

November 20, 2013

Comments from United Kingdom on the FIP Investment Plan for Peru

Dear Patricia,

The UK is happy to approve *Peru: Climate Investment Funds, Forest Investment Plan*.

We would like to thank Peru for a clearly written Investment Plan (IP) with interventions that seem appropriate. We welcome the addition of components that improve the enabling environment for investment in forest resources, particularly those that will have a positive impact on communities living within the project areas; legalisation, titling and registration of property rights and a focus on innovation and market development. We also appreciate the efforts made by Peru to submit at this time, and in resolving difficulties they have faced in reaching an agreement with Indigenous organisations in the finalisation of the IP.

While we approve the IP, there are a few areas we would like to highlight. In particular, our approval is based on parameters being put in place to ensure that Peru is upholding its commitments to Indigenous People, and that recommendations made by external reviewers are considered during project design. In this regard we welcome the proposed development of an Impact Evaluation for forthcoming project approvals.

We strongly encourage all stakeholders in Peru to continue working together constructively in pursuit of the goals of the FIP, and look forward to hearing about the progress of this collaborative work in the future. We also encourage including representatives of indigenous groups in the drafting, development and implementation of FIP projects.

We had some concerns around the absence within the IP, of estimates of co-finance and expected reductions in CO₂ savings. Whilst we appreciate that this requires the establishment of baselines, no estimate of the FIP investment criterion “cost-effectiveness” can be given without numbers. We’d therefore request IBD to notify the Trust Fund Committee about the timeline for presenting baselines, expected carbon savings and expected leverage and also pass on the figures, once finalised. We would also like to emphasise that Leakage and Non-permanence should be reflected in carbon savings made by proposed projects.

We would also like to emphasise our agreement with statements made by the Government of Norway during the FIP sub-committee meeting; that the Peru IP needs to consider risk mitigation, specifically in relation to a possible breakdown between government and Indigenous Peoples.

We would also like to note that as the FIP progresses in Peru, it will be important to ensure that FIP and FCPF process in Peru are aligned.

Our thanks to all, for their work in preparing the Peru IP to date.

Best regards,

Gemma

Gemma May | Adviser, Climate & Environment Department | Department for
International Development |