

**CLIMATE INVESTMENT FUNDS
FOREST INVESTMENT PROGRAM**

BRAZIL INVESTMENT PLAN

**Joint Mission Aide Memoire
13-17 February 2012 – Brasilia, Brazil**

Joint mission objectives

1. The Joint Mission aimed to review the proposed Brazil Investment Plan for the Forest Investment Program (FIP), and to examine its costs against the program's objectives and investment criteria. It was led by the Government of Brazil (GoB) and supported by the multilateral development banks (MDBs).
2. The GoB and MDBs would like to thank all those who participated in the mission activities, particularly those who contributed to organizing and coordinating the event, as well as the representatives of state and municipal governments, civil society, indigenous peoples and traditional communities, and potential partners.

Mission participants

3. The mission was formed by representatives of the GoB and MDBs, as detailed below and listed in Annex 1:
 - Government of Brazil: Representatives of the Ministry of Agriculture, Livestock and Food Supply (MAPA), Brazilian Agricultural Research Corporation (EMBRAPA), Ministry of Science, Technology and Innovation (MCTI), Ministry of Finance (MF), Ministry of Environment (MMA), Brazilian Forest Service (SFB), Ministry of Justice through the National Indigenous Foundation (FUNAI), and Ministry of Foreign Affairs (MRE).
 - Multilateral Development Banks: International Bank for Reconstruction and Development (IBRD, also known as the World Bank) and Inter-American Development Bank (IDB).
4. Bilateral and multilateral development partners: Representatives of development agencies from Germany and the United Kingdom, the Embassy of Norway, the Brazilian Development Bank (BNDES) and the Government of Canada (by videoconference). Annex 2 provides a full list of the development partners that took part in the mission activities.
5. Other stakeholders: Representatives of social and environmental networks, NGOs, financial sector, private sector, state and municipal agencies, and indigenous peoples and local communities, who participated in a specific session (see Annex 3).

Activities developed

6. Annex 4 provides the detailed mission agenda of which the following activities should be noted:
 - Review and discussion of the Investment Plan and project concept notes with a view to submitting them to the FIP Subcommittee in April for consideration at its meeting in early May 2012.
 - Information and dialogue session as part of the stakeholder consultation process.
 - Interaction with representatives of relevant national plans, including the National Policy for Climate Change and the Low Carbon Emission Agriculture Plan (ABC Plan).
 - Identification of co-financing or parallel financing opportunities with potential development partners.
 - Analysis of institutional arrangements related to the management of Brazil Investment Plan for the FIP.
7. In addition, the mission aimed to orient the implementation of MDBs safeguards in the design of the Investment Plan and its projects. Its specific objectives were to: (i) get to know the proposed Investment Plan and its implications on environmental and social safeguard policies; and (ii) guide the activities needed to conclude the Investment Plan as they concern public consultation and environmental and social safeguards. The mission emphasized the GoB's responsibility in the environmental and social management of the Investment Plan and its projects, in compliance with MDBs environmental and social policies and Brazilian environmental law. Annex 5 provides more details on the implementation of safeguards in the Investment Plan and its projects.

Conclusions and Follow-up Measures

8. The GoB reaffirmed its interest and commitment to the IP and its purposes, and indicated its intention to submit the Plan to the FIP Subcommittee in April 2012 so it can be considered at its meeting in early May 2012.
9. The mission found that the GoB made important progress in preparing the IP. It also found the consultation process well advanced, having identified various suggestions to improve the Plan.
10. Other development partners will be consulted by the GoB to determine their interest and possibilities of contributing additional funds to the other projects.
11. The GoB took note of the comments, requests for clarification and recommendations made by the MDBs, bilateral partners and participants of the dialogue sessions held during the joint mission and will adjust the IP where appropriate. The following table presents the aspects that will be taken into account by the GoB to finish preparing the Plan.

