

## ANNEX III

of the Commission Implementing Decision on the financing of the annual action plan - part 2 - in favour of the Latin America and Caribbean region for 2021

**Action Document for the Amazon Basin Green Transition Initiative**

**ANNUAL PLAN**

This document constitutes the annual work programme in the sense of Article 110(2) of the Financial Regulation, and action plans/measures in the sense of Article 23 of NDICI-Global Europe Regulation.

## 1. SYNOPSIS

### 1.1. Action Summary Table

<b>1. Title CRIS/OPSYS business reference Basic Act</b>	The Amazon Basin Green Transition Initiative CRIS number: NDICI LA/2021/43601 Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)
<b>2. Team Europe Initiative</b>	<ul style="list-style-type: none"> <li>– Multi-country Team Europe Initiative for the Amazon<sup>1</sup></li> <li>– Team Europe Initiative for Brazil: Framework for Sustainable Investment and Recovery</li> <li>– Joint Team Europe Initiative for Guyana and Suriname –Forest Governance</li> </ul>
<b>3. Zone benefiting from the action</b>	Amazon Basin countries: Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela
<b>4. Programming document</b>	<ul style="list-style-type: none"> <li>– Multiannual Regional Indicative Programme for the Americas and the Caribbean</li> <li>– Multiannual Regional Indicative Programme for Suriname – Forest partnerships</li> <li>– Multiannual Regional Indicative Programme for Guyana – Forest partnerships</li> </ul>
<b>5. Link with relevant MIP(s) objectives/expected results</b>	<p>MIP LAC Priority Area 1: Green Transition</p> <ul style="list-style-type: none"> <li>– <u>MIP Specific objective 1</u>: To increase ambition and effectiveness of climate action in Latin America and the Caribbean, in line with commitments under the Paris Agreement.</li> <li>– <u>MIP Specific objective 2</u>: To strengthen protection and conservation of land land/forest and marine ecosystems and their biodiversity, including through earth observation and digital data.</li> </ul> <p>MIP LAC chapter Brazil</p> <ul style="list-style-type: none"> <li>– To contribute to an environmentally sustainable, balanced and socially inclusive growth, notably in the context of the recovery from the COVID-19 pandemic by cooperating on policies and regulations, and by promoting investment aiming at a sustainable use and conservation of natural resources, and at resource saving and resource efficiency.</li> </ul> <p>MIP Suriname – Forest partnerships</p> <p>To strengthen forest governance and enhance the livelihood of forest communities, with a view to protect, restore and ensure sustainable use of Suriname's rainforests,</p>

<sup>1</sup> The commitment of the EU's contribution to the Team Europe Initiatives foreseen under this annual action plan will be complemented by other contributions from Team Europe partners. It is subject to the formal confirmation of each respective partners' meaningful contribution as early as possible. In the event that the TEIs and/or these contributions do not materialise the EU action may continue outside a TEI framework.

	MIP Guyana – Forest partnerships <ul style="list-style-type: none"> <li>– To strengthen forest governance and enhance the livelihood of forest communities, in particular through capacity building and digital technologies for increased monitoring, as well as link with the EU-Guyana FLEGT.</li> </ul>			
<b>PRIORITY AREAS AND SECTOR INFORMATION</b>				
<b>6. Priority Area(s), sectors</b>	Green Transition			
<b>7. Sustainable Development Goals (SDGs)</b>	Main SDG: SDG 13: Climate Action  Other significant SDGs SDG 1: No Poverty SDG 5: Gender Equality SDG 6: Clean Water and Sanitation SDG 8: Decent work and economic growth SDG 10: Reduced inequality SDG 12: Responsible Consumption and Production SDG 14: Life Below Water SDG 15: Life on Land SDG 16: Peace and Justice Strong Institutions SDG 17: Partnerships to achieve the Goal			
<b>8 a) DAC code(s)</b>	41010 – Environmental policy and administrative management 41030 - Biodiversity			
<b>8 b) Main Delivery Channel @</b>	Main Delivery Channel: 10000 Public Sector Institutions Detailed Delivery Channel: 13000 3 <sup>rd</sup> Country Government (delegated co-operation)			
<b>9. Targets</b>	<input type="checkbox"/> Migration <input checked="" type="checkbox"/> Climate <input checked="" type="checkbox"/> Social inclusion and Human Development <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Biodiversity <input type="checkbox"/> Education <input checked="" type="checkbox"/> Human Rights, Democracy and Governance			
<b>10. Markers (from DAC form)</b>	<b>General policy objective @</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Gender equality and women's and girl's empowerment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade development	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Reproductive, maternal, new-born and child health	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Disaster Risk Reduction @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Inclusion of persons with Disabilities @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Nutrition @	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>

	Biological diversity @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Combat desertification @	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Climate change adaptation @	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>11. Internal markers and Tags:</b>	<b>Policy objectives</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Principal objective</b>
	Digitalisation @ Tags: digital connectivity digital governance digital entrepreneurship job creation digital skills/literacy digital services	<input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Connectivity @ Tags: transport people2people energy digital connectivity	<input checked="" type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
	Migration @ (methodology for tagging under development)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reduction of Inequalities (methodology for marker and tagging under development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Covid-19	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>BUDGET INFORMATION</b>				
<b>12. Amounts concerned</b>	Budget lines: BGUE-B2021-14.020140-C1-INTPA : 25 000 000 (LA Countries) BGUE-B2021-14.020141-C1-INTPA : 10 000 000 (Suriname and Guyana) Total estimated cost: <b>EUR 35 000 000</b> Total amount of EU budget contribution EUR 35 000 000 This action may be co-financed by other donors in the context of the Team Europe Initiative for the Amazon (to be confirmed)			
<b>MANAGEMENT AND IMPLEMENTATION</b>				
<b>13. Type of financing<sup>2</sup></b>	<b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.3.2 <b>Direct management:</b> Grants <b>Direct management:</b> Administration Agreement with the JRC (procurement)			

## 1.2. Summary of the Action

In the Amazon, a variety of socio-economic pressures and dynamics contribute in various degrees to deforestation and forest degradation, resulting in loss of biodiversity through the reduction and/or extinction of entire populations of species. However, the value of the Amazon forest reaches far beyond its capacity to host 58% of the world's tropical forest, it is also invaluable in our fight against climate change. The latest scientific studies point to an

<sup>2</sup> Art. 27 NDICI

irreversible damage of the Amazon rainforest, with deforestation surpassing 20%-25%, which means that the Amazon is approaching a breaking point and the possible collapse of large-scale ecosystem services. This would have catastrophic consequences for biodiversity and climate change as Green House Gases (GHG) are emitted into the atmosphere. In fact, recent research suggests that due to deforestation and forest degradation in parts of the Amazon rainforest may have emitted more GHG than they have absorbed over the last decade. Reducing the rate of deforestation and forest degradation, for example through wildfires, is paramount to reach the goals set out in the Paris Agreement. The climate and biodiversity crises are intrinsically linked.

As a part of its response to this mounting crisis of the Amazon forest, the European Commission launched a Team Europe Initiative (TEI) for the Amazon to address some of the key drivers of deforestation and forest degradation. The most significant drivers include land speculation and grabbing, cattle ranching, intensive and mono-crop agriculture, large-scale infrastructure development, selective logging, and extractive industries such as mining. The jointly drafted Amazon TEI seeks to mobilise and coordinate efforts by the EU and its Member States in the Amazon Basin within the following four pillars:

1. The sustainable management of natural resources through integrated management of landscapes and sustainable land use strategies;
2. Inclusive and sustainable growth and livelihoods, including the promotion of transparent and deforestation-free supply chains;
3. Environmental governance and human rights;
4. Sustainable finance.

These pillars have been translated into concrete actions through this annual plan for the Amazon Basin Green Transition Initiative. This first action document for the Amazon Basin will narrow down and focus on what is most urgent and sensitive within the EU and the Latin America the policy and political context, particularly in light of the EU-Mercosur Association Agreement. Hence, the actions outlined in this document will mostly address topics from the first three pillars of the TEI, with elements of sustainable finance (pillar four) included in their activities.

