Activity 2 will develop the relevant environmental and social safeguard plans and mitigation measures as identified by the preliminary ESS Screening Report and in accordance with the CI GCF Agency's Environmental and Social Management Framework (ESMF) to ensure that the Project is consistent with CI and GCF's Environmental and Social Safeguards (ESS) standards. The PPF funding will be used to engage consultants, supported by CI staff, to conduct an Environmental and Social Impact Assessment (ESIA) of the Safeguards that might be triggered (based on the preliminary ESS Screening) by Project activities and to ensure that mitigation measures are planned for. The deliverables will be an Environmental and Social Management Plan (ESMP) that covers ESS Standards 2, 3, 4, 8 and 10, at minimum, since the standard 5, 6 and 9 have to be investigated during the full proposal preparation. The ESIA will also include an Analysis of Alternatives, Grievance Redress Mechanism, and information disclosure, consultation and participation related to the project. In addition, this Activity will include the development of the Gender Assessment and Gender Action Plan for the Project, which will incorporate SEAH safeguarding measures, and the Stakeholder Engagement Plan (including a summary of consultations undertaken during the Project design phase supported by PPF funding). It is important to mention that a preliminary EMSP was designed alongside the concept note development and will need to be updated. Particularly, an overall assessment of adaptation potential as well as potential negative effects (environmental, biodiversity and social) of the various business models that are intended should be done and included in the revised version of this previous study. Moreover, this assessment needs to include biodiversity as a specific component. The Project ESMP will adhere to the safeguard standards as set out in the CI-GCF Agency's Environmental and Social Management Framework (ESMF). PPF support for this Activity will ensure that new needs, priorities, and incentives of indigenous people are incorporated into Project design and identify new potential ESS and Gender risks from the proposed Project approaches so these can be effectively mitigated.

24. PPF Activity 2 will also support efforts to develop and implement a comprehensive stakeholder engagement process that adheres to the principles of Free and Prior Informed Consent (FPIC) to design the Project and its implementation arrangements. This participatory engagement is essential for identifying Project interventions, priorities, risks, and barriers to design the ToC/Logframe, outcomes, outputs, activities, and indicator targets for the Project. Activity 2 will build upon CI's 'Rights-Based Approach', as well as safeguards activities underway by CI and partners.

25. PPF funding will be used to engage consultants, supported by staff from CI and partners, to undertake stakeholder consultations (see below) and rigorous analyses of the implementation contexts of CRLs to complete the comprehensive Stakeholder Engagement Assessment and Plan. Indigenous People are the direct beneficiaries of project activities and therefore the Indigenous Peoples Policy will guide the overall ESMP and project design. A detailed Gender Assessment will also be undertaken to provide context and analysis of the power dynamics, relative vulnerabilities, gender-based violence (GBV), and varying roles and responsibilities of men and women in the communities that will be involved in Project activities. The Project will strive to be gender-transformative by addressing identified gender issues through a well-defined Gender Action Plan (GAP) that is fully integrated into Project design and implementation. An Accountability and Grievance Mechanism (AGM) will also be designed to allow all stakeholders and interested parties to effectively register Project related grievances so that their voices are fully heard during implementation. The AGM will integrate CI's and GCF's grievance redress policies and will provide information on GCF's independent redress mechanism.

26. Stakeholder engagement will be done at various levels. CI, partners, and the consultants will hold an initial virtual meeting with the NDAs and other government representatives to map out the needs and plans for informing all stakeholders about the design and proposed implementation of the Project. CI, partners, and the consulting firm will organize consultations at the national level with government agencies, and with approximately 50 representatives of stakeholders (communities, women's groups, civil society, private sector) to inform the Stakeholder Assessment and Engagement Plan, Gender Assessment and Action Plan, ESMP and the Accountability and Grievance Mechanism. Community-level meetings will also be organized in each CRLs to collect additional data to inform the design of the Gender Assessment and Gender Action Plan and the ESMP. Finally, at national level validation meeting to present the final draft Project documents and invite consultation on them will be organized.

Output 2.1: Environmental and Social Impact Assessment and Social Management Plan (ESMP)

27. A revised Environmental and Social Impact Assessment (ESIA) along with an Environmental and Social Management Plan (ESMP) will be prepared and reviewed in detail at the FP stage based on the CI-GCF Agency's most recent ESMF requirements (which was updated since the original version of the ESMP was developed). The ESIA and ESMP will also include analysis and interventions to address issues around Sexual Exploitation, Sexual Abuse, and Sexual Harassment.