ITEM	TOPIC ADDRESSED	FOLLOW-UP MEASURES
1	Managing IP execution	Detail institutional and operational aspects (including costs) for IP coordination, communication, monitoring and evaluation and stakeholder engagement with the aim of promoting synergies between the projects and ensuring the expected results.
2	Interinstitutional coordination in IP preparation	Point out efforts and success in the coordination process between ministries, players and policies.
3	Synergies	Highlight the programmatic approach by improving the description of synergies between the four projects of the Investment Plan.
4	Sustainability of IP activities	Clarify how the GoB plans to ensure sustainability of IP actions after the end of the projects.
5	Government actions to complement the IP	Highlight how the Investment Plan is linked to other existing plans and programs.
6	Government funding	Report on investments already made and budgeted by the GoB in relation to the IP.
7	Support from bilateral partners	Describe support given to the IP by bilateral partners.
8	Involvement of other development partners	Report on possibilities to obtain co-financing and involvement from other partners.
9	Results of IP and its projects	Estimate, when possible, the number of potential beneficiaries by profile and activity supported by the IP.
10	Direct and indirect project impacts	Detail the direct and indirect impacts of IP projects on family farmers, traditional communities and indigenous peoples. Indicate that mitigation of eventual negative impacts will be addressed during the project preparation stage.
11	Co-benefits of IP and projects	Detail expected co-benefits, especially those geared to indigenous peoples and traditional communities.
12	Funding for project preparation	Define whether FIP resources will be needed to prepare the projects.
13	Project 1.1 – Environmental regularization of rural lands (based upon the CAR)	Explain how the restoration of degraded Areas of Permanent Preservation (APPs) and Legal Reserves (RLs) in registered properties will be financed. Explain how Natural Heritage Private Properties (RPPNs) will be registered on the CAR and possible benefits to be granted to their owners.
14	Project 1.2 – Sustainable production in areas previously converted to agricultural use (based upon the ABC Plan).	Inform profile of current borrowers of the ABC Program. Provide a better explanation of the barriers identified to implement the ABC Program. Explain how the restoration of degraded APPs and RLs in registered properties will be financed. Present available data on reduced emissions per unit area.
15	Project 2.2 – Implementation of an early warning system for preventing forest fires and a system for monitoring the vegetation cover.	Present available data on reduced emissions per unit area. Explain the importance of fires in the Cerrado (focus, incidence, area, etc.) in the Cerrado. Provide more information to justify how Project 2.2 will make a difference in IP activities and monitoring.
16	Social and Environmental Safeguards	Underline in the IP (i) that all projects shall obey the national legislation and MDBs safeguard policies; and (ii) the general principles that will guide FIP projects.
17	Gender	Point out how gender issues will be addressed in the IP and projects.
18	Consultation Process	Update information on the dialogue and consultation process.

12. The mission concluded that the necessary and sufficient tasks to review the IP and its annexes can be completed in time for its submission to the FIP Subcommittee in April 2012.

Brasilia, 17 February 2012.

Original Portuguese version signed by:

Artur Cardoso de Lacerda, International Affairs Secretariat of the Ministry of Finance (SAIN/MF)

Garo Batmanian, World Bank (IBRD)

Laura Gaensly, Inter-American Development Bank (IDB)

List of Annexes:

- 1 – List of representatives of the Government of Brazil and Multilateral Development Banks
- 2 – List of bilateral and multilateral development partners
- 3 – List of participants of dialogue sessions
- 4 – Work agenda
- 5 – Safeguards and public consultation

