

# **FOREST INVESTMENT PROGRAM (FIP)**

Investment Plan Preparation

Ecuador

**First joint mission**

Quito, April 18-19 2017

Aide Memoire

## I. Introduction

1. The first joint mission for the Forest Investment Plan (FIP) of the Climate Investment Funds (CIF) took place in the city of Quito, Ecuador, from April 18th – 19th. Participants to the mission included representatives from the Inter-American Development Bank Group (IDBG), the World Bank Group (WBG) as follows: IDB: Gloria Visconti (Mission Leader and Climate Change Lead Specialist, Cristina Villalba (Operations Specialist at the Representation in Ecuador), Pamela Ferro (Climate Change Consultant), Paloma Marcos (Gender and Climate Change Consultant), Marisol Inurritegui (Natural Resources Specialist) and Christian Parra Meneses (Climate Change Consultant-IIC). WBG: Gabriela Encalada (Environmental Specialist).
2. The GoE has appointed the MAE as the technical focal point for the FIP. Accordingly, the organization of this mission was led and coordinated by representatives of this entity: María Victoria Chiriboga (Undersecretary of Climate Change), Fabián Moncayo (National Director for Climate Change Mitigation), Daysy Cárdenas (Directorate for Climate Change Mitigation), Santiago García (National Forestry Director), Fernando Prieto (FIP focal point - Undersecretary of Natural Heritage), Danilo Arévalo (Directorate for Forestry), Juan Fernando Terán (Coordinator for International Management).
3. Prior to this mission, a Scoping Mission for the FIP Investment Plan (IP) was held between the 27th and 29th September 2016 in Quito.
4. The members of the mission would like to thank the team of the MAE for the organization of the mission and for their hospitality during their visit to Quito.

## II. Background

5. In May 2015 Ecuador was selected by the FIP Sub Committee to become a pilot country under the FIP Program following the recommendations of an independent panel of experts who selected the proposal submitted by the Government of Ecuador through an expression of interest. In December 2015 the FIP Sub Committee approved the allocation of USD 250,000 for the elaboration of the IP. These resources will support the consultation and participation processes for the design of the IP and its articulation with the National Climate Change Strategy in the framework of the REDD+ National Plan.
6. **FIP general objectives:** Supporting developing countries efforts to reduce emissions from deforestation and forest degradation and promoting sustainable forest management and enhancement of forest carbon stocks (REDD+), including:

- Promoting forest mitigation efforts, including protecting forest ecosystem services
  - Providing support outside of the forest sector to reduce pressure on forests
  - Helping countries strengthen institutional capacity, forest governance, and forest-related knowledge
  - Mainstreaming climate resilience considerations and contributing to biodiversity conservation, protecting the rights of indigenous peoples and local communities, and poverty reduction through rural livelihoods enhancement.
7. The FIP addresses the underlying drivers of deforestation and forest degradation, as well as the barriers identified by upstream REDD+ programs such as those of the Forest Carbon Partnership Facility (FCPF), the Global Environmental Facility (GEF), UN Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD Programme).

### **III. Mission Objectives**

8. Discussion and feedback on the content of the first partial draft of the IP (sections 1-5).
9. Preliminary discussion on the direct and indirect drivers of deforestation included in the partial draft IP and its implications for the identification and prioritization of projects to be potentially financed by the FIP.
10. Presentation of the REDD + Implementation Plans developed in collaboration with national institutions and relevant actors (including local actors). Information session on the status of the IP design to the REDD + Working Group (Mesa de Trabajo REDD+).
11. Discussion and definition of criteria for REDD + under the IP.
12. Presentation and discussion of the role of preparatory funds for the IP development
13. Definition of a specific timetable to finalize the IP, including deadlines for the determination of specific projects to be financed by the FIP.
14. Establishing the link between UNFCCC safeguards and the interpretation of the Ecuadorian and World Bank safeguards.
15. Setting a date for the second joint mission.

### **IV. Activities and agreements**

16. The joint mission reviewed sections 1-5 of the draft Investment Plan and agreed to:
  - Finish describing the direct and indirect causes of deforestation.
  - Update section 3 on legislation including the recently registered Environmental Organic Code and the future National Development Plan, among others.
  - Update section 5 on ongoing initiatives and projects including IDB, WB and Amazon Productive Transformation Agenda projects, among others.
  - The Undersecretariat for Climate Change will facilitate a study on future dynamics of deforestation.