These actions will seek to combat the deforestation and forest degradation of the Amazon Forest and its contributions to climate change through mitigation and adaptation, the sustainable use of forest goods and services and the strengthening of indigenous peoples and local communities' role in defending the forest. The expected impact of these activities will help improve the capacity of the Amazon Basin countries to mitigate CO<sub>2</sub> emissions and adapt to the effects of climate change, and to significantly reduce deforestation and improve the protection of its biodiversity. Specifically, the four components of this action will work on:

- Deforestation, forest degradation and its drivers
- Prevention, monitoring, control, combat and remediation of the impacts of (illegal) deforestation, forest degradation and wildfires
- The role of indigenous peoples and local communities in environmental and forest governance
- The sustainable use of forest goods and services and deforestation free value chains

This regional programme will implement actions both on a regional, multi-country, national and sub-national levels depending on the needs and contexts within its four components. This “variable geometry” implementation approach provides much needed flexibility when addressing the challenges of the overall Amazon region as a multi-country and diverse environment.

The partner countries of the Amazon Basin which include Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela, make up the Amazon Cooperation Treaty Organization (ACTO) and all but Venezuela are signatories to the Leticia Pact. In addition to supporting the Amazon Basin partner countries to reach the objectives set out in the above mentioned fora, this programme will also foster a bi-regional dialogue with the European Union. The program will also serve as a permanent facilitating platform for improved coherence and coordination between both EU funded actions as well those of its Member States. The possibility effectively group efforts in the Amazon Basin will not only promote exchange of knowledge and best practices, but also increase EU visibility.

It is envisaged that the programme will be implemented through pillar assessed Member State Organisations and/or International Organisations that will be selected according to the criteria set out in section 4.3.2 of this document. Parts of this action may be implemented through the European Joint Research Center (JRC) for their knowledge and role in monitoring and reporting on deforestation, forest degradation and wildfires, building on their ongoing

cooperation in LAC countries, international organizations such as ACTO, FAO, UNEP, and national partner organisations.

The activities carried out under this action will complement other EU interventions, including those financed under bilateral portfolios as well as regional programmes such as Euroclima and El Paccto.

As financing sources for this action include various MIPs and MIP chapters, the action foresees earmarked funds for Brazil, Suriname and Guyana (5 million each).

## 2. RATIONALE

The Amazon forest, spanning over the Amazon river basin and the Guiana shield and covering eight countries (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela) represents 58% of the world tropical forest, 20% of world freshwater reserves, and more than 20% of the total world biodiversity, making its preservation crucial for health of our planet and its inhabitants. Since the 1970s, when the “modern” era of deforestation began, the Amazon forest has lost up to 20% of its original area, while 10% of Amazon forests have been converted since 1990<sup>3</sup>. The annual area of forest disturbances (deforestation and forest degradation together) has increased from 26,605 km<sup>2</sup> to 31,418 km<sup>2</sup> between 2019 and 2020, ranging from a 0% increase in Colombia to 52% increase in Bolivia<sup>4</sup>. The latest scientific studies point to an irreversible damage of the Amazon rainforest and an approaching breaking point with the possibility of the collapse of large-scale ecosystem services such as water provision and rainforests drying out into savannah-type of vegetation<sup>5</sup>. This would have catastrophic consequences not only in terms of biodiversity loss but also for climate change through the release of GHG emissions into the atmosphere. Research suggests that due to deforestation and forest degradation, the Amazon rainforest may have emitted more GHG than it has absorbed over the last decade. Still, simulations have estimated that carbon dioxide stored in the Amazon rainforest could amount to 76 billion tonnes, making the region vital for the world’s ability to combat human induced climate change which is intrinsically linked with biodiversity loss. Reducing the rate of deforestation and forest degradation is paramount in order to reach the goals set out in the Paris Agreement. Biodiversity loss reduces ecosystem services available to humanity and contributes to socio-economic and physical insecurity, while increasing the risk of zoonotic epidemics such as COVID-19 through the increased exposure to and transmission of pathogens.

### Policy context

Deforestation and forest degradation of the Amazon forest, and its consequences for biodiversity, climate change, rights and livelihoods of indigenous people and local communities have been at the centre of international debates since the alarming increase of wildfires and of deforestation in Brazil in 2019. These issues are also at the core of discussions about the signature of the Mercosur Association Agreement. The EU has a commitment to deliver on its 2019 Action Plan to Protect and Restore the World’s Forests, which includes working in close partnership with its global partners on forest protection, restoration and sustainable forest management<sup>6</sup>. This includes adopting a legislative proposal to minimise the risk that products sold on the EU market, whether sourced from within the EU or from third countries, do not contribute to deforestation<sup>7</sup>. This proposed action is the result of priorities identified at the EU Inter-service Group on the Amazon<sup>8</sup>, where there was an acknowledged need to have a common EU strategy for the region and to leverage the visibility of the EU in the dialogue on the Amazon biomes with the Amazon region. In view of rising concerns of deforestation and forest degradation and the Amazon, HRVP Borrell, EVP Dombrovskis and the LAC Foreign Ministers agreed during the informal EU LAC Ministerial meeting in Berlin on 14 December 2020, to intensify contacts with a view to enhancing the exchange of information, increasing policy dialogue and identifying areas of cooperation. At the Informal Ministerial Meeting in Berlin in 2020<sup>9</sup>, the EU27 and Latin America and Caribbean, Berlin, reinforced this position as the Ministers emphasized the benefits of increasing collaboration between the EU and the LAC countries as regards wildfire management and supported the

<sup>3</sup> FAO Forest Resources Assessment 2020

<sup>4</sup> [JRC Technical Report April 2021, Deforestation and Forest Degradation in the Amazon.](#)

<sup>5</sup> FAO FRA 2020

<sup>6</sup> Complementarity will be ensured with Action 5: global action on forests and biodiversity, of the global challenges – planet AAP.

<sup>7</sup> [EU Communication 2019 - Forests - Environment - European Commission. \(europa.eu\)](#)

<sup>8</sup> The EU Inter-service Group on the Amazon, was established in 2019 for EEAS and concerned Commission Directorates General (such as INTPA, TRADE, CNECT, REGIO, JUST, HOME, MARE, DEFIS ) to coordinate on different EU policies and actions related to the Amazon region.

<sup>9</sup> [Joint Communiqué](#)

efforts for the development of regional wildfire early warning and monitoring systems, such as the Global Wildfire Information System (GWIS) developed by JRC.

In view of coordinating their efforts aimed at the promotion of sustainable development of the Amazon Basin, the Amazon countries (Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela) established the Amazonian Cooperation Treaty Organisation (ACTO) in 1978. In September 2019, these same countries, with the exception of Venezuela, also signed the Leticia Pact under the political leadership of Colombia. The Leticia Pact is also aimed at the conservation and sustainable use of the Amazon forest.

## 2.2. Problem Analysis

Short problem analysis:

### **Deforestation and forest degradation and its drivers**

The Amazon is under threat of continuous deforestation and forest degradation<sup>10</sup>, driven mostly by agricultural expansion, infrastructure development, illegal land grabbing, legal and illegal mining and selective logging, as well as wildlife and timber trafficking. In parts of the Amazon there is a presence of armed groups as well as vulnerable communities affected by internal displacement and migration linked to political crisis, climate change, deforestation, land dispossession, etc. Not all countries are affected by these drivers equally as there is a high variability of the Amazon Basin countries, depending on national and local dynamics such as nature preservation laws and law enforcement strategies<sup>11</sup>. This action seeks to strengthen the conditions and ability of the Amazon Basin countries to combat deforestation, forest degradation and its main drivers (agricultural expansion and wildfires, respectively) through the promotion of ambitious and effective policy making and implementation, improved statistics, effective forest monitoring systems, and intersectoral, multi-level, multi-actor and regional articulation. However, other drivers of deforestation and forest degradation include:

#### *Infrastructure and road development*

The construction and improvement of primary roads potentially leads to the construction of secondary, tertiary, and even illegal roads in the region. In general, the expansion of the road network, including both official and unofficial roads, into formerly inaccessible forest areas is associated with deforestation, forest degradation, biodiversity loss, displacement of indigenous communities, increased greenhouse gas emissions and reduced carbon storage. Roads also increase land values in adjacent areas, which in turn drives speculation and deforestation in order to establish and maintain land tenure.