Output 2.2: Revised gender analysis and gender action plan

28. A gender analysis and a gender action plan have been already developed. An extensive revision of these documents is needed by including sex-disaggregated targets for direct and indirect beneficiaries, and the specific budget for the activities planned in the gender action plan.

Output 2.3: Community Engagement Plan

29. A strong Community Engagement Plan under an intercultural approach will be developed, following the suggestions of the GCF, that will be focused on the improvement of the governance structure that need to be adapted to the needs of the community.

Output 2.4: Consultations and stakeholder engagement plan

30. New consultations with the targeted indigenous communities will be conducted and captured in a Stakeholder Engagement report. A stakeholder engagement plan for ongoing engagement during Project implementation will be developed based on the previous consultations were undertaken two years ago (virtually due to the pandemic).

Output 2.5: Accountability and Grievance Mechanism Plan design and development

31. As required by the GCF and CI-GCF Agency ESMF, an accountability and grievance mechanism will be designed and developed that is accessible to all Project partners, stakeholders, and beneficiaries.

Activity 3: Identification of programme/project level indicators

This activity will focus on the development of baseline information, logical framework and theory of change, Project indicators will be included in the Project Logical Framework in the GCF template, assessment of GHG emissions reduction, monitoring and evaluation plan, implementation arrangements and timetable, and beneficiaries' calculation.

As the project intervention will be done in core and buffer zones of the Communal Reserves in the Peruvian Amazon; it is also expected to realize a specific and detailed baseline analysis on biodiversity. It will be conducted following the CI GCF Agency's ESMF, based on secondary data.

This work will be conducted by experienced consultants, with extensive support from CI, to fully leverage the technical and operational expertise that CI and partners have in implementing, monitoring, and evaluating Project. CI will also rely upon the expertise of CI's Project Delivery and Monitoring team for expertise in Project design, safeguards, and gender mainstreaming.

Output 3.1: Specific baseline analysis on biodiversity

33. Considering the geographic spread of project sites (CRLs), revise the existing baseline, and implement a baseline survey focused on clearly land, water, biodiversity, and other natural resources characterization to establish much needed impact indicators that will be used to monitor impact on key result areas and overall sustainable development potential. It will also include a reference to the design of effective measures for the conservation of biodiversity.

Output 3.2: Logical framework and theory of change as per Integrated results management framework (IRMF)

34. The draft theory of change will be revised to articulate the logical flow from activities to outputs, outcomes, and impact. The theory of change will also articulate the assumptions and show how activities address the barriers and technical risks that could arise from activities.

35. This Output will describe the paradigm shift to be achieved by the Project as required in the GCF's Integrated Results Management Framework, and how the Project is addressing key barriers. The paradigm shift potential of the project will show how the project responds to climate vulnerabilities and catalyses impact beyond a one-off investment, including demonstrating long-term financial sustainability of the project interventions. This Output will result in a completed logical framework in the GCF template which identifies all Project Components, Outcomes, Outputs, Activities, Sub-Activities, corresponding Deliverables, and co-benefits.

36. CI will work with partners and consultants to identify and include results areas with a breakdown of budget proportion by results areas, identify Project fund-level impacts related to each outcome and output as required for the Funding Proposal, and create a table of Project performance indicators, among other tasks.

Output 3.3: Develop the Project indicators and co-benefits assessment

37. This work will be based on information from the Feasibility Study, the ToC/Log frame as well as inputs from the stakeholder engagement and gender-related assessments. Indicators will include number of direct and indirect beneficiaries disaggregated by sex. Means of Verification will also be developed for all Project indicators.

Output 3.4: Assessment of GHG emissions reductions

38. Mitigation impact will be revised based on updates Forest Reference Emission Level (FREL), NREF in its Spanish acronym, and nested approach procedures. This output will also include a breakdown showing how each component contributes to the project's estimated mitigation impact. A narrative of the methodology will accompany the mitigation impact calculations (Emission Reductions) that have to be fully align with national reporting, by including the updated procedures and regulations by Peru's Ministry of Environment.

Output 3.5: Monitoring and Evaluation Plan

39. CI will work with partners and consultants to develop and describe data collection methodologies for implementation of the Project (in alignment with the means of verification (MoVs) included in the logical framework), summarize the overall impact of the Project, develop the M&E plan along with an appropriate budget to ensure timely data collection, analysis, dissemination to stakeholders, and reporting to the GCF. The baseline and the indicators that will be developed as specific outputs, will be the base to compare / contrast of the context before and after the project.

