

**Brazil Forest Investment Program**  
**Terms of Reference for the First Joint Mission**  
**13<sup>th</sup> – 17<sup>th</sup> February, 2012**  
**Brasilia, Brazil**

1. These Terms of Reference (ToR) for the proposed FIP Brazil Joint Mission includes: (i) Introduction and Background; (ii) Mission objectives and anticipated outputs; (iii) Coordination with Development Partners and Civil Society; (iv) Mission composition (team members, assignments and expert outputs); (v) Mission agenda; (vi) Government of Brazil and MDBs contacts.

## **I. Introduction and Background**

2. In September 2010, the Government of Brazil confirmed its interest to participate in the Forest Investment Program (FIP) as a pilot country. The FIP is a targeted program under the Strategic Climate Fund (SCF), part of the Climate Investment Funds (CIF). The main objective of the Program is to support the efforts of developing and emerging countries to reduce emissions from deforestation and forest degradation through public and private investments. The FIP takes into account country-led priorities and strategies supporting investments that: (i) build institutional capacity, forest governance and information; (ii) investments in forest mitigation efforts, including forest ecosystem services; and (iii) investments outside the forest sector necessary to reduce the pressure on forests such as alternative livelihood and poverty reduction opportunities. FIP investments may also contribute to mainstreaming climate resilience considerations and can contribute to multiple co-benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities, and poverty reduction through rural livelihoods enhancements.
3. Brazil is home to several relevant forest biomes, notably the Amazon and the Cerrado, and balancing economic development with conservation in these areas is an on-going challenge. The country has been making and implementing increasingly effective policies to control and reduce deforestation and CO<sub>2</sub> emission, *inter alia*: (i) Federal Decree of 2007 required the Ministry of Environment to publish an annual list of Amazon municipalities with the highest incidence of deforestation; (ii) Federal Decree 7029 of 2009 established the Federal Program to Support the Environmental Regularization of Private Rural Holdings (the “*Mais Ambiente*” Program); (iii) Action Plan for Prevention and Control of Deforestation and in the Amazon (PPCDAm), launched by the Brazilian Federal Government in 2007; and (iv) Action Plan for Prevention and Control of Deforestation and Forest Fires in the Cerrado (PPCerrado), which was launched by the Brazilian Federal Government in September 2010; and (v) National Climate Change Policy Law, which was launched in December 2010 (Decree 7390), with projections of GHG emissions and stringent policy targets, including a % reduction of annual deforestation rates.
4. In spite of these policies, the largest share of Brazil’s net CO<sub>2</sub> emissions comes from land use change and forests, especially the conversion of forests to crop land and pasture (approximately 77% of total net emissions in 2005). In this context, Brazil has been selected by the FIP Sub-Committee to be one of the eight pilot countries around the world. In line

with FIP guidance, the Secretary for International Affairs, Ministry of Finance (MF), Carlos Marcio Cozendey, has been appointed as the National FIP Focal Point on behalf of the Brazilian Government (GoB). The Multilateral Development Banks (MDBs), namely International Bank for Reconstruction and Development (IBRD, also known as the World Bank); Inter-American Development Bank (IDB); and International Financial Corporation (IFC, part of the World Bank Group) have been asked by the GoB to provide technical input to the GoB in the preparation of the national FIP Investment Plan.