#### *Legal and illegal mining*

Increasing prices of minerals affect levels of both legal and illegal mining which accounted for 9% of the overall deforestation in the region from 2005 - 2015. While formal mining is dominated by multinational companies, illegal mining is often carried out by individuals or microbusinesses employing techniques that include the production of highly toxic waste. Both contribute to water pollution, negative health impacts, deforestation, immigration and conflicts with indigenous and local populations. This is the largest contributor to forest degradation in Guyana, Suriname, Venezuela and French Guyana.

#### *Selective logging*

Selective logging is widespread and largely illegal in the Amazon, with timber trafficking destined mainly to internal markets or markets with low traceability requirements. Although selective logging has less impact on ecological processes than forest clear-cutting, selectively logged forest sites often experience negative effects related to wildlife populations, timber recovery rates and to irreversible changes in the tree species composition, as well as higher rates of wildfires. Timber trafficking and illegal deforestation for agriculture are also often closely linked, and rely on weaknesses of regulating institutions. Estimates on the amount of illegally logged timber range from over 40% (Colombia), to 70% (Ecuador) and 80% (Bolivia, Peru). For the Brazilian Amazon, the estimates range from over 50% to 90%.

#### *Land tenure*

<sup>10</sup> Deforestation is defined as the conversion of forest to other land use independently whether human-induced or not (FAO FRA 2020). Forest degradation refers to the negative effects of structural and functional forest characteristics, as a result of human activities.

<sup>11</sup> JRC Technical Report April 2021, Deforestation and Forest Degradation in the Amazon.

Insufficient mapping, registration, and ineffective regulation of land property in the Amazon plays an important role in deforestation. The insecurity regarding the ownership and use of land is often mentioned as a limitation for the implementation of sustainable production policies in the region. Many public lands in the Amazon do not have clear definition of their destinations, which make them vulnerable for illegal occupation and land speculation.

### **Agricultural expansion and wildfires**

Since the turn of the 21<sup>st</sup> century, wildfires constitute a major contributor to the degradation of the Amazon forest. Agricultural expansion is by far the main deforestation driver in the Amazon. Crop and pasture area increased from 73 to 103 million ha from 2000 to 2017. Due to a higher frequency of extreme draughts, wildfires have become more common, often escaping into the forest from agricultural burning practices or ignited by illegal loggers for example. Deforestation, selective logging and wildfires are therefore closely associated and remain a major concern. The Amazon Basin countries count on wildfire monitoring systems of varying effectiveness with low levels of harmonisation between them. This action will seek to specifically address deforestation and forest degradation through the prevention, monitoring, control, combat and remediation of the impacts of wildfires through policies, monitoring and integral wildfire management at landscape, national and regional levels.

### **Indigenous peoples and local communities**

The Amazon forest supports indigenous cultures with nearly 400 distinct ethno-linguistic groups, making the Amazon region one of most culturally diverse regions in the world. Indigenous peoples number about 1.5 million in the Amazon region and have recognised land rights over at least 25 % of the forest. Indigenous groups similar to other populations have a diverse make up and within that include persons with disabilities.<sup>12</sup> Historic evidence has shown that land and resources under indigenous governance are more sustainably managed and can provide lessons for improved biodiversity conservation, notably using their traditional knowledge.<sup>13</sup> Given the vital role that indigenous peoples play in managing their territories and protecting large parts of the Amazon, these negative effects inevitably affect the entire Amazon Rainforest, leading to further globally relevant impacts on the climate, biodiversity, food production and inequality. If biodiversity loss and climate change are to be mitigated, indigenous peoples and local communication are to be included in forest conservation.

Their lands, however, are tenuously held, often insufficiently protected by the public authorities and increasingly exposed to harmful economic activities, landscape transformation and higher levels of illegal invasions of lands, resulting in widespread human rights abuses. Latin America is a hotbed for violence against environmental defenders. In 2019, 148 environmental defenders died in Latin America, many of these indigenous, making up more than two-thirds of the world's total.<sup>14</sup> The EU is committed to uphold indigenous rights and the EU Council Conclusions of 2017 on Indigenous Peoples also recommends that the EU promotes the right to Free, Prior and Informed consent, as well as self-determination for indigenous peoples.

The Escazú Agreement which entered into force in April 2021 seeks to guarantee the full and effective implementation in Latin America and the Caribbean of the rights of access to environmental information, public participation in the environmental decision-making process and access to justice in environmental matters, and the creation and strengthening of capacities and cooperation, contributing to the protection of the right of every person of present and future generations to live in a healthy environment and to sustainable development. The historical agreement also seeks to support the safety and protection of human rights defenders in environmental matters. Of the Amazon Basin countries, the agreement has been signed by Bolivia, Brazil, Colombia, Ecuador, Guyana and Peru, although not all of these countries have yet ratified the agreement<sup>15</sup>. In line with the Escazú Agreement, this action will seek to strengthen the conditions and the role of indigenous peoples and forest and local communities in the development and implementation of environmental and forest governance policies and mechanisms through their strengthened capacities as well as through multi-stakeholder frameworks on sub-national, national, regional and international levels.

<sup>12</sup> See OHCHR (2015) CRPD committee initial considerations of Brazil's first report to the CRPD committee details issues faced by indigenous persons with disabilities.

<https://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=16348&LangID=E>

<sup>13</sup> Their deforestation rates are much lower than those of unprotected areas and account for a large percentage of carbon storage. In fact, according to RAISG, 48% of the Amazon biome is under direct or indirect management of Indigenous Peoples (IP) (as Indigenous Territories or protected areas inhabited by IPs). Within this 48%, only 2% of historical deforestation has occurred. In other words, 98% of historical deforestation has occurred in areas not managed by IP.

<sup>14</sup> <https://hir.harvard.edu/protecting-latin-americas-environmental-defenders-the-fight-for-the-escazu-agreement/>

<sup>15</sup> <https://observatoriop10.cepal.org/en/treaties/regional-agreement-access-information-public-participation-and-justice-environmental>



### **Sustainable use of forest goods and services**

Forests provide humans with a variety of goods and service, including fuel for cooking and warmth, medicinal plants, food, clean water, and for many, the means to earn a living. More than 25 percent of the world's people rely on forest resources for their livelihoods, with 1.2 billion of them using trees to generate food and cash. Supporting these communities to use forest goods and services in a sustainable to help support their livelihoods is key in protecting the forests. Poverty is an underlying factor in many of the deforestation and forest degradation drivers mentioned above. This is why sustainable forest management practices that take into consideration a conservation and livelihoods approach is needed.

The growth model in the Amazon region from an institutional and private sector side is mostly based on natural resource extraction and export of raw materials, in particular agricultural products (mainly mono-cultivations and cattle ranching), all with a high environmental impact. Its limitations are increasingly evident, not only in terms of a sustainable source of income but also due to limited impacts on poverty reduction and increasing inequality and conflicts. A shift to a sustainable growth model is necessary to protect the resilience of the Amazonian ecosystems, on which the long-term economic and human development of its people depend. Structural challenges in the Amazon economies need to overcome to shift to higher and more inclusive growth, including through diversification and added value, increased productivity and efficiency of forest and agricultural production systems in the Amazon biome as well as the sustainable use of forest goods and services. This action will seek to strengthen conditions in the Amazon Basin for the sustainable use of forest goods and services, including through sustainable and financially viable business models and deforestation free value chains by supporting ambitious and effective policy making and implementation. For example, to accompany partners who (hope to) export in deforestation-related commodities to the EU to align with the forthcoming requirements under the legislative proposals for deforestation-free supply chains.