Output 3.6: Implementation Arrangements

40. CI Peru and relevant CI support staff, together with the Project partners, will collectively finalize the implementation arrangements for Project, including the Steering Committee to guide implementation of the Project. Executing Entities, named implementing partners, and key government agencies will also be identified. This output will also include coordinating with other similar Projects (FP173, FP193) to identify synergies, avoid duplication and coordinate co-financing. An annex describing the implementation arrangements and flow of financing at the Activity level will also be developed.

Output 3.7: Implementation timetable

41. Based on the logical framework, the Project milestones and implementation timeline will be developed under this Output. This Output will contribute to development of the detailed Project budget.

Output 3.8: Beneficiaries calculation (Mitigation and Adaptation)

42. This output consists of calculating the expected adaptation benefits that will be generated by the project and expressing them in terms of direct and indirect beneficiaries. An Excel spreadsheet and the methodology narrative will be developed for the beneficiary calculation, that will also include the specific adaptation beneficiary calculation together with its detailed methodology narrative.

C. Justification of the Project Preparation Request

43. PPF resources are required to develop the complex Funding Proposal for this Project. There is an urgent need to identify and implement sufficient and efficient adaptation livelihood strategies that improve the resiliency of male and female Indigenous people and their ability to cope with climate change impacts, especially those interventions that can also provide GHG mitigation benefits. Indigenous people, who have the commitment to sustainably manage the Communal Reserves and the opportunity to lead the sustainable use of adjacent lands, have very few alternatives for the provision of financial resources.

44. The formulation of the full funding proposal, including all the studies and annexes, imply a lot of work and technical assistance from expert consultants that need to be hired during the PPF implementation. In this sense there is a urgent need to find financial resources to support the process, because the indigenous groups do not have funding to support the investment required to develop the funding proposal and CI can only provide part of this necessity.

45. Furthermore, there needs to be a centralized facility that can align public and private investments, design innovative financial mechanisms tailored for Indigenous people and bio businesses, strengthen capacities in landscape-scale investments and funds and provide the technical services, and tools that can measure and monitor the benefits of these investments to be able to scale and allow financial resources to flow to the CRLs beyond the lifetime of the project. The Amazon Business Alliance (ABA) already works as a facility that provides these services and funds for bio businesses

in the Peruvian Amazon. As part of this project, it will design a dedicated financing window to support bio businesses and climate adaptation investments in the CRLs.

46. For the GCF, this project is an innovative opportunity to support Indigenous people who are critical to the low emissions development of the Amazon but are also among the most vulnerable people to climate change. It also provides the opportunity to innovate in the adoption of an Indigenous landscapes incubator to be managed by the Amazon Business Alliance tailored to the needs of Indigenous people for promoting environmentally sustainable business models and value chains, reducing the barriers and risks for aligning public-private investments and advancing climate and land use strategies.

47. CI is committed to supporting the development of the Funding Proposal through allocation of significant staff time and other resources as co-finance (\$250,000). However, CI is a non-profit entity with limited available resources and can cover only part of the amount required for the extensive studies, consultations with diverse beneficiary populations (10 ECAs), and technical document development required for a high-quality GCF Funding Proposal as detailed in the ToRs. Therefore, to support the development of this GCF Funding Proposal, CI is requesting a grant from the Project Preparation Facility. Given the limited availability of resources of CI, the development of this Funding Proposal will not be possible without this financial assistance, considering that the main beneficiaries are the indigenous communities from the Peruvian Amazon.

Counterpart resources

48. While local partners are not able to provide financial resources for the development of a Funding Proposal, CI will engage the national NDA, the Peruvian Ministry of Environment, and the ABA, who are expected to contribute to PPF activities via in-kind staff time to review documentation over the course of Funding Proposal development.

49. In addition, the PPF grant activities will build upon existing efforts, initiatives, and datasets previously funded by CI and other donors wherever possible and focus on the activities described above in section B to fill information gaps for completing the Funding Proposal. For example, baseline study, feasibility study, and ESS documents developed for a similar project will be used in developing the GCF Funding Proposal. In addition to providing in kind support for the work involved in preparing the Funding Proposal, CI also expect to leverage experience, complementary efforts, and in-kind support from the government, the private sector, indigenous organizations, local NGOs, and other stakeholders to design this important Project in a way that optimizes benefits for Peruvian indigenous communities, both during implementation of the Project and over the long term.

