

CONSERVACIÓN
INTERNACIONAL

Perú



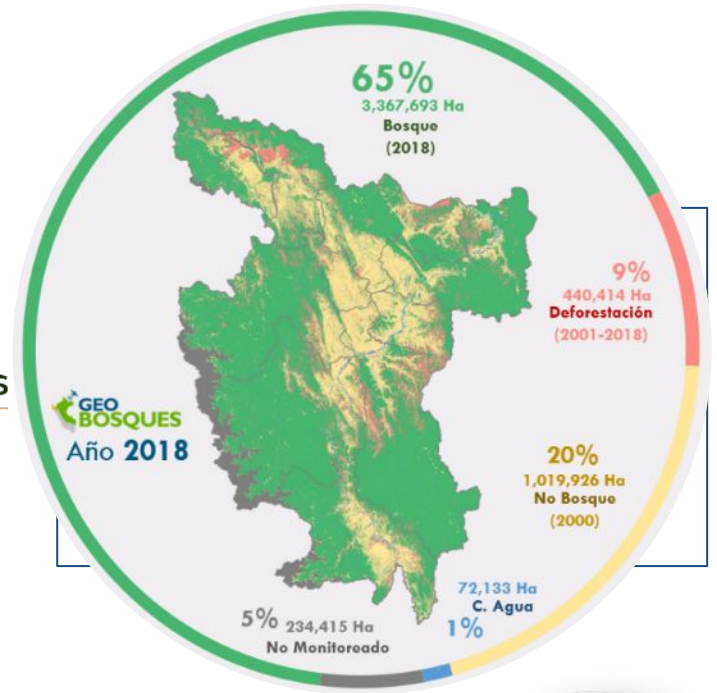
Financing Investment in the Alto Mayo Landscape

San Martín, Peru

February 22, 2023

Prepared by Percy Summers of Conservation International for the, "Investing in Landscapes: A Challenge for Finance Innovation, A Wealth of Opportunity," virtual event convened by the 1000 Landscapes for 1 Billion People initiative, Laudes Foundation and IKEA Foundation on February 22, 2023.

San Martín PERU



In Peru, LULUCF concentrates 51% of GHG emissions

Alto Mayo landscape context

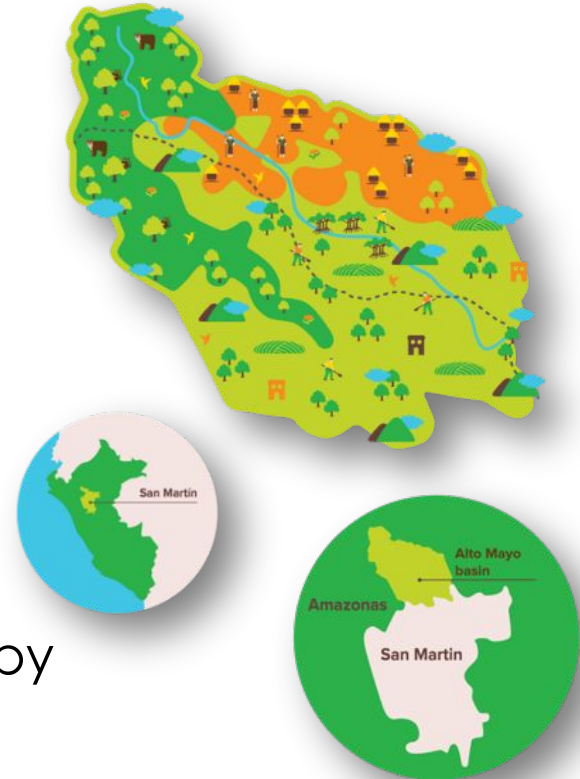
San Martin, PERU

- 780,500 has (including 182,000 has in the Alto Mayo Protected Forest)
- 300 + orchid species, 400 + bird species, high endemism, flooded & white sand forest ecosystems
- 283,000 population, including Awajun indigenous communities
- Coffee and rice - main drivers of land use change
- High deforestation rates driven primarily by migrant smallholder farmers, recent land rental schemes

● Alto Mayo Protected Forest

● Alto Mayo Sub-Basin

● Native Communities



Landscape partners in Alto Mayo



San Martin regional vision

By 2030, the San Martin region achieves sustainable development, improving its productivity and competitiveness indexes through the production of goods and services with low carbon emissions, under an inclusive, gender and intercultural approach

Four development poles – one of which is Alto Mayo



Transformation strategy

- **Build trust between private and public sectors** - (multidisciplinary beyond economic development)
- **Regional Government leads** (exchange with high level government officials)
- **Strategies**
 - * Office for Sustainable Public Private Investments
 - * Climate Change Strategy
 - * Low Emissions Rural Development Strategy (San Martin)