### **Gender**

Research shows that men and women are impacted differently by biodiversity loss and climate change. Exposing and understanding gender-differentiated biodiversity practices and knowledge of women and men enhances biodiversity conservation.<sup>16</sup> It is also worth noting that gender intersects with other identities such as persons with disabilities and impacts of biodiversity loss and climate change can have further impacts in these groupings. This action will include a gender perspective throughout the identification, formulation and implementation of activities.

### **Identification of main stakeholders and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the action:**

Amazon forest's contribution to climate change mitigation and adaptation as well as to global biodiversity conservation is a multisector/multidimensional Agenda. Almost all political, economic and social actors are involved in addressing its causes and effects and a wide range of actors must collaborate together to formulate the respective policies and engage in their implementation. Main stakeholders include:

- Ministries of Environment and Climate Change
- National Disaster Management Agencies, National Meteorological and Hydrological Services
- Ministries or agencies for energy, transport, agriculture, forestry, fisheries, natural resources, water, etc.
- Ministries of Foreign Affairs
- Ministries of Finance, given the strategic importance of climate finance
- Subnational/sub federal governments
- Environment law enforcement and environment agencies (e.g. IBAMA, ICMBio, etc)
- National and local institutions in charge of wildfire management deforestation, and forest degradation monitoring, and indigenous peoples
- Multisector coordination instruments (National Climate Change Systems) to face the climate change challenges at different levels.
- Regional bodies such as OTCA and Leticia Pact working groups
- Civil society, both on national and regional levels. Examples include Critical Ecosystems Partnership Fund (CEPF), CI, WCS, WWF and others)
- Women rights and human rights organisations
- Private sector actors
- Development Banks and International Financial Institutions

<sup>16</sup> <https://www.cbd.int/gender/>



- Academia and scientific communities and institutions
- Indigenous peoples and indigenous peoples’ organisations are important partners particularly in biodiversity conservation and preventing deforestation as well as in the protection of their forested lands and territories, which can often be considered as “Other Effective Conservation Measures” (OECM).

The participation of these stakeholders is critical in decision-making and management to ensure effective implementation and impact of climate change and biodiversity policies.

### 3. DESCRIPTION OF THE ACTION

#### 3.1. Objectives and Expected Outputs

The **Overall Objective** of this action is to improve the capacity of the Amazon Basin countries to mitigate CO<sub>2</sub> emissions and adapt to the effects of climate change, and to significantly reduce deforestation and improve the protection of its biodiversity.

##### The **Specific Objective**

SO1 Strengthen prevention of deforestation and forest degradation of the Amazon Forest in cooperation with indigenous peoples and local communities

SO2 Promote sustainable use of forest goods and services

The **Outputs** to be delivered are:

1. Strengthened capacity of Amazon Basin countries to combat deforestation, forest degradation and its drivers
2. Strengthened capacity of Amazon Basin countries to prevent, monitor, control, combat and remediate the impacts of deforestation, forest degradation and wildfires
3. Enhanced participation opportunities for indigenous peoples and local communities in the development and implementation of environmental and forest governance policies and mechanisms.
4. Strengthened capacity in the Amazon Basin for the sustainable use of forest goods and services.

#### 3.2. Indicative Activities

Indicative activities related to **output 1, prevention of deforestation and forest degradation**, may include:

1. Strengthening institutional capacities to develop and implement policies and instruments that are gender and human rights responsive to prevent deforestation, forest degradation and its drivers, including those of national and sub-national law enforcement authorities;
2. Fostering and facilitating scientific knowledge as a basis for policymakers, including the application of state-of-the-art climate science (for example Copernicus);
3. Raising awareness of the problematics and possible solutions of deforestation and forest degradation in Amazon basin countries directed policymakers, the general public, indigenous communities, local authorities, private sector actors and investors;
4. Strengthening structures and mechanisms for intersectoral, multi-level and multi-actor articulation to facilitate the coordination of government actors (involved ministries, sub-national levels), private sector, academic sector and civil society;
5. Fostering inter-regional dialogue and cooperation between the Amazon Basin countries as well as intra-regional dialogue and cooperation with Europe and other relevant regions in preventing deforestation and forest degradation, including on trade agreements and legislation on deforestation free value chains;
6. Facilitate the exchange of knowledge and expertise through study visits between the Amazon Basin countries and with Europe;
7. Strengthening capacities of national or regional scientific and statistical institutes and organisations (including NGOs) to monitor and report on deforestation and forest degradation, including within the context of the Paris Agreement and progress monitoring of re-forestation and afforestation.;

8. Support the regional and national harmonisation, strengthening and promotion of monitoring systems of forest cover and land use;
9. Preparation, publication and promotion of statistics and reports on deforestation and forest degradation of agreed quality and standard;
10. Support in the elaboration or revision of financing strategies, design of economic and financial instruments to support the prevention of deforestation and forest degradation strategies, for example through blending and EFSD+ guarantees.

Indicative activities related to **output 2, prevention of (illegal) deforestation, forest degradation and wildfires**, may include:

1. Strengthening institutional capacities to develop and implement policies and instruments that are gender and humans rights responsive to monitor, manage and prevent wildfires and their impact, including those of national and sub-national law enforcement authorities;
2. Supporting the operational and financial capacities of local communities and governments in the prevention, control, combat and remediation of (illegal) deforestation, forest degradation and wildfires, including fire fighting brigades;
3. Fostering and facilitating scientific knowledge as a basis for policymakers, including the application of state-of-the-art climate science (for example Copernicus);
4. Raising awareness of wildfires, their causes, their impact and possible solutions in Amazon basin countries directed to policymakers, the general public, indigenous communities, local authorities, private sector actors and investors;
5. Strengthening structures and mechanisms for intersectoral, multi-level and multi-actor articulation to facilitate the coordination of government actors (involved ministries, sub-national levels), private sector, academic sector and civil society, particularly on integral wildfire management at landscape, national and regional levels.
6. Fostering inter-regional dialogue and cooperation between the Amazon Basin countries as well as intra-regional dialogue and cooperation with Europe and other relevant regions in preventing (illegal) deforestation, forest degradation and wildfires and reducing their impact, including on legal frameworks and through the wildfire expert group;
7. Facilitate the exchange of knowledge and expertise through study visits between the Amazon Basin countries and with Europe;
8. Strengthening the availability and effectiveness of wildfire statistics, reporting and early warning mechanisms;
9. Support the regional and national harmonisation, strengthening and promotion of monitoring and reporting systems of wildfires, including within the context of the Paris Agreement and through GWIS;
10. Support in the elaboration or revision of financing strategies, design of economic and financial instruments to monitor, manage and reduce wildfires, for example through blending and EFSD+ guarantees.

