

**Peru Forest Investment Program**  
**Terms of Reference – Joint Mission**  
**March 21-23, 2012**

**Background**

1. The Forest Investment Program (FIP) is one of the three programs established under the Strategic Climate Fund, one of the Climate Investment Funds implemented through Multi-lateral Development banks and supported by a number of development partners. The objective of the FIP is to support policy measures and investments which result in reduction of deforestation and forest degradation and support sustainable forest management, leading to reduced emissions, protection of carbon stocks and poverty reduction. It achieves this by providing scaled-up financing for readiness reforms and public and private investments.
2. The purpose of FIP is to assist Countries' efforts, providing upfront bridge financing for readiness reforms and public and private investments identified through national REDD strategies. It promotes programmatic investments aimed at transformational change in the forest sector or sectors affecting forests. FIP investments will contribute to mainstreaming climate resilience considerations as well as enhancing 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. In March 2010, Peru was selected as one of the eight FIP pilot countries. The national resource envelope for planning FIP investments in Peru is \$30 to \$50 million, comprised of grants and concessional loans.
4. From January 17-21, 2011, a Scoping Mission took place in Lima and included representatives from the Inter American Development Bank (IDB), International Finance Corporation (IFC) and the World Bank. The mission had meetings with a wide variety of stakeholders from government and civil society. Meetings with private sector representatives and bilateral donors that are supporting initiatives in the forestry sector also took place.
5. On the part of the government, meetings were held with vice ministers, directors and technical staff from the Ministry of Environment, Ministry of Economy and Finance, and the Ministry of Agriculture. On the civil society side, the mission met with the REDD National Roundtable, which is formed by civil society organizations and government institutions that are the key actors in the national REDD process. The mission also held individual meetings with AIDSEP and CONAP, two indigenous people's organizations that represent the majority of native communities of the Peruvian Amazon.

- 6 The mission visited the region of San Martin, to have discussions with stakeholders at the sub-national level, including the president of the Regional Government and representatives of the Amazonas Region. The regions have been given, as part of the decentralization process, the responsibility of ensuring the sustainable management of forests within their jurisdiction.
- 7 Link to the aide de memoire of the scoping mission:  
[http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Peru\\_AIDE\\_MEMOIRE\\_FIP%20SCOPINGMISSION\\_English\\_21\\_1\\_2011\\_6\\_00pm.pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Peru_AIDE_MEMOIRE_FIP%20SCOPINGMISSION_English_21_1_2011_6_00pm.pdf)
- 8 The scoping mission highlighted the need to create an inter-ministerial platform to coordinate the preparation of the FIP Investment Plan and to ensure the engagement of the most relevant government institutions in the FIP and more generally, the REDD process. The mission also defined the necessity for using the project preparation grant to gather background information that will help to prioritize actions under the Investment Plan. Another key outcome of the scoping mission was the harmonization of efforts between the national and regional institutions and the Multilateral Development Banks in order to establish general guidelines for the development of the FIP Peru Investment Plan.
- 9 The mission also highlighted the importance in developing a clear stakeholder engagement plan as well as a proposal to link the Dedicated Grant Mechanism for Indigenous People and Local Communities to the Investment Plan. It was therefore decided to have this issue as the focus of one of the studies that will provide input to the IP.
- 10 Due to the 2011 presidential elections and the incorporation of new officials in the Peruvian Government, the design of the FIP Investment Plan has experienced some understandable delays.
- 11 On October 13, 2011, a formal coordination mechanism (in the form of an inter-ministerial committee) was implemented between Peru's Ministry of Environment, the Ministry of Economy and Finances, the Ministry of Agriculture, and the National Assembly of Regional Governments. The committee meets regularly and the MDBs are invited to participate as observers.
- 12 The main objective of the committee is to coordinate all the process that will lead to the endorsement of the Investment Plan as well as the preparation of the identified programs. The committee worked, in coordination with the MDBs, to define the TORs for the background studies that will be financed with the Investment Plan preparation grant, to select the consultants, and to define the work program. This platform ensures a full engagement of the different Ministries in the process.

- 13 A FIP preparation grant of US\$ 250,000 was requested by the Government of Peru in order to carry out analytical and technical work in preparation for the development of Peru's FIP Investment Plan.
- 14 The studies will include information on: i) financing gaps and overlaps for the REDD related programs under execution in Peru; ii) drivers of deforestation and forest degradation and the estimation of land-use change and associated emissions; iii) identification and rationale for the projects and programs to be co-financed by FIP; iv) stakeholder engagement plan and proposal to link the Dedicated Grant Mechanism to the Investment Plan; v) strategy for engaging the private sector in the FIP; and vi) results framework and monitoring and evaluation plan for the Investment Plan. The joint mission will meet with the identified consultants in order to define a detailed work program, with specific deliverables and timetable.
- 15 In coordination with the Government of Peru, the MDBs have been in contact with different stakeholders to follow up on the FIP Investment Plan for Peru. For example, in early March 2012, the MDBs met with AIDSEP and Amazon Watch to discuss the status of the investment, to share ideas on the priorities of the IP, as well as to explain the status of the design of the Dedicated Grant Mechanism (DGM) for Indigenous People and Local Communities.
- 16 In order to achieve the goal of increasing the opportunities for knowledge sharing and lessons learned, the IDB is working on a possible visit of the participants of the FIP Inter-ministerial Committee to Mexico in the spring of 2012, in order to share experiences and lessons learned on the FIP Investment Plan design and implementation.
- 17 With the support of the MDBs, the inter-ministerial committee is working to present the IP for endorsement to the FIP Sub Committee in October, 2012. To this end, a first draft of the Investment Plan should be tentatively available by the end of August, 2012. A second joint mission is expected to take place in the month of September 2012, in order to revise the draft IP and make any necessary adjustments.
- 18 Given that the IP preparation is part of an ongoing process, the MDBs will be in contact with the inter-ministerial committee on a regular basis.

