

Addendum Nr. 1 between the Government of the Republic of Peru, the Government of the Federal Republic of Germany, the Government of the Kingdom of Norway and the Government of the United Kingdom of Great Britain and Northern Ireland

to the
Joint Declaration of Intent (JDI) of 23rd of September 2014
on

"Cooperation on reducing greenhouse gas emissions from deforestation and forest degradation (REDD+)¹ and promoting sustainable development in Peru"

I. BACKGROUND

The following points shall be added to "Section I" of the JDI from 2014:

The Government of the Republic of Peru (Peru), the Government of the Federal Republic of Germany (Germany), the Government of the Kingdom of Norway (Norway), and the Government of the United Kingdom of Great Britain and Northern Ireland (UK), hereinafter referred to as the "partners":

- Recall the commitment to the Joint Declaration of Intent on climate change and REDD+ signed in New York on 23rd of September 2014 and the continued importance of the partnership in contributing to significantly reducing greenhouse gas emissions from deforestation and forest degradation while fostering sustainable development.
- Recognize the challenges faced during the ongoing global COVID-19 pandemic led to further delays in the implementation, redirecting the limited public budget to address the health crisis, justifying therefore the extension of the JDI.
- Recognize that the partners' participation in the signing of the Paris Agreement under the United Nations Framework Convention on Climate Change (UNFCCC), requires them to prepare, communicate and maintain successive Nationally Determined Contributions (NDCs).
- Stress that all partners in this JDI have commitments under the Paris Agreement, and further highlight the determination of the partners to enhance global ambition and action through international collaboration.

¹ Activities related to reducing emissions from deforestation and forest degradation and the role of conservation, sustainable management of forests and enhancement of carbon stocks in developing countries.

- Recognize that reduced emissions from land use, land use change and forestry (LULUCF) is a priority for Peru in reaching the commitments under their updated National Determined Contribution (NDC), submitted to the UNFCCC on 18 December 2020
- Recognize the increased ambition of the update of the NDC, the establishment of the “High-Level Climate Change Commission”, the creation of the “Platform of Indigenous Peoples to confront Climate Change ” and the updated Forest-Reference Emission Level (FREL) as a signal for Peru’s commitment to tackle climate change.
- Recognize the contributions of the JDI on REDD + for the fulfillment of the NDC of Peru, the mitigation measures, and the enabling conditions necessary for their implementation.
- Recognize the contributions that the JDI can make in relation to co-benefits that complement national efforts and actions towards the achievement of the objectives of the Convention on Biological Diversity (CBD) and the new post-2020 global biodiversity framework in synergy with the ultimate objective of the UNFCCC and the Paris Agreement targets
- Recognize Peru's efforts to date in reducing forest loss and important progress in completing various deliverables under the JDI, for instance, 2 million hectares have been achieved under conservation mechanisms in Indigenous Communities, as well as the multi-sectorial, multi-level and multi-stakeholder articulation necessary for its fulfillment, and to continue advancing to achieve all the pending deliverables.
- Recognize the need to strengthen public institutions (national sectors and regional governments) to implement mitigation measures in the LULUCF sector to contribute to the reduction of deforestation and forest degradation, involving representative organizations of indigenous peoples, organizations of civil society and the private sector.

II. CONTRIBUTIONS

The following points replace section “GERMAN AND NORWEGIAN FINANCIAL CONTRIBUTIONS” of the JDI from 2014:

CONTRIBUTIONS FROM ALL PARTNERS

- The partners agree to extend the JDI until 2025.
- The partners take note of the recommendations of the independent review and other accumulated lessons learned.
- The partners will jointly consider updating the JDI accordingly by March 2022.
- The partners welcome the UK to join the partnership and agree to jointly examine the possibility of integrating other new partners under this partnership by COP26 of the UNFCCC.

- With the support of the partners and in accordance with the national circumstances, Peru will continue to strengthen means to quantify, monitor, report and verify greenhouse gas (GHG) emission reductions from REDD+, including by initiating the registration process for Architecture for REDD+ Transactions (ART) within 2021.