Indicative activities related to **output 3, forest governance by indigenous peoples and local communities**, may include:

1. Raise awareness of the role of indigenous peoples and local communities (including women) in forest governance, including in the conservation, protection, and sustainable management and use of the forest, through awareness raising, to policymakers, the general public, local authorities, private sector actors and investors;
2. Supporting the operational and financial capacities of indigenous peoples and local communities (including women) in environmental and forest governance activities, including access and engagement in the monitoring and reporting of illegal deforestation, forest degradation, illegal mining and forest fires, and engagement in science;
3. Strengthening structures and mechanisms for intersectoral, multi-level and multi-actor articulation to facilitate the coordination between indigenous peoples and local communities and with government actors (involved ministries, sub-national levels), private sector, academic sector and civil society;
4. Raising awareness, training, exchanges, and capacity building on the access to environmental information, public participation in the environmental decision-making process and access to justice in environmental matters (as set out in the Escazú Agreement) as well as free, prior and informed consent (FPIC) processes;
5. Raising awareness about and supporting indigenous and local community members in danger due to their environmental activism;

6. Technical assistance and capacity building of indigenous organisations on mediation processes, as well as direct companies' due diligence processes and non-judicial grievances mechanisms;
7. Training, exchanges, and capacity building for national and regional indigenous and local communities on decision-making structures and procedures, legal frameworks and methodologies, conflict management, and their ability to promote their agendas on national, regional, and international levels;
8. Capacity building for national and regional indigenous and local communities in project and programme planning, monitoring and evaluation;
9. Fostering and facilitating traditional indigenous knowledge on environmental and forest governance as an input for policymakers;
10. Facilitate the exchange of knowledge and expertise through study visits between the Amazon Basin countries and with Europe;

Indicative activities related to **output 4, sustainable use of forest goods and services**, may include:

1. Support the development, operationalisation and implementation of bio-economy strategies at a national and sub-national level, fostering good governance, including transparency, legality, traceability and stakeholder participation, sustainable natural resource and forest management and PFM;
2. Support opportunities for sustainable livelihoods of indigenous peoples and forest and local communities, with a particular emphasis on women and youth, including through strengthening capacities and competency development;
3. Support in the elaboration or revision of financing strategies, design of economic and financial instruments for the sustainable management and use of forest goods and services, for example through blending and EFSD+ guarantees;
4. Strengthen the enabling conditions for a transition towards a bio economy, for example through capacity building of policymakers;
5. Support the identification and implementation of financially viable business models;
6. Support the promotion of socio, biodiversity sustainable goods, services, legal and sustainable wood value chains and deforestation free value chains;
7. Strengthening structures and mechanisms for intersectoral, multi-level and multi-actor articulation to facilitate the coordination and coherence between with government actors (involved ministries, sub-national levels), indigenous peoples and local communities, private sector, academic sector and civil society;
8. Facilitate the exchange of knowledge and expertise through study visits between the Amazon Basin countries and with Europe;
9. Support the regional and national harmonisation, strengthening and promotion of environmental standards and best practices, including accompanying partners who (hope to) export in deforestation-related commodities to the EU to align with the forthcoming requirements under the legislative proposals for deforestation-free supply chains.

The scope for the above activities is broad: at regional, sub-regional, national and subnational levels, in sectors deemed strategic under the governance of this action. Detailed workplans will be elaborated at contract level.

Earmarked funds for country windows (due to funding from separate MIPs/the Brazil allocation under the regional MIP):

1. **Brazil – Support to the bio economy strategy of Brazil's Amazon States, EUR 5 M**
  - Support the operationalisation and implementation of policies fostering a sustainable bio-based economy in Brazil's Amazon
2. **Suriname – Support to the Forest Partnerships, EUR 5 M**
  - To support the reinforcement of state deforestation monitoring capacities and promote sustainable livelihoods opportunities in forestry for indigenous peoples, nurturing the anchorage of both countries in the Leticia Pact and the Amazon Cooperation Treaty.
3. **Guyana - Support to the Forest Partnerships, EUR 5 M**
  1. To support the reinforcement of state deforestation monitoring capacities and promote sustainable livelihoods opportunities in forestry for indigenous peoples in the Guiana Shield, nurturing the anchorage of both countries in the Leticia Pact and the Amazon Cooperation Treaty.

### 3.3. Mainstreaming

Mainstreaming in AAP is very general and provided possibly before the mandatory analysis at action level are realised. This sections is based on the mainstreaming annex. We suggest to keep it.

#### **Environmental Protection & Climate Change**

In regards to the impacts on climate change and biodiversity of this action it is important to highlight that the main objectives of this action seek to precisely combat human induced climate change and biodiversity loss and degradation (focusing on forests), both of these being strongly interlinked. We therefore expect this action to contribute positively to these goals and to benefit the Amazon Basin through improved abilities to fight climate change and biodiversity loss. The detail of measures to be taken will be jointly determined with partner countries.

In its quest to achieve its overall objective (see above), the action will seek to carry out day-to-day programme management activities with a reduced carbon footprint. This includes opting for virtual meeting where possible in order to restrict carbon emissions from flights. Where flights cannot be avoided, our implementing partners and service contractor will be encouraged to commit to carbon offsetting.

#### **Outcomes of the SEA screening** (relevant for budget support and strategic-level interventions)

The Strategic Environmental Assessment (SEA) screening concluded that no further action was required.

#### **Outcomes of the EIA (Environmental Impact Assessment) screening** (relevant for projects and/or specific interventions within a project)

The EIA (Environment Impact Assessment) screening classified the action as Category C (no need for further assessment). However, based on the type of grant support provided for pilot projects or other activities, EIA will be undertaken based on the type of investments to be carried out.

#### **Outcome of the CRA (Climate Risk Assessment) screening, including according to provisions set in Article 29 of the NDICI Regulation** (relevant for projects and/or specific interventions within a project)

The Climate Risk Assessment (CRA) screening concluded that this action is no or low risk (no need for further assessment). However, based on the type of grant support provided for pilot projects or other activities, climate risk will be addressed as part of an EIA.

#### **Gender equality and empowerment of women and girls**

As per OECD Gender DAC codes identified in section 1.1, this action is labelled as G1 implying that gender equality is a significant objective. Climate change has profound implications for social justice and gender equality as women are often impacted disproportionately by the effects of climate change and natural hazards compared to men in areas as various as agriculture, biodiversity, energy, forest, health, migration, transport, waste, water, etc. While women can be powerful agents of change in the adoption of climate change adaptation and mitigation strategies, they face limitations when it comes to benefiting from and participating in climate policy and responses. Activities financed under this action will:

- Establish a robust approach to gender mainstreaming<sup>2</sup>, to comply with both the European regulations for international cooperation, including the recently adopted Gender Equality and Women's Empowerment framework or GAPIII<sup>3</sup>, and the commitments by governments to enhance gender equality under the UNFCCC and the UNCBD.
- Gender considerations will be mainstreamed in the identification, design and implementation of activities, as well as monitoring, evaluation and lessons learned processes. Specific inter-sectional approaches (e.g. ethnicity and gender, indigenous women) will be considered.
- Draw up a Gender Action Plan aimed at strengthening gender mainstreaming and women participation in all decision making as well as women empowerment. This Gender Action Plan will be based on the European Commissions GAP III Communication.

Through these tools project activities will work towards the inclusion and participation of women, including indigenous women. Activities will be planned to respond to the interests of both men and women and will guarantee equal participation in terms of gender.

#### **Human Rights**

Climate change is one of the greatest threats to human rights of our generation, posing a serious risk to the fundamental rights to life, health, food and an adequate standard of living of individuals and communities across the world. The harmful impacts of climate change include sudden-onset events that pose a direct threat to human lives and safety, as

well as more gradual forms of environmental degradation that will undermine access to clean water, sanitation, food, and other key resources that support human life. Environmental Rights Defenders risk their lives in the LAC region, one of the most dangerous places in the world to defend the environment<sup>23</sup>. Combatting climate change and environmental degradation can sometimes affect the livelihood of peoples working with activities that contribute to high emissions. In this context it is also important to take into consideration the principle of just transition to support those that may be negatively affected by measures taken to prevent climate change a biodiversity loss. This Action will finance activities that fully consider human rights, through:

- Integration of consultations with people living in vulnerable situations and minority groups into the development and preparation of activities, including women and girls.
- Conducting human rights impact analysis in activities such as developing institutional capacities, action plans and practical tools, to ensure the consideration and participation of people living in vulnerable situations (such as indigenous peoples, minorities and people living in poverty)
- Encouraging LAC countries to sign, ratify and respect the Escazú Agreement<sup>24</sup>
- Encourage a just transition analysis to measures and initiatives supported by this action, including mitigating risks
- Activities to be guided by the “do no significant harm”, “leave no one behind” and human rights based principles (respect to all human rights, accountability, transparency, participation and non-discrimination).

### **Disability**

As per OECD Disability DAC codes identified in section 1.1, this action is labelled as D0. This implies that while this has not been identified as a significant objective the action will seek to be inclusive in its communication and participation to people with disabilities.