5. At the request of the GoB, a scoping mission of the MDBs took place on 23<sup>rd</sup>-26<sup>th</sup> May, 2011. The Brazilian Government led the mission, as the initial step of the dialogue process for the preparation of Brazil's FIP Investment Plan. Representing the Brazilian Government were the Ministry of Finance (MF), Ministry of Environment (MMA), Ministry of Science and Technology and Innovation (MCTI), Ministry of Agriculture and Livestock (MAPA), the Secretariat for Strategic Affairs of the Presidency of the Republic (SAE-PR), the Brazilian Forest Service (SFB) and the Brazilian Agricultural Research Corporation (Embrapa). During the mission, FIP presentations were made to the representatives of the social and environmental networks, other civil society organizations and private sector representatives interested in the FIP.
6. The main results of the mission were the reaffirmation of the great potential of Brazil's contribution to achieve the FIP's objectives; the importance to associate the FIP to other programs and actions of the Country as an instrument to support the National policies and actions; and the intention of the Government of Brazil to focus mainly on the Cerrado biome.
7. Considering the focus in Cerrado, the following themes were identified to be explored under the development of an Investment Plan for Brazil: (i) Structuring activities for the sustainable forest management, aiming to enhance the forest maintenance; (ii) Development and Implementation of monitoring and planning tools for land-use planning, forest inventory and rural environmental cadastre, aiming to strengthen the governance and management transparency of the forest resources; and (iii) Promotion of productive sustainable activities in already deforested areas aiming to reduce pressure of conversion of new areas.
8. The FIP preparation process in Brazil is led by a technical committee with representatives of the Ministry of Finance (MF), Ministry of Environment (MMA), Ministry of Science, Technology and Innovation (MCTI), Ministry of Agriculture and Livestock (MAPA), Brazilian Forest Service (SFB) and the Brazilian Agricultural Research Corporation (Embrapa) and has involved so far discussions among various government agencies, consistent dialogue with the MDBs, including a scoping mission, and informational sessions on FIP and the intended investment areas of Brazil's Investment Plan with interested stakeholders. These informational sessions or workshops are part of a plan of involvement and consultation with stakeholders, which will continue through public consultation, online and in person, of the draft Investment Plan.
9. In short, the FIP process in Brazil has been developing the following actions:
  - i. Setting up of a government cross-sectoral team to coordinate the FIP process and ensure it is in line with other climate change policies and programs in Brazil;
  - ii. Analytical work and identification of investment priorities;
  - iii. Scoping Mission
  - iv. Drafting of the Investment Plan and formulation of programs/projects;
  - v. Dialogue with stakeholders on FIP and the Dedicated Grant Mechanism for

- Indigenous Peoples and Local Communities;
- vi. Joint Mission; and
- vii. Consultations with a wide range of stakeholders, including Government agencies, civil society organizations, private sector representatives, among others.

10. Moreover, the GoB requested a preparation grant of US\$ 250,000 from the FIP to carry out mainly stakeholder consultations in support of the preparation of the Investment Plan and FIP process in Brazil, consistent with the strategic objectives of the Forest Investment Program. The grant will also support additional analytical and technical studies. This preparatory grant was approved on January 11<sup>th</sup>, 2012 and will be implemented throughout the process of drafting and finalization of the Investment plan, programs and projects.

## II. Joint Mission objectives and anticipated outputs

### 1) Joint Mission Objective

11. The objective of the Joint Mission is to assist the Government of Brazil reviewing the proposed draft Investment Plan and its costs, in line with FIP objectives and investment criteria. The Joint Mission will be led by the GoB and assisted by the multilateral development banks (MDBs).

12. The mission will take place in Brasilia, Brazil, on 13<sup>th</sup>-17<sup>th</sup> February 2012, and specifically will:

- a) Review and update the draft Investment Plan and projects concept notes for submission to the FIP Sub-Committee in April 2012 for endorsement at the next FIP Sub-Committee meeting, which will take place in early May 2012 . The mission will look for elements that will allow for the completion of the Plan, including:
  - Consultation with key stakeholders that will be invited to participate in the mission. The GoB will collect comments and considerations from representatives of local communities, indigenous peoples groups, non-government and civil society organizations, the private sector, and other potential partners to the draft investment plan;
  - Consultation and interaction with representatives responsible for relevant national plans, including the National Climate Change Policy, PPCerrado and ABC Plan;
- b) Analyze the funding modalities, institutional arrangements to manage the FIP, and co-financing opportunities, including dialogue with bilateral and multilateral development partners relevant to support the investment plan and discussions on the potential leverage to the actions proposed by the GoB under the FIP.

### 2) Joint Mission expected outputs:

13. Upon completion of the Joint Mission, the expected **output** is the Mission Aide Memoire/Report summarizing the progress made to date by the government and MDBs, and next steps to complete the processes of developing the FIP Brazil Investment Plan.