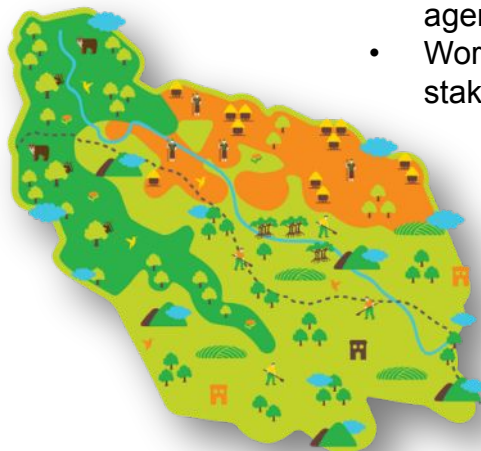
Alto Mayo Landscape Action Plan: Synergies for impact at scale

Conservation and Restoration

- Conservation Corridor
- Watershed Management Plan
- Alto Mayo Protected Forest co-management
- Restoring connectivity with agroforestry systems

Financial Mechanisms

- Alto Mayo Protected Forest REDD+
- Awajun REDD+
- Payment for Ecosystem Services schemes (Calzada, Tingana, Mishquiyacu-Rumiyacu-Almendra)



Enabling Conditions

- Policies for private sector investments
- Conservation agreements as an institutionalized tool by governmental agencies
- Working Groups to engage different stakeholders in coffee and cacao

Strengthening Capacities

- Private Public Sustainable Investments Office OPIPS
- Awajun Indigenous Federation of Alto Mayo FERIAAM
- Natural Protected Areas National Service SERNANP

Public-Private Investments

- Regional level funding for agricultural investments (PRODAPPA)

Landscape investments underway in Alto Mayo

- Coffee value chain (smallholder cooperative business model)
- Smallholder cacao centralized processing business model
- REDD+ forest carbon projects (Awajun, Alto Mayo Protected Forest and EcoTierra)
- Amazon Business Alliance supported businesses (Nuwas medicinal herbal teas; coffee & cacao value chains)
- Vanilla, pitahaya enterprises
- Tingana ecotourism venture support with Regional Government



Current financing

Private sector in forest carbon projects
(Alto Mayo Protected Forest and
Awajun indigenous people)

Payment for watershed services in the
cities of Moyobamba and Rioja

Voluntary company campaigns for
forest conservation and restoration in
coffee landscape (Starbucks)

Regional government support to local
businesses through OPIPS)

National government programs for small
businesses (Agroideas, Procompite)



Landscape finance mechanisms

Ecosystem Services Mechanisms

- REDD+ Forest Carbon
- Water schemes (Moyobamba and Rioja)
- Scenic beauty (local conservation area Calzada)

Private-Public Investment Office

- Government investments in agricultural projects with private sector (PRODAPPA)

Amazon Business Alliance Fund

- Financing window within ABA to fund biobusinesses in Alto Mayo (Pucayagro, Nuwas, Coffee and Cacao cooperatives)



De-risking investments/activities

Main Risks:

- Conservation/Restoration impact
- High level of uncertainty (informal economies)
- Limited number of investment-ready projects/biobusinesses

Risk mitigation activities or mechanisms:

- Measure, monitor and communicate impacts at landscape scale (LandScale tool)
- Co-finance with public funds (OPIPS or other government programs)
- Design of a biobusiness incubator for creating future pipeline



Priority financing needs

Enabling investments

- Measure/monitor and communicate impacts
- Strengthen local partner capacities (especially in finance, transparency, accountability)
- Promote knowledge and learning exchanges (value traditional knowledge, adopt new science/technology)

Asset investments - Regional Fund

- Improve conservation/restoration impact of existing investments
- Scale existing projects
- Incubate future pipeline of innovative investable businesses, esp. with indigenous people, women



Landscape investment: lessons learned

- 1) Initial engagement with private sector requires other skills/language (different timing and expectations)
- 2) Exchange with other regions was key to mobilize interest from high level officials in SM
- 3) Value of combining financing modalities – public incentives (taxes), public-private investments, PES
- 4) Value of complementary tools to provide an integrated view of the territory – e.g., Ecosystem Benefit Index, Solves, Water Heath Index
- 5) Importance of a standard tool for monitoring and communicating impact of investments across landscapes

For More Information

- Percy Summers – psummers@conservation.org
- <https://www.conservation.org/peru>

Conservation International
#30684226