### **Democracy**

Democratic participation in the formulation and development of policies, mechanisms and initiatives in the Amazon Basin is key to ensure all stakeholders’ needs are taken into account. In this context the action will:

- Promote and encourage inclusiveness, broad participation and inter-sectoral dialogue involving the private sector and local and indigenous communities, among others, in the activities financed under this action, as can be seen under indicative activities in section 3.2.
- Prioritise countries and processes not only with ambitious policies to combat deforestation and forest degradation, but also those that take into consideration democratic principles and human rights.

### **Conflict sensitivity, peace and resilience**

Activities financed under this action will assess risks of doing harm and issues related to social conflict and natural resources in the geographic and thematic areas where this action seeks to work in order to promote a conflict sensitive approach in the proposed activities. Peace and resilience will also be promoted, including through the following:

- Conflict sensitivity issues especially as they relate to the management of transboundary ecosystems, whether this be within or across national boundaries, as well as the management of protected areas and indigenous territories, and the impact of illicit economies, illegal logging, etc.
- Regional, national, and sub-regional dialogues will promote exchanges on how to best manage natural resources, promote peace and deter conflict and violence, as well as human rights violations.
- The inclusion and participation of marginalised groups will be promoted to ensure societal and environmental resilience

### **Disaster Risk Reduction**

This action will consider societal, political, economic, environmental, security-related risks through the regular assessment of these factors in the identification, formulation and implementation of activities. While the Amazon Basin countries are exposed to varying levels of risk (societal, political, economic, environmental, security-related), individual analyses will be made on a case-by-case (national) basis. These will be addressed through a risk analysis and the identification of relevant mitigating measures before and during the implementation of any action.

In terms of climate related disaster risk specifically, the Amazon basin is highly vulnerable to the effects of climate change, biodiversity loss and disasters as has already been outlined in section 2.1 of this document. This action is precisely targeting the resilience and ability of Amazon basin countries to mitigate, respond and adapt to climate change and biodiversity loss and degradation, including climate disasters. Indicative activities such as the improved

monitoring system for fire detection and the prevention measures are aligned with the principles of the Sendai Framework and increase resilience of local people and ecosystems face to fires and extreme events.

### 3.4. Risks and Lessons Learnt

Category	Risks	Likelihood (High/ Medium/ Low)	Impact (High/ Medium/ Low)	Mitigating measures
External environment	Environmental sustainability & climate change lose their priority status in the Amazon countries' domestic politics.	<b>L-M</b>	<b>M-H</b>	EU policy and operational priorities will remain focused on environmental sustainability for the foreseeable future, and will use its means (diplomacy, political and policy dialogue, cooperation) to support this in the Amazon region
Planning, processes and systems	Amazon preservation loses its priority status in the relations between Latin America and the EU.	<b>L</b>	<b>M</b>	At the EU-LAC Ministerial meeting in December 2020, HRVP Borrell, EVP Dombrovskis and the LAC Foreign Ministers agreed to intensify contacts with a view to enhancing the exchange of information, increasing policy dialogue and identifying areas of cooperation. TEI Amazon was also announced on this occasion. The present action would contribute to the implementation of the "additional instrument" to the EU-Mercosur association agreement, which is high on the political agenda on both sides. The EU will continue use diplomacy and political dialogue to reduce this risk.
External environment	Environmental and climate change measures in the Amazon are not being implemented due to limited fiscal space in the post-pandemic phase	<b>M-H</b>	<b>M-H</b>	This is a serious risk with limited mitigating measures available. EU must use all available means (diplomacy, political and policy dialogue, cooperation) to support decisions in favour of a green recovery in all countries in the LAC region.
External environment	Preservation of the Amazon is in competition with the urgency of a rapid economic recovery, leading to an increase of drivers of deforestation/forest degradation.	<b>M-H</b>	<b>H</b>	It is necessary to promote a green recovery strategy that aligns the priorities of environmental and climate sustainability with strategies for an economic recovery and the creation of jobs. Implementing partners will continue to promote dialogue and awareness raising, as well as enable effective application of State measures as well as international conventions. Identification of sustainable goods and product solutions (i.e. from agroecological or agroforestry practices) will be promoted by EU action and its subsequent realization will be supported.
External environment	Widespread violence caused by political conflict, illicit activities and economies and human rights violations prevent ability to carry out activities	<b>M</b>	<b>M-H</b>	The EU and its implementing partners will engage in policy dialogues to ensure that any actions implemented are analysed in their context and their risks, including flexibility in how activities can be carried out and liaising with relevant human rights organisations as well as governments to identify solutions.
Planning, processes and systems	The current COVID-19 pandemic impacts activities on	<b>H</b>	<b>H</b>	It is necessary to develop and implement specific security strategies and strengthen communication possibilities in the region. The

	the ground and the action as a whole.			methodologies during implementation will have to be adapted to consider the necessary measures.
Planning, processes and systems	Multiplication of international cooperation funds could contribute to overwhelm the local absorption capacities, fragmentation of interventions and lack of a coordinated approach on the Amazon.	<b>M</b>	<b>H</b>	Coordination with other actors It will be key to seek meaningful and frequent exchange with other bilateral and multilateral cooperation actors in the region to avoid duplication and foster synergies.
Communication and information	Lack of coordination of EU development interventions at bilateral, multi-country and regional levels (programmes and TEIs) lead to reduced EU visibility and its capacity of leverage and dialogue on important issues related to both climate change, environment and trade and sustainable development.	<b>L</b>	<b>M</b>	Coordination between DG INTPA in HQ and Delegations with a view to actively monitor EU visibility, both on a regional and national levels and the implementing partner's adherence to the EU visibility guidelines.
Communication and information	Difficulty communicating with remote communities could prevent achieving the objectives of the process.	<b>M</b>	<b>M</b>	The implementing partners will work with indigenous organisations with which they already have an established track record, and with which tools and methodologies have been developed to overcome this risk and ensure the inclusion of all remote communities.
Legality and regulatory aspects	Attempts by third parties may strive to limit or weaken the rights of indigenous peoples.	<b>M</b>	<b>M</b>	It is imperative to monitor new legal or policy initiatives, as well as large-scale infrastructure projects, that impact the Amazon and its inhabitants. There are 3 factors that help us in this regard: 1) The legal framework in the Amazon biome, which provides a solid base to promote the rights of indigenous peoples; 2) The level of organisation of indigenous peoples, who increasingly unite joint initiatives; 3) The monitoring of pressures and the collaborative governance strategies in spaces of coordination and construction of public policies are consolidated processes in all project partners.

### Lessons Learnt:

Lessons learnt can be drawn from other regional programmes, particularly Euroclima which also deals with climate change and biodiversity issues. These have shown that:

- Regional cooperation is a powerful tool for achieving results, with EU institutions the most credible partner to promote it
- Consultation with national stakeholders must be strong and effective in order to ensure the implementation of relevant activities
- Efforts must be made to continuously engage and seek synergies with EU Member States
- the inclusion of gender equality and the rights of vulnerable groups must be systematically monitored
- Coordination between DG INTPA HQ and Delegations must be systematic for regional programmes to remain effective and relevant in the policy dialogues with partner countries carried out by Delegations



- Systematic efforts must be made to ensure EU visibility, both on regional and national levels

### 3.5. The Intervention Logic

Through this action, the EU aims to support the **enabling conditions** necessary to effectively combat deforestation, forest degradation and its drivers. The underlying intervention logic for this action is that it is necessary to intervene on **strengthening skills and capacities** (both operational and financial), **strengthening the access to evidence-based information for decision making** as well as **supporting the development and implementation of ambitious strategies** (such as access to finance) to reach the specific objectives. This type of logic relies on a thorough analysis and identification of gaps and needs before specific activities are designed.

### 3.6. Logical Framework Matrix

At action level, the indicative logframe should have a maximum of 10 expected results (Impact/Outcome(s)/Output(s)).

It constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the action, they should be informed for each indicator at signature of the contract(s) linked to this AD, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the Output and Outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g. including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the action depending on the different implementation modalities of this action.

