

**Peru Forest Investment Program**  
**Terms of Reference – Second Joint Mission**  
**Lima, October 3-5, 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. So far the FIP-Peru has held a scoping mission and a joint mission. The scoping mission took place in Lima and Tarapoto in January 17-21, 2011, while the joint mission took place in Lima in March 21-23, 2012. Both missions included representatives from the Inter American Development Bank (IDB), International Finance Corporation (IFC) and the World Bank (WB).
5. The scoping mission, held meetings with a wide variety of stakeholders ranging from the national and sub-national governments, civil society, private sector, and bilateral donors that are supporting REDD+ related initiatives in the forestry and agriculture sector:
  - a. With the national 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.

- b. With the sub national governments, the mission with support from the “Consejo Interregional Amazónico” (CIAM), held a meeting with representatives of sub national governments such as, the Regional Government of San Martin and Amazonas, and sub national stakeholders.
  - c. With indigenous groups, the mission held individual meetings with key representatives of native communities of the Peruvian Amazon, including the “Asociación Interétnica de Desarrollo de la Selva Peruana” (AIDSESP) and the “Confederación de Nacionalidades Amazónicas del Perú” (CONAP).
  - d. With the civil society