### III. Coordination with Development Partners and Civil Society

14. The GoB has been in contact with civil society organizations representatives and other development partners since the scoping mission. Brazil is engaging in *ad hoc* meetings and communications with development partners in order to identify interest in contributing during the Joint Mission and opportunities for co-financing of elements of the investment plan.
15. Moreover, several informational sessions were carried out with representatives of key social and environmental networks, civil society organizations, private sector, subnational environmental agencies, indigenous peoples and local communities (see chart below). As a matter of fact, the preparation of Brazil's FIP Investment Plan includes a plan of involvement and consultation with interested stakeholders. The involvement of these actors and the consultation plan is being led by the Ministry of Environment (MMA) with support by the Ministry of Science, Technology and Innovation (MCTI), Ministry of Agriculture and Livestock (MAPA), Ministry of Finance (MF), the Brazilian Forest Service (SFB) and Ministry of Justice through the "Fundação Nacional do Índio" (FUNAI). The plan consists of:
- (i) **Dialogue** with interested stakeholders **during Scoping Mission** (May 2011);
  - (ii) **Informational workshops (table 1)**, including session on the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (carried out throughout November and December 2011);
  - (iii) **Public consultation to the draft Investment Plan on the internet** (for approximately 40 days, from January to March 2012), through the websites of involved government agencies;
  - (iv) **Consultation workshop** utilizing participatory methodologies (planned to occur in February 2012);
  - (v) **Targeted meetings with interested stakeholders** (planned for February and March 2012), including dialogue with State-level Secretaries of Environment of the Cerrado biome;
  - (vi) **Dialogue with stakeholders during the Joint Mission.**

**TABLE 1. INFORMATIONAL SESSIONS ON FIP**

<b>Date</b>	<b>City/ Event</b>	<b>Audience</b>	<b>Representatives of GoB</b>
May 26, 2011 (morning)	Dialogue during FIP Scoping Mission Brasília-DF	Indigenous peoples, local communities, private sector, NGOs, social networks (30 participants)	MMA, MF, SFB
November 22, 2011 (morning)	Workshop on REDD+ Safeguards Brasília-DF	Indigenous peoples, local communities, state-level environmental agencies, private	MMA, MF, FUNAI, SFB

Date	City/ Event	Audience	Representatives of GoB
		sector, NGOs, social networks (60 participants)	
November 22, 2011 (afternoon)	Informational session on FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities Brasília-DF	Indigenous peoples, local communities (17 participants)	FUNAI, MF, MMA
November 28, 2011 (afternoon)	Meeting of the National Commission of the Program <i>Cerrado Sustentável</i> (CONACER) Brasília-DF	Indigenous peoples, local communities, state-level environmental agencies, private sector, NGOs, social networks (33 participants)	ANA, FUNAI, MCTI, MDS, MF, MJ, MMA, SFB
December 7, 2011 (afternoon)	24 <sup>th</sup> Meeting of the Steering Commission of Public Forests (CGFLOP) Brasília-DF	Indigenous peoples, local communities, state-level environmental agencies, private sector, NGOs, social networks (27 participants)	Embrapa, MCTI, MD, MF, MMA, MPOG, SFB
December 14, 2011 (afternoon)	Meeting of the Working Group of the <i>Plano ABC</i> Brasília-DF	Private sector, NGOs, social networks (20 participants)	Casa Civil, Embrapa, MAPA, MF MMA, MCT, SFB

#### IV. Mission composition

1. **Government of Brazil:** Representatives from the Ministry of Finance (MF), Ministry of Environment (MMA); Brazilian Forest Service (SFB); Ministry of Agriculture and Livestock (MAPA), Ministry of Science, Technology and Innovation (MCTI); Ministry of Justice through the “Fundação Nacional do Índio” (FUNAI), Ministry of Foreign Affairs (MRE), and FUNBIO.
2. **Multilateral Development Banks:** International Bank for Reconstruction and Development (IBRD, also known as the World Bank); Inter-American Development Bank (IDB); and International Financial Corporation (IFC, part of the World Bank Group). (for team composition, see table 2)
3. **Other Development Partners:** Representatives of development agencies from Canada, Germany, Netherlands, Norway, UK, USA, FIP donor countries, European Commission and BNDES.
4. **Others:** Representatives of social and environmental networks, NGOs, private sector, state-level environmental agencies, indigenous peoples and local communities attending the Consultation workshop on the draft Investment Plan will

be invited to select participants for the Joint Mission session dedicated to dialogue with stakeholders.