The activities, the expected Outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the action, no amendment being required to the Financing Decision.

Results	Results chain (@): Main expected results (maximum 10)	Indicators (@): (at least one indicator per expected result)	Baselines (values and years)	Targets (values and years)	Sources of data	Assumptions
Impact	To improve the capacity of the Amazon Basin countries to mitigate CO2 emissions and adapt to the effects of climate change, and to significantly reduce deforestation and improve the protection of its biodiversity.	<ul style="list-style-type: none"> <li>Greenhouse Gas (GHG) emissions avoided (tonnes CO2eq) with EU support** (EURF)</li> <li>Number of ecosystems protected and managed in a sustainable way</li> </ul>	1 2	1 2	UNFCCC and CDB reports	<i>Not applicable</i>
Outcome	The prevention of deforestation and forest degradation of the Amazon Forest is strengthened in cooperation with indigenous peoples and local communities; the sustainable use of forest goods and services is promoted.	<ul style="list-style-type: none"> <li>Areas of deforestation and forest degradation avoided with EU support</li> <li>**Number of countries and cities with climate change and/or disaster risk reduction strategies: (a) developed with EU support (EURF)</li> <li>**Number of countries and cities with climate change and/or disaster risk reduction strategies: (b) under implementation with EU support (EURF)</li> <li>**Areas of terrestrial and freshwater ecosystems under (a) protection, (b) sustainable management with EU support per km2 (EURF)</li> <li>Number of hectares of annual wildfires avoided with EU support</li> <li>Number of hectares protected against deforestation and forest degradation by indigenous peoples and local communities with EU support</li> <li>Number of Micro, Small and Medium Enterprises applying Sustainable Consumption and Production practices with EU support**</li> </ul>	1.1 1.2	1.1 1.2	Reports from trusted monitoring entities	

<b>Output 1</b>	The capacity of Amazon Basin countries to combat deforestation, forest degradation and its drivers has been strengthened.	<ul style="list-style-type: none"> <li>– Number of persons from key institutions trained by the EU-funded intervention with increased knowledge and/or skills in reporting and statistics on deforestation and forest degradation, disaggregated by sex, age, indigenous status and/or ethnicity.</li> <li>– Number of monitoring systems for measurement of forest cover strengthened.</li> <li>– Number of policies on deforestation and forest degradation drafted/revised/implemented with support of the EU-funded intervention and % of those policies which are gender responsive (GAP III)</li> <li>– Number of strategies on deforestation and forest degradation drafted/revised/implemented drafted with support of the EU-funded intervention</li> <li>– Number of instances of intersectoral, multi-level and multi-actor and regional articulation.</li> </ul>	1.1.1 1.1.2	1.1.1 1.1.2	Reports from trusted monitoring entities  Project reports Pre-and post training tests	<p>Political ambition to reduce deforestation and forest degradation through effective policies and strategies persists</p> <p>Stakeholders in the Amazon countries are welcome and willing to participate in improving transparency, accountability and accuracy of deforestation/forest degradation monitoring and reporting.</p>
<b>Output 2</b>	The capacity of Amazon Basin countries to prevent, monitor, control, combat and remediate the impacts of wildfires has been strengthened.	<ul style="list-style-type: none"> <li>– Number of persons from key institutions trained by the EU-funded intervention with increased knowledge and/or skills in prevention, control, combat and remediation of wildfires, disaggregated by sex, age, indigenous status and/or ethnicity.</li> </ul>	1.2.1 1.2.2	1.2.1 1.2.2	Reports from trusted monitoring entities  Project reports Pre-and post training tests	<p>Preventing and reducing wildfires is remains a priority for partner countries</p> <p>Local actors are willing to adapt their practices for improved wildfire management.</p>

		<ul style="list-style-type: none"> <li>– Number of monitoring systems successfully harmonised with regional or international standards</li> <li>– Number of policies on on reduction of wildfire drafted/revised/implemented drafted drafted/revised/implemented with support of the EU-funded intervention</li> <li>– Number of strategies on reduction of wildfire drafted/revised/implemented drafted with support of the EU-funded intervention and % of those policies which are gender responsive (GAP III)</li> <li>– Number of management plans either at landscape, national or regional levels have been drafted/revised with support of the EU-funded intervention</li> </ul>				Amazon countries agree on the need to harmonise wildfire monitoring and reporting at regional level and accept the relevance of EU know-how/data.
<b>Output 3</b>	The participation opportunities for indigenous peoples and local communities in the development and implementation of environmental and forest governance policies and mechanisms has been enhanced.	<ul style="list-style-type: none"> <li>– Number of grassroots civil society organisations benefitting from (or reached by) EU support ** (% of women rights organisations) (EURF)</li> <li>– Number of free, prior and informed consent processes carried out in the context of projects that may affect indigenous peoples' lands, territories or resources, with the participation of indigenous peoples' representative institution</li> <li>– Number of policymakers trained by the EU-funded intervention with increased knowledge and/or skills in the role of indigenous peoples and local communities in sustainable forest governance, disaggregated by sex, age and indigenous status.</li> </ul>	2.1.1 2.1.2	2.1.1 2.1.2	<p>Amazon countries' official reports</p> <p>Reports from reputable NGOs and other relevant institutions</p> <p>Project reports Pre-and post training tests</p>	Stakeholders in the Amazon countries are welcome and willing to participate in improving transparency, accountability and accuracy of deforestation/forest degradation monitoring and reporting.

		<ul style="list-style-type: none"> <li>– Number of instances of intersectoral, multi-level and multi-actor and regional articulation</li> <li>– Number and type of joint effective engagement strategies resulting from multi-stakeholder dialogues.</li> </ul>				
<b>Output 4</b>	The capacity in the Amazon Basin for the sustainable use of forest goods and services has been strengthened.	<ul style="list-style-type: none"> <li>– Number of strategies for the sustainable management and use of wood and non-wood forest goods and services drafted/revised with support of the EU-funded intervention and % of those strategies which are gender responsive (GAP III)</li> <li>– Number of sustainable and financially viable business models established</li> <li>– Number of deforestation free value chains established/revised</li> </ul>	2.2.1 2.2.2	2.2.1 2.2.2	<p>Amazon countries' official reports</p> <p>Reports from reputable NGOs and other relevant institutions</p> <p>Project reports Pre-and post training tests</p>	Local actors are willing to adapt their lifestyles and adopt sustainable use of forest goods and services

## 4. IMPLEMENTATION ARRANGEMENTS

### 4.1. Financing Agreement

In order to implement this action, it is not envisaged to conclude a financing agreement with the partner region.

### 4.2. Indicative Implementation Period

The indicative operational implementation period of this action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of adoption by the Commission of this Financing Decision.

Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this Financing Decision and the relevant contracts and agreements.

### 4.3. Implementation Modalities

The Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures<sup>17</sup>.

#### 4.3.1. Direct Management (Grants)

##### **Grants: (direct management)**

##### **(a) Purpose of the grant**

The main area of intervention of this grant will be specific objective 4: To strengthen conditions in the Amazon Basin for the sustainable use of forest goods and services, including through sustainable and financially viable business models and deforestation free value chains through ambitious and effective policy making and implementation. This will be done through the following activities:

- Support the operationalisation and implementation of policies fostering a sustainable bio-based economy in Brazil's Amazon
- Strengthen the enabling conditions for sustainable bioeconomy, for example through capacity building of policymakers
- Facilitate investment in sustainable bioeconomy in the Brazilian Amazon, e.g. by enhancing the business environment and by identifying sustainable and financially viable business models
- Promote socio-biodiversity goods and value chains in the Brazilian Amazon

##### **(b) Type of applicants targeted**

The type of applicants targeted include local authorities, public bodies, international organisations, NGOs, business organisations and/or economic operators such as SMEs.

#### 4.3.2. Direct Management (Procurement)

It is foreseen that for the implementation of parts of outputs 1 and 2 of this action DG INTPA will establish an Administrative Arrangement with the Commission's Joint Research Centre (JRC).