17. The main direct and indirect causes of deforestation and degradation were discussed according to the analytical work developed in the preparation of the REDD + Action Plan.
18. During the informative session on the status of the IP design, questions and comments were received from the REDD+ Working Group and other relevant actors including indigenous peoples, the private sector, NGOs, cooperation agencies, civil society and the public sector. Likewise, the REDD + Implementation Plans that at this moment do not have funding to be implemented were presented:
  - Traceability and certification of forest products (3 plans)
  - Conservation, reforestation, and bio-enterprises (3 plans)
  - Indigenous peoples and nationalities (1 plan)
  - Sustainable palm (2 plans)
  - Traceability and certification of agricultural products (3 plans)
  - Good practices in agroforestry systems (3 plans)
19. The criteria to prioritize actions for the IP (which should include FIP criteria and be aligned with the REDD + Action Plan) were defined.
20. To determine the IP investment lines, the Government of Ecuador will carry out an internal exercise to select the lines of intervention included in the REDD+ Action Plan. This will determine the funding gaps by analyzing the activities already funded by the GCF, GEF and other initiatives of international cooperation and national financing. This selection will be sent to the MDBs to look up to the feasibility of converting these lines of intervention into projects.
21. For the prioritization of the lines of intervention, the Government will consider the types of available resources under the FIP, identifying the activities that can be profitable and financially sustainable from a private and public investment perspective.
22. It was agreed that preparatory funds/resources for the elaboration of the IP of the FIP will not be requested by the MAE to avoid further delays in the IP and funding will be sought through ongoing IDB, WB and MAE projects and programs.
23. The specific timetable for finalizing the Investment Plan is attached under the 'next steps' section.
24. The UNFCCC safeguards, the interpretation of the Ecuadorian safeguards for REDD + and those of the World Bank were presented to gain a better understanding of the processes that are being carried out at the level of funders/donors and the National Government.
25. The proposed date for the Second Joint Mission is August 15th-16th 2017.

## V. Next Steps

The following timetable was agreed:

<b>Activities/Section / Investment Plan Annex</b>	<b>Date</b>	<b>Task</b>	<b>Responsible</b>
1 <sup>st</sup> Joint Mission	April 18 <sup>th</sup> -19 <sup>th</sup>	Revision of first sections (1-5) of IP and next steps	MAE, WB, IDB
Investments prioritization	May 8 <sup>th</sup>	MAE to send prioritized investments to the MDBs	MAE
Video conference	May 15 <sup>th</sup>	Discussion about the prioritized investments	MAE, WB, IDB
Adjustment of investments	May 22 <sup>nd</sup>	Adjustment of prioritized investments	MAE, consultant
Subcommittee meeting	First week of June	MAE attends the FIP Subcommittee meeting	MAE
Video conference	Mid-June	Revision of the IP. Selection of the external reviewer	MAE, WB, IDB
Sections 6 - 9 and Annexes 1-4	July 4 <sup>th</sup> , 2017	First complete draft of the investment plan	MAE, IDB, WB
Video Conference	Week of July 10-14 <sup>th</sup>	Discussing final topics of the IP first draft	MAE, WB, IDB
First draft IP presentation	15 <sup>th</sup> -20 <sup>th</sup> of July	National and regional workshops	MAE
Second draft of the IP	July 30 <sup>th</sup> , 2017	Adding observations from national/regional workshops	MAE, WB, IDB
Second Joint Mission	15-16 <sup>th</sup> August 2017	Last revision and final decisions on the investment plan (third version)	IDB coordinates with MAE and WB
Third draft IP (consultation)	First week of September	National workshop	MAE
Third draft IP	September 15 <sup>th</sup> – 30 <sup>th</sup>	Publishing the IP on the MAE webpage	MAE
Third draft IP and Annex 5	September 15 <sup>th</sup> - 30 <sup>th</sup>	Third party revision	WB, IDB, MAE (CIF AU hiring consultant)
IP fourth and final version	October 1 <sup>st</sup> -10 <sup>th</sup>	Including observations from the third-party revision and consultation on the web	MAE
IP Final version	October 10 <sup>th</sup> -25 <sup>th</sup>	English translation of the IP	IDB hires a translator
Revision of the English version	October 26 <sup>th</sup> /27 <sup>th</sup>	MAE reviews the English version of the IP	MAE
Investment plan (English version)	October 30 <sup>th</sup> , 2017	MAE sends the IP to CIF AU	MAE, IDB

Quito, April 19th, 2017

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