D. Implementation Arrangement

50. Conservation International Foundation (CI) will be responsible and accountable to the GCF for PPF activities, including overall design, development, fiduciary and financial management, implementation, monitoring, reporting, supervision and related processes (procurement, audits, etc.) in accordance with CI's policies and procedures and with the PPF Grant Agreement to be signed with GCF or its fiduciary agent.

51. Conservation International Foundation (CI), the Accredited Entity (AE), through its CI-GCF Agency, will provide oversight of the implementation of the Project Preparation activities (including technical, financial, and administrative monitoring) and ensure alignment and compliance with GCF standards and policies and with the terms of the PPF Grant Agreement to be signed with GCF or its fiduciary agent.

52. CI will self-execute this PPF grant; CI, acting through its branch in Peru (CI-Peru), will serve as the Executing Entity for the PPF activities. CI-Peru is a branch of CI and, as such, CI-Peru is not a separate legal entity from CI. CI-Peru applies all CI policies and procedures. As EE, CI-Peru's work will focus on the areas of stakeholder consultation, institutional/partner coordination, provision of technical input, management of sub-grants, and review of consultant deliverables. CI's PPF activities will also be supported by CI programs offering specific expertise required for elements of the Funding Proposal, including gender, ESS, and M&E, to ensure that a high-quality, evidence-based project is designed to meet GCF's standards. CI will enter appropriate internal instruments to assign and segregate roles and responsibilities between the involved CI divisions and offices. CI will also work closely with partners and indigenous organizations to ensure full ownership of the design and implementation of the project, as described below.

53. The development of the Funding Proposal will be led by a full-time PPF Project Lead, a CI-Peru staff member who will act as team leader and provide technical support for activities and ensure that all elements of the Funding Proposal are delivered in a timely manner and at the rigorous standards of the GCF. The PPF Project Lead will also ensure that all activities specified in the Terms of Reference for commissioned studies provide the content and analyses needed to develop the Funding Proposal and integrate the outputs with existing work using a non-duplicative approach. The

PPF Project Lead will be supported CI-Peru staff on project design and Funding Proposal development (funded using co-finance). CI-Peru operations staff will manage grants and contracts, finances, and financial reporting as PPF project management for this grant.

54. CI has worked in Peru since 1989, helping establish Natural Protected Areas at priority biodiversity sites such as Bahuaja-Sonene (Tambopata), Cordillera del Condor, and many others. CI has been working in Peru with IPLCs since 2013 with the Awajun community in Shampuyacu and is partnering with a different range of indigenous organizations in all the Peruvian Amazon. Since 2012, CI has been implementing a REDD project in the Alto Mayo Protected Forest (AMPF) through co-administration with SERNANP of the area. CI Peru also has experience with large grant-based projects, including from public funding sources, of \$15 million or more. CI-Peru is also working on the indigenous bio businesses incubator as part of a project financed by USAID, the Amazon Business Alliance (ABA), that together with the Canadian Government and BHP Foundation amount at more than \$23M.