The JRC is in a unique position to strengthen the wildfire monitoring and forest monitoring capacities of their counterparts in the Amazon region, due to the JRC's knowledge and advanced methods of wildfire mapping and

<sup>17</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.



monitoring and the work in remote sensing - based deforestation and forest degradation monitoring, in combination with established and long-standing collaboration with research institutes in the region. This advanced JRC methods, e.g. consisting of operational cloud-computed time-series analyses of remote sensing imagery, are not (yet) available in the Amazon region.

Under the coordination of the responsible unit in INTPA, the JRC will implement scientific activities, in particular those related to component 1 and 2, concerning deforestation, forest degradation and wildfire management.

In this context, the JRC will work in close coordination with international organizations in the region, as well as with national, and regional institutions and Latin American research centres. JRC is highly recognized for its expertise and experience in the monitoring of forest degradation and deforestation and the establishment of regional early warning and monitoring systems for wildfires such as the European Forest Fire Information System (EFFIS), currently under the EU Copernicus Program in the pan-European region and the Global Wildfire Information System (GWIS) at the global scale. GWIS is a unique system that is currently producing weekly reports that are distributed to the fire management agencies in the countries of the Amazon region and South America. In the case of wildfires, JRC is already collaborating closely with the fire management agencies in the LAC countries and international organizations such as ACTO, FAO, UNEP, etc. in the context of the [EU-LAC Support to wildfire management project](#), launched in 2020. Considering this, the JRC is a unique position to establish a long-term cooperation with the relevant agencies in the countries and with international organizations to support the efforts of coordinated actions that reach the objectives of the TEI Amazon. Being a Commission DG, the JRC will be able to provide a long-term support to the region through ensuring availability of data/models after the end of the programme.

The detailed arrangements will be discussed between DG INTPA and the JRC and laid down in the administrative arrangement (ADI – Direct Agreement & AV DA) between DG INTPA and JRC.

#### 4.3.3. Indirect Management with pillar assessed Member State Organisations and/or International Organisations

The parts of this action that will not be implemented through direct management will be implemented through indirect management with MSOs or other pillar-assessed international organisations, either individually or through a consortium. The implementation by these entities entail carrying out the activities described in section 3.2. These MSOs or IOs will be selected by the Commission's services using the following criteria:

1. Specific expertise in climate change, biodiversity, policy support, strategic planning, capacity development, knowledge management
2. Implementation capacity and the ability to contribute to policy and political dialogues
3. Previous experience in the Amazon Basin countries
4. Robust operational capacity
5. Experience on working with a human rights and gender perspective
6. Operational capacity to work in as many countries in the Amazon Basin as possible
7. Capacity and track record in collaborating with other EU MSAs, UN agencies, EU Delegations and LAC partner governments
8. Capacity to increase EU visibility regionally and globally in line with Team Europe approach.
9. Absence of (potential) conflicts of interest

Selection process: Q4 2021/Q1 2022).

In case the envisaged entity would need to be replaced, the Commission's services may select a replacement entity using the same criteria.

If the entities are replaced, the decision to replace them needs to be justified.

#### 4.3.4. Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

Not all details between DG INTPA and the JRC regarding the future cooperation under this Action have been agreed yet. Consequently, in case an agreement cannot be reached, the corresponding parts of outputs 1 and 2 of this action may be implemented by indirect management through a Member State Agency or UN Agency.

#### 4.4. Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply, subject to the following provisions.

The Commission's authorising officer responsible may extend the geographical eligibility on the basis of urgency or of unavailability of services in the markets of the countries or territories concerned, or in other duly substantiated cases where application of the eligibility rules would make the realisation of this action impossible or exceedingly difficult (Article 28(10) NDICI-Global Europe Regulation).

#### 4.5. Indicative Budget

Indicative Budget components <sup>28</sup>	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
<b>Indirect Management</b>		
4.3.3 Indirect Management with MSOs (includes, tentatively: € 5 M for Guyana window (from GUY allocation) € 5 M for Suriname window (from SUR allocation) = € 10 M for country windows)	27 400 000	TBC
<b>Direct Management</b>		
4.3.2 Administration Agreement with JRC	1 600 000	
4.3 – Grants		
4.3.1 direct grants for Brazil window	5 000 000	
5.2 – Evaluation	will be covered by another decision	N.A.
5.3 – Audit	will be covered by another decision	N.A.
6 – Visibility*	N.A.	N.A.
Contingencies	1 000 000	
<b>Total</b>	<b>35 000 000</b>	

#### 4.6. Organisational Set-up and Responsibilities

The European Commission, through DG INTPA, is responsible for the management of this action. The action will be managed by both DG INTPA headquarters in Brussels and DG INTPA (cooperation section) in the EU Delegations of respective Amazon Basin host countries, in a coordinated manner. However, some specific responsibilities may include:

##### DG INTPA HQ responsibilities:

- Ensuring programme alignment with EU strategies and policies mainly on a regional level
- Ensure overall programme coherence and coordination, including facilitating regular contact (through meetings or other exchanges) on a regular basis.
- Support the coordination of the Steering Committees (see below)
- Management of contracts with implementing agencies and organisations
- Ensuring EU visibility on a regional level
- Support the monitoring of results on a regional level

##### DG INTPA Delegation responsibilities:

- Ensuring programme alignment with EU strategies and policies mainly on national levels
- Ensuring synergies with other EU and MS financed actions in partner countries

- Support the coordination of the Steering Committees (see below)
- Ensure EU visibility in partner countries
- Management of contracts with implementing agencies and organisations
- Support the monitoring of results in partner countries

#### Implementing partners responsibilities:

- Ensuring that programme objectives and results are achieved as per agreed contracts
- Ensure regular information exchange with other implementing agencies and organisations
- Collection and dissemination of best practices

#### Programme Steering Committee

The European Commission will chair the Steering Committee of the action, which will be organised at least once a year. The Steering Committee will provide direction to the programme implementation ensuring that the activities are consistent with the planned objectives and expected outcomes. Members of the Steering Committee include DG INTPA (both HQ and Delegations), other relevant actors from the European Commission, implementing partners and representatives from the Amazon Basin partner countries. The steering committee will seek to facilitate the exchange of information and best practice and establish priorities and ensure the monitoring of these. A more detailed governance structure will be defined within the contracts of the implementing partners.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the action.

## 5. PERFORMANCE MEASUREMENT

### 5.1. Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (Outputs and direct Outcomes) as measured by corresponding indicators, using as reference the logframe matrix.

Reports shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

The implementing agencies and organisations will be responsible for data collection, analysis and monitoring.

### 5.2. Evaluation

Having regard to the nature of the action, a mid-term and/or ex-post evaluations will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that several agencies were cooperating in the implementation of the programme.

In the case of a Team Europe Initiative, evaluations jointly with other contributing Member States and EDFIs will be the preferred option to provide an overview of the action within the larger impact of the TEI.

The Commission shall inform the implementing partner at least two months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the programme.

The financing of the evaluation shall be covered by another measure constituting a Financing Decision.

### 5.3. Audit and Verifications

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audit or verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

## 6. STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## APPENDIX REPORTING IN OPSYS

An Intervention (also generally called project/programme) is the operational entity associated to a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Interventions are the most effective (hence optimal) entities for the operational follow-up by the Commission of its external development operations. As such, Interventions constitute the base unit for managing operational implementations, assessing performance, monitoring, evaluation, internal and external communication, reporting and aggregation.

Primary Interventions are those contracts or groups of contracts bearing reportable results and respecting the following business rule: 'a given contract can only contribute to one primary intervention and not more than one'. An individual contract that does not produce direct reportable results and cannot be logically grouped with other result reportable contracts is considered a 'support entities'. The addition of all primary interventions and support entities is equivalent to the full development portfolio of the Institution.

Option 1: Action level		
<input type="checkbox"/>	Single action	Present action: all contracts in the present action