CONTRIBUTIONS FROM PERU

- By the end of 2021, Peru will update the 2018 Phase 2 Implementation Plan, which established annual targets, with the objective of being a tool to inform resource allocation. The update of the plan will consider the opinion of the partners to this JDI. This updated implementation plan will be elaborated based on proposals from national sectors, Amazonian regional governments and organizations representing indigenous peoples.
- Peru aims to reduce GHG emissions from deforestation and forest degradation for compliance with the NDCs by accessing Phase 3 of payment by results, taking into account national circumstances.
- Peru aims to establish a financial mechanism by the end of 2021 in accordance with the commitment made in paragraph "b", section V, Phase 1: Preparation of the JDI from 2014.
- Peru recognizes the recently signed Memorandum of Understanding among the United States Agency for International Development, and MINAM, MIDAGRI, PCM, and MEF, noting the USD 47.5 million Forestry Program, which aims to combat illegality, strengthen forest governance, engage with the private sector and foster market inclusiveness, all which aim to align with JDI efforts and address climate goals.

CONTRIBUTIONS FROM GERMANY

The German government has committed a total of EUR 210 million to projects² that are linked to the achievement of the objectives of this JDI. A large part of the commitments has already been delivered. As a long-time partner of Peru, Germany will continue its support of the JDI and stands ready to further develop the already significant cooperation with Peru.

CONTRIBUTIONS FROM NORWAY

Norway intends to contribute financially to Peru's REDD+ efforts in the order of magnitude of NOK 1800 million. All Norwegian contributions are subject to parliamentary approval and should be triggered by and subject to appropriate verification of agreed deliverables. Contributions made by Norway under the JDI should be used for the implementation of the deliverables of the Phases 1 and 2 until such deliverables are fully accomplished. The detailed terms and conditions for such

² This amount includes all bilateral technical- and financial cooperation projects, funded by Germany since the inception of the JDI until 2025, that might contribute in achieving the milestones and overarching goal of the JDI.

contributions should be set forth in the contribution agreement to be entered into between Norway and the fund manager. The provision of Norway's contribution is divided into the following Phases:

- Phase 1 and 2

For Phases 1 and 2, Norway's contributions will be up to NOK 300 million. This includes the commitment to date of around NOK 115 million. Norway's remaining contribution of up to NOK 185 million for Phases 1 and 2 is extended until 2023. Contributions will be based on the progress of the agreed and updated JDI Phase 2 Implementation Plan to continue its implementation.

- Phase 3

For Phase 3, Norway restates its intention to contribute up to NOK 375 million annually in the period 2022-2025, summarized to a total of up to NOK 1500 million, subject to the delivery of verified reductions in Peru's emissions from deforestation and forest degradation certified by the Architecture for REDD+ Transactions. Norway offers a floor price of USD 10 per tonne CO₂e of emission reductions (certified by ART).

CONTRIBUTIONS FROM THE UNITED KINGDOM

UK Programmes in Peru aim to halt deforestation and reduce forest degradation through public private partnership that support the implementation of the JDI deliverables through 2023. UK supports the opening of cross sectorial and subnational dialogues on Forest, Agriculture and Commodity Trade (FACT) at COP 26.

III. COMING INTO EFFECT, TERMINATION AND OTHER CONSIDERATIONS

The following points replace the section "COMING INTO EFFECT, TERMINATION AND OTHER CONSIDERATIONS" of the JDI from 2014:

- a) This Declaration of Intent shall become effective upon signature by all participants and shall remain valid until the end of the year 2025 and shall be renewed thereafter on the recommendation of the Joint Consultation Group, for a successive period of five years unless notice to the contrary is presented by any of the partners.
- b) This Joint Declaration of Intent is not intended to constitute an international treaty or to create any legally binding rights or obligations to the participants.
- c) The cooperation according to this Joint Declaration of Intent may be terminated at any time by either of the partners, by written notification.

IV. CONSIDERATIONS OF THIS ADDENDUM

- a) Except when otherwise is explicitly specified in this document, the remaining text of the Joint Declaration of Intent signed on 23rd of September 2014 continue to apply and be in effect.

- b) The partners subscribe to this Addendum with anticipated effectiveness as of 1st of January 2021, considering that activities are being executed in the framework of the agreed and updated JDI Phase 2 Implementation Plan.
- c) In case of contradiction of the JDI from 2014 and this addendum, the provisions of this document take precedence.

This addendum of the Joint Declaration of Intent was signed on the 31st of May 2021.

FOR THE GOVERNMENT
OF THE REPUBLIC OF
PERU

FOR THE
GOVERNMENT OF THE
FEDERAL REPUBLIC OF
GERMANY

FOR THE
GOVERNMENT
OF
THE KINGDOM
OF NORWAY

FOR THE
GOVERNMENT OF
THE UNITED
KINGDOM OF
GREAT BRITAIN AND
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Nuclear Safety

Minister of Climate
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and the
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Witnessed by:

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