

## TERMS OF REFERENCE

### INDEPENDENT TECHNICAL REVIEW OF PERU FOREST INVESTMENT PROGRAM INVESTMENT PLAN

#### Background and Introduction

Recognizing the urgent need to scale up investments in efforts to address climate change, the Climate Investment Funds (CIF) were approved in 2008. The CIF include the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF). To date, taxpayers have committed approximately U.S. \$ 6,300 million for the funds. The World Bank is the custodian of the funds and houses the administrative unit of the CIF. The IDB, along with five other multilateral development banks, participates as the executing agency for the management of funds through the Committee of the Multilateral Development Banks (MDBs). The Bank has been actively involved in the design of the CIF and, through the MDB Committee, on the continued development of planning guidelines and investment criteria. Under the SCF, the Forest Investment Program (FIP) was created.

The main purpose of the FIP is to support the efforts of developing countries to reduce emissions from deforestation and forest degradation (REDD +), by granting “bridge” financing for initial reforms in order to prepare for this task and by obtaining public and private investments identified through national preparedness strategies for reducing these emissions, while at the same time taking into account opportunities to help these countries adapt to the effects of climate change on forests and contributing to numerous benefits such as conservation of biodiversity, protection of the rights of indigenous peoples and local communities, reducing poverty and improving livelihoods of the rural population. The FIP will support activities aimed at addressing the root causes of deforestation and forest degradation and to overcome the obstacles to such activities in the past. The MDBs working with institutions in recipient countries identify investment opportunities and prepare the Investment Plans.

The SCF Trust Fund Committee has agreed to carry out an independent review of the FIP investment plans of each country. This review should be independent and be part of development process for plans. The review must:

- i. Add value to the design process of the investment plan;
- ii. Part of the process of preparing the investment plan led by the country;
- iii. Reflect the objectives and criteria of the FIP investment, and
- iv. To provide knowledge and expertise to stakeholders, including members and observers FIP Sub - Committee.

The main purpose of the independent review is to support the development of investment plans of high quality. The review should help the pilot countries to ensure that their investment plans meet the requirements of the FIP, and to facilitate the approval process.

#### Tasks and Responsibilities

The Reviewer shall:

- (1) Conduct a review of the first full version of the FIP Investment Plan of Peru according to the guidance provided in Annexes A and B of the accompanying ToR.
- (2) Submit a draft revision to the Government of Peru and team leaders of the Inter-American Development Bank (IDB), International Finance Corporation ( IFC ) and the World Bank , seven days after receiving the draft Investment Plan, using the format in Annex of the accompanying ToR.
- (3) Discuss with the Peru FIP Steering Committee and the two MDBs, the findings of the review, and submit a final version of the review within the following three (3) days after it has carried out this discussion. The representatives of both MDBs will indicate the date and place where they expect to receive the final version of the review.
- (4) The Reviewer shall be available for conference calls with teams IDB, World Bank and IFC, as needed, before and after the revision.
- (5) If necessary, the reviewer should also be available for conference calls with Peru FIP Steering Committee for the review.

Additionally, the reviewer shall:

- Make every effort to ensure a successful review the main objective of which is to support the development of high quality investment plans
- Work within their personal capacity and carry out their responsibilities in an objective, unbiased and professional manner
- Protect any confidential information to be provided to him, either during or after the term of service.
- Disclose any potential conflict of interest concerning the activities reviewed.

The team co - leaders IDB FIP will provide relevant documents and information to the Reviewer, such as FIP Design Document, the format of the Investment Plan, the draft Investment Plan, etc. .

#### Supervision

The reviewer will report to the CIF Administrative Unit in Washington DC.

#### Deadlines

The Reviewer will be hired for a total of 5 days, with the possibility of an extension of 7 days if necessary, from September 16 to September 20, 2013 (with possibility of extension until September 24).

#### Compensation:

[ To be determined according to the experience of the reviewer ]

## APPENDIX A: CRITERIA FOR MAKING THE INDEPENDENT REVIEW INVESTMENT PLAN FOREST INVESTMENT PROGRAM ( FIP ) OF PERU

In carrying out the review of the FIP Investment Plan Peru , the reviewer will assess whether the investment plan adequately meets the following criteria:

### GENERAL CRITERIA :

- a) comply with the principles, objectives and criteria for program
- b ) take into account the capacity of countries to implement the plan
- c ) has been developed on the basis of sound technical assessments
- d ) demonstrates how initiate a transformative impact
- e) provide for the monitoring and evaluation , prioritization of investments , consultation and involvement of key actors (stakeholders ) , and adequate compilation and dissemination of lessons learned
- f ) adequately address environmental and social issues , including gender

FIP SPECIFIC CRITERIA : The review will assess whether the investment plan adequately addresses the following key design principles of FIP :

- Potential climate change mitigation : The investment plan should provide a direct estimate of the reductions of greenhouse gases (GHG ) .
- Deforestation and Degradation Factors forestal.El investment plan should evaluate and address key direct of deforestation and degradation of forests inside and outside the forest sector , avoiding perverse incentives and ensuring an inclusive approach to REDD .
- Inclusive processes and participation of all major stakeholders , including indigenous peoples and local communities . Consistent with relevant international instruments , obligations and national laws , the investment plan should be designed and implemented under a public consultation process , with the full and effective participation of all major stakeholders in matters that affect their rights distinctive , including, in particular , groups who historically tend to be marginalized such as indigenous peoples , local communities and women.
- Potential scale demonstration . The investment plan should support replicable pilot programs to demonstrate how to increase (scalar ) the public, private and other sources and activities, to achieve transformational change. FIP investments should address REDD + priorities presented in REDD + National Strategy and Action Plans (or equivalent ) .
- Profitability. The investment plan must mobilize additional financial resources , including private sector resources when possible. The plan should catalyze economically viable models and self- sustainable scale REDD + without the need for permanent subsidies should promote coordination among relevant national institutions with respect to the execution , implementation and financing of the proposed investments .
- Co-benefits : The investment plan should consider the possibility of contributing to the livelihoods and human development of the people who depend on forests , including indigenous peoples and local communities should contribute to sustaining biodiversity and ecosystem services and should improve the ability to adapt to climate change in forest ecosystems and the communities that depend on forests .
- Implementation Potential : The investment plan should have a high potential for successful implementation .
- Natural forests : The investment plan should safeguard natural forests and should not support the conversion , deforestation or degradation of these forests , among other things , through industrial logging , conversion of natural forests to plantations of trees or other large-scale agricultural conversions

ANNEX B : STRUCTURE TO MAKE THE INDEPENDENT REVIEW  
INVESTMENT PLAN FOREST INVESTMENT PROGRAM ( FIP ) OF PERU

\* The review will be limited to a maximum of five ( 5) pages .

- i. Title of the investment plan
- ii . Program under the SCF
- iii . Name of reviewer
- iv . Date of submission

#### Part I: General Criteria

Discuss whether the investment plan meets the criteria outlined in Appendix A of the "Proposal for the preparation of independent technical review of plans and investment programs SCF "

#### Part II : Specific criteria FIP Program

Discuss whether the investment plan meets the specific criteria for the corresponding program , as indicated in Annex A of the " Proposal for the preparation of the independent technical reviews of SCF investment plans and programs "

#### Part III. recommendations

Provide recommendations that could improve the quality of the investment plan .