ANNEX 1 - LIST OF REPRESENTATIVES OF THE GOVERNMENT OF BRAZIL AND MULTILATERAL DEVELOPMENT BANKS

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ANNEX 4 – WORK AGENDA

Time	Activity Description	Venue
Monday, 13 February 2012		
14:00- 15:00	Opening session with senior GoB staff, all mission members – Welcome and introduction to participants in the Joint Mission; Comments by Members of the FIP Sub-committee; MDBs presentation of FIP process	Brasilia, Brazil, Embrapa Estudos e Capacitação (CECAT) Parque Estação Biológica – PqEB Av. W3 Norte (final), Bloco D
15:00-16:00	Presentation of the draft Brazil FIP Investment Plan by the GoB including its four projects	
16:00-16:15	Coffee break	
16:15-17:30	Presentation of the draft Brazil FIP Investment Plan (cont.)	
17:30-19:00	Open discussion including bilateral agencies	
Tuesday, 14 February 2012		
09:00-11:00	Meeting with MMA and MAPA to discuss the respective proposed projects	Brasilia, Brazil, Embrapa (CECAT)
11:00-11:15	Coffee break	
11:15-12:45	Meeting with MMA and MAPA to discuss the respective proposed projects (cont.)	
12:45-14:00	Lunch	
14:00-16:00	Meeting with SFB to discuss the respective proposed project	
16:00-16:15	Coffee break	
16:15-18:15	Meeting with MCTI to discuss the respective proposed project	
Wednesday, 15 February 2012 – stakeholder meetings/consultation		
09:00-10:30	Presentation of the draft Forest Investment Plan and Mission update and donor coordination actions by the GoB	Brasilia, Brazil, Embrapa (CECAT)
10:30-10:45	Coffee break	
10:45-12:45	Comments by invited stakeholder, indigenous communities and private sector	
12:45-14:00	Lunch	
14:00-16:00	Discussion with stakeholders (cont.)	
16:00-16:15	Coffee break	
16:15-18:00	Wrap up meeting, including next steps and conclusions	
Thursday, 16 February 2012		
09:00-14:00	Meeting with technical staff from MAPA, MMA, SFB and MCTI to go over the comments and recommendations from the stakeholder meeting	Brasilia, Brazil, Embrapa (CECAT)
14:00-15:00	Lunch	
15:00-18:00	Drafting of Aide Memoire with findings, recommendations, and next steps regarding the revision and update of Forest Investment Plan.	
Friday, 17 February 2012		
13:30-16:30	Internal MDBs meeting to wrap up the Joint Mission, possible VC with DC.	Brasília, Brazil, Ministry of Finance, SAIN Meeting Room
16:30-18:00	Meeting with GoB staff and mission members from MAPA, MRE, MMA, SFB, MCTI to revise the Aide Memoire	

ANNEX 5 - SAFEGUARDS AND PUBLIC CONSULTATION

A. Social and Environmental Safeguards

Annex 1 of the FIP Brazil Investment Plan currently under development lists the projects being proposed and the safeguards that apply to each one. The general expectation is that its four projects will respond to the biome's priority challenges and have positive environmental and social impacts. To this extent, safeguards will be incorporated during the project preparation stage, including social and environmental assessments and public consultation processes, in accordance with the procedures established by the MDBs.

In the body of the Investment Plan text, we recommend emphasizing that all projects shall comply with the Brazilian law and MDB safeguard policies. We also recommend for general principles to be defined in the IP to guide FIP projects, like respecting the conservation units and indigenous lands defined by the Brazilian Government, and not intervening in land conflict areas.

B. Social Assessment

We emphasize the need to identify the direct and indirect social impacts of all IP projects, particularly those that affect medium and small-scale producers, traditional communities and indigenous peoples - as exemplified by the potential positive impact that the Rural Environmental Cadastre in areas surrounding indigenous lands will have for indigenous peoples. Better identification of the risks the Plan will face in engaging the various social groups and how the projects will mitigate these risks is recommended. Finally, it will be necessary to identify the specific aspects in the projects in which gender is being mainstreamed.¹

C. Dialogue Process and Public Consultation

The auspicious engagement of the Brazilian Government in a broad consultation process with different groups that may be affected by the Investment Plan is noteworthy. A round of information sessions was held in November 2011. A preliminary version of the Plan was made available to the public for comments, criticism and suggestions through various ministerial websites in the period of 26 January to 5 March 2012. An in-person consultation with civil society representatives, including networks of social and environmental movements, the private sector, teaching and research institutions, and state and municipal governments took place on 7 February 2012. An in-person information session for representatives of indigenous peoples and traditional communities was held on 15 February 2011.

The main points that came to attention during the in-person information session for indigenous peoples and traditional communities were: (a) their interest in obtaining more information on the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM); (b) the relevance of the

¹ One example is the possibility that the National Forest Inventory offers to register the different ways men and women perceive and use the forest and natural resources, since the data collection methodology is gender balanced.

Cerrado biome; (c) a vision of the environmental pressures that threaten the lands and livelihoods of indigenous peoples and that the Plan will help to tackle; (d) the interest of indigenous peoples in remote sensing, georeferencing and forest resources inventory methodologies to strengthen management of their territories; and, (e) the significant indirect benefits that indigenous peoples will derive from the Plan's activities. At the end of the session, the indigenous representatives agreed to examine the Plan more carefully, consult their peers and send their suggestions to the Technical Committee (TC) that is preparing the Plan.

The consultation process will continue throughout the entire Plan preparation process and will be further deepened while its projects are prepared. It is important to note that the consultation process, its results and the suggestions that were incorporated to the Plan will be registered.