**TABLE 2. MDBs MISSION COMPOSITION**

<b>Team member</b>	<b>MDB</b>	<b>Assignment</b>	<b>Expected contributions and outputs</b>
Garo Batmanian, <i>Senior Environmental Specialist</i>	IBRD <i>(Brazil)</i>	Joint Mission Co-Leader. Lead preparation and finalization of investment plan	Provide technical guidance; ensure overall preparation and quality of the investment plan in accordance with the FIP principles; coordinate IBRD sections of the investment plan
Bernadete Lange, <i>Environmental Specialist</i>	IBRD <i>(Brazil)</i>	Coordination of investment plan development; safeguards	Contribute to the development of the IP, ensure IBRD's safeguards, ensure technical quality, and assist in preparation of concept notes and project design.
Mark Lundell, <i>Sector Leader</i>	IBRD <i>(Brazil)</i>	Sector Leader	Provide guidance to ensure that the IP takes advantage of potential synergies with IBRD work in Brazil.
Alberto Costa, <i>Gender Specialist</i>	IBRD <i>(Brazil)</i>	Assist with aspects of gender	Ensure that gender considerations are considered in the IP, its processes and projects.
Carlos Klink, <i>Private Sector Specialist</i>	IFC <i>(Brazil)</i>	Coordination private sector	Technical review and coordination of private sector participation.
Maria Netto, <i>Climate Change Lead Specialist</i>	IDB	Co- Joint Mission Leader. Lead preparation and finalization of investment plan	Provide technical guidance, review completion report and ensure overall preparation and quality of the investment plan, coordinate IDB sections of the investment plan.
Laura Gaensly, <i>Climate Change Expert</i>	IDB	Coordination of FIP Investment Plan development, ensuring consistency of the plan and projects with FIP and IDB's requirements, criteria and modalities.	Provide technical guidance to investment plan and projects; ensure the quality and adherence to the FIP and the CIF guidelines, as well as to the IDB's policies and procedures.
Simone Bauch, <i>Forest Specialist</i>	IDB <i>(Brazil)</i>	Coordination of investment plan development	Contribute to the development of the IP, ensure technical quality. Assist in preparation of concept notes and project

			design.
Luciano Schweizer, <i>Private Sector Specialist</i>	Private Sector IDB <i>(Brazil)</i>	Coordination private sector participation	Technical review and participation in session with Government and Private Sector
José Rente Nascimento	FIP Consultant <i>(Brazil)</i>	Coordination of Investment plan editing	Responsible for drafting of the A.M and editing the IP

## V. Mission Agenda

Time	Activity Description	Venue
<b>Monday, February 13, 2012</b>		
09:00- 10:00	Internal MDBs meeting on reviewing mission agenda, draft Forest Investment Plan	Brasilia, Brazil, (place to be confirmed)
10:00- 12:00	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	
12:00-14:00	Lunch	
14:00-16:30	Presentation of the draft Brazil FIP Investment Plan by the GoB including its four projects	
16:30-16:45	Coffee break	
16:40-18:00	Open discussion including bilateral agencies	
<b>Tuesday February 14, 2012</b>		
09:00-11:00	Meeting with MMA and MAPA to discuss the respective proposed projects	Brasilia, Brazil (place to be confirmed).
11:00-11:15	Coffee break	
11:15-12:30	Meeting with MMA and MAPA to discuss the respective proposed projects (cont.)	
12:30-14:00	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	
<b>Wednesday February 15 2012 – stakeholder meetings/consultation</b>		
09:00-10:00	Presentation of the draft Forest Investment Plan and Mission update and donor coordination actions by the GoB	Brasilia, Brazil (place to be confirmed)
10:00-12:00	Comments by invited stakeholder, indigenous communities and private sector	
12:00-14:00	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	
<b>Thursday February 16, 2012</b>		

09:00-12:30	Meeting with technical staff from MAPA, MMA, SFB and MCTI to go over the comments and recommendations from the stakeholder meeting	Brasilia, Brazil (place to be confirmed)
12:30-14:00	Lunch	
14:00- 15:00	Other issues related to FIP	
15:00-18:00	Drafting of Aide Memoire with findings, recommendations, and next steps regarding the revision and update of Forest Investment Plan.	
<b>Friday February 17, 2012</b>		
9:00-12:00	Meeting with senior GoB staff and mission members from MAPA, MRE, MMA, SFB, MCTI to revise the Aide Memoire	
12:00-13:30	Lunch	
13:30-15:00	Internal MDBs meeting to wrap up the Joint Mission, possible VC with DC.	Brasilia, Brazil (place to be confirmed)

## VI. Mission Contacts

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### 2. MDB

#### Headquarters

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