### **Joint Mission objectives**

- 19 The objectives of the First Joint Mission, to be held from March 21st -23<sup>rd</sup> in Lima, Peru, are to assist the Government of Peru in resuming the preparation process of the FIP Investment Plan and initiating the key activities and processes according to a time-bound action plan.

The Joint Mission, together with the GoP's FIP Focal Point, will take stock of the progress made by the Government in the REDD+ Readiness process with the view of working in a synergic way.

- 20 The Joint Mission will define a work plan for the selected consulting firm, who will in turn, in coordination with the Government inter-ministerial committee and with the technical assistance of the MDBs, conduct a participative and comprehensive analytical study as described in the respective Terms of Reference to inform the preparation and design of Peru's Investment Plan under Forest Investment Program (FIP). The Joint Mission also expects to review consultant proposals for the private sector study.  
The Ministry of Environment will present the outcomes of the workshop on Safeguards for REDD+ that will take place in Lima on the week of March 12th.
- 21 The Joint Mission will start to discuss with the Government how to set up the monitoring and evaluation system for the IP and how to best ensure the dissemination of lessons learned and knowledge sharing. It is expected that there will be a more in depth discussion of this topic during the second joint mission.
- 22 The Joint Mission will meet with relevant stakeholders from civil society and the private sector through the Mesa REDD and the Mesa REDD Indigena (that includes organizations such as AIDSEP and CONAP) to follow-up on the feedback received since the Scoping Mission, to inform and discuss the process of preparation of the Investment Plan, and to obtain input on the progress on the readiness process. The Joint Mission will also provide up-dates on the progress of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).
- 23 The Joint Mission will meet to share information with other multi-lateral and bilateral donors, to become further informed on the ongoing and plans and programs to foster greater synergy, coordination and collaboration. The Joint Mission will also discuss the next steps of the FIP Investment Plan design, the DGM, and other participant MDB (IADB-WB-IFC) operations relevant to the forest sector and climate change.

## **Deliverables**

- 24 The First Joint Mission is expected to result in following deliverable:

An Aide Memoire summarizing:

- agreement on time bound Work Plan for the preparation of the FIP Investment Plan which includes the deliverable and discussion related to the following items that will be examined in the background studies:
  - i. financing gaps and overlaps for the REDD related programs under execution in Peru;
  - ii. drivers of deforestation and forest degradation and the estimation of land-use change and associated emissions;
  - iii. identification and rationale for the projects and programs to be co-financed by FIP;
  - iv. stakeholder engagement plan and link the Dedicated Grant Mechanism to the Investment Plan;
  - v. strategy for engaging the private sector in the FIP;
  - vi. Results framework and monitoring and evaluation plan for the Investment Plan.
  
- Outcome of the discussion with Mesa REDD and Mesa REDD Indigena on the work program for the design of the Investment Plan, with particular reference to stakeholder engagement plan and the status of the implementation and operationalization of the DGM.
  
- Outcome of the discussion with private sector representatives, including examples of private intervention in the REDD area;
  
- Update on the ongoing and new REDD+ programs and projects financed by multilateral and bilateral donors with the view to build close synergies with the FIP Investment Plan.

## Team Composition

Institution	Name	Expertise
Ministry of the Environment	Eduardo Durand López Hurtado	Director General de Cambio Climático, Desertificación y Recursos Hídricos, Ministerio de Medio Ambiente
Ministry of Agriculture	Rosario Acero	Directora General Forestal y de Fauna Silvestre, Ministerio de Agricultura
Ministry of Economy and Finances	Javier Roca Fabian	Director General de Asuntos de Economía Internacional, Competencia y Productividad, Ministerio de Economía y Finanzas-MEF
IDB	Gloria Visconti	Climate Investment Funds Coordinator
	Eirivelthon Lima	Rural Development Specialist
	Alfonso Tolmos	Rural Development Specialist
	Sergio Rivera	Private Sector Specialist
	Elizabeth Cushion	Forest Investment Program Coordinator
	Jaime Fernández-Baca	FIP Peru In-Country Focal Point
	tbd	Gender Specialist
	Luis Felipe Polo	Communication Specialist
IBRD	Edgar Maravi	Senior Forestry Specialist
IFC	Steve Gretzinger	Senior Forestry Specialist
	Ricardo Gonzalez	Concessional Financing Specialist
	Brian Gurr	Strategic Community Engagement Specialist

## DRAFT Joint Mission Agenda

Time	Activity Description	Venue
Wednesday, March 21		
Morning	Welcome and Introduction Meeting with the Inter-Ministerial Committee on the development of the REDD+ and FIP Investment Plan processes	Ministry of Environment (tbc)
Afternoon	Meeting with the Inter-Ministerial Committee on the development of the REDD+ and FIP Investment Plan processes	Ministry of Environment (tbc)
Thursday, March 22		
morning	Meet with bilateral donors	tbc
	Meet with private sector	tbc
Afternoon	Meeting with Mesa REDD	(tbc)
	Meeting with Mesa REDD Indigena	(tbc)
Friday, March 23		
Morning	Meeting with the Inter-Ministerial Committee to discuss about the feedback received from stakeholders the day before	Ministry of Environment (tbc)
Afternoon	Finalization of Aide Memoire with the Interministerial Committee	Ministry of Environment (tbc)
	Wrap-up presentation and adoption of Aide Memoire	Ministry of Environment (tbc)

## **Contacts**

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### *MDBs*

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