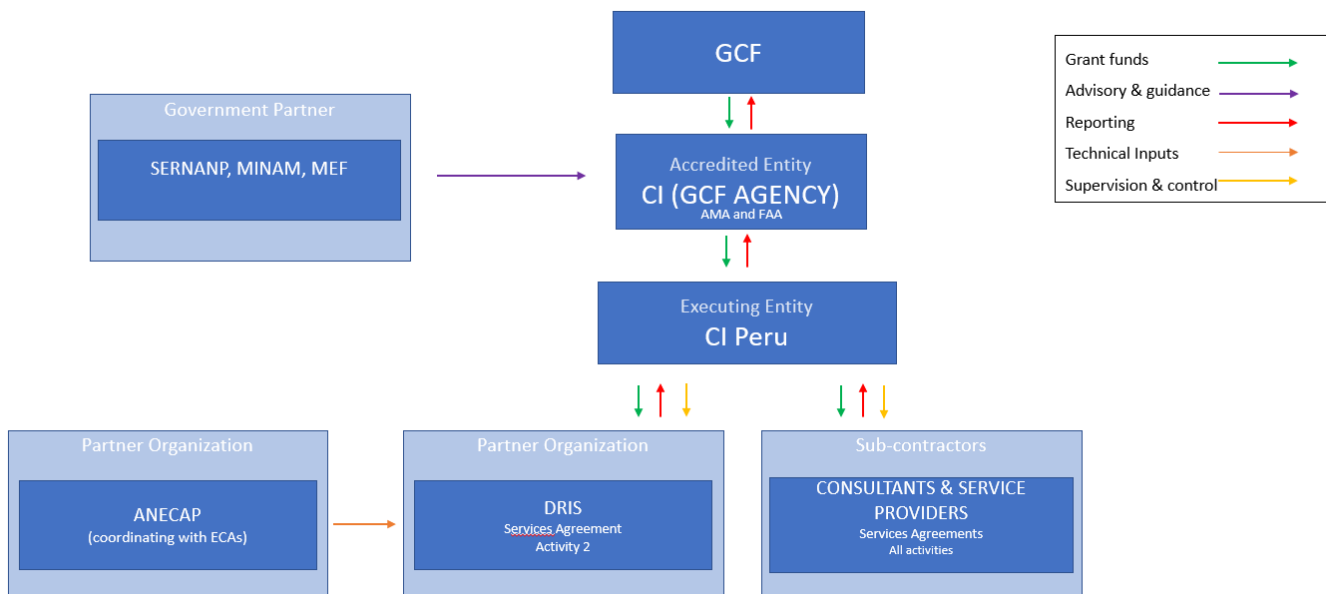


Figure 1: Financial and Contractual Agreements; PPF Grant Implementation Arrangements

55. To provide the technical inputs needed to complete the Funding Proposal and Annexes, CI will enter into a services agreement with a consultancy firm ('Consultancy Firm'). This Consultancy Firm will support CI and partners to design interventions, develop indicators, and provide detailed recommendations and information on environmental and social safeguards, gender mainstreaming, economic and financial impacts, implementation timetable, and conduct stakeholder engagement. Through a Request for Proposals and following CI's Procurement Policy and in accordance with the PPF Grant Agreement to be signed with GCF or its fiduciary agent, CI will seek to engage a single firm to support the terms of reference for all the activities appended to this PPF application. CI is taking this approach because its prior experiences have demonstrated that working with a single firm will facilitate communication and the development of a cohesive Funding Proposal.

56. CI will also enter into a services agreement with DRIS to lead stakeholder engagement and support deliverables under PPF Activity 2. DRIS will coordinate closely with ANECAP in its work. DRIS, a key partner of CI-Peru, is a local NGO working with Indigenous people in Communal Reserves to strengthen their institutional capacities for co-management. DRIS works in alliance with regional governments and other public institutions like SERNANP and MINAM, and in close relationship with ANECAP, and is currently implementing two different projects with CI in five Communal Reserves in the Peruvian Amazon (ANECAP, SERNANP, and MINAM will provide guidance and technical inputs to DRIS's work but will not receive GCF funds). This engagement with CI during PPF activities will build capacity for DRIS and ANECAP to participate as Implementation Partners during project implementation.

57. CI will also engage translation/interpretation and legal services via CI service agreements. Translation and interpretation services will be used for certain and stakeholder meetings. A legal firm will support CI staff in due diligence to ensure proposed project activities follow local laws and regulations.

58. All third parties receiving GCF PPF funds will undergo CI's due diligence processes. All service agreements that CI enters with third parties will be following CI and GCF standards and policies and the terms of the PPF Grant Agreement entered between CI and GCF and will provide for controls on the use of GCF funds, including compliance with the GCF Prohibited Practices Policy.

59. To ensure alignment of the Project with the national structures and policies of Peru, CI, the Consultancy Firm, and DRIS will execute PPF activities in close consultation with MEF, ANECAP, SERNANP and PROFONANPE. Consistent communication between CI, partners and national and local officials will be maintained throughout the preparation of the Funding Proposal and the complete draft will be provided to the NDA for review and approval prior to submission to GCF.

60. An annual audit of the PPF grant will be conducted by an independent external audit firm in accordance with international standards on audit in accordance with the terms of the PPF Grant Agreement to be signed with the GCF or its fiduciary agent.

61. Risks concerning AML/CFT will be properly identified, and mechanisms and controls put in place to mitigate those risks within the project preparation facility cycle, according to CI's obligations to the GCF under the PPF Grant Agreement to be signed with GCF or its fiduciary agent and GCF AML/CFT Policy. [**yes x**, no ☐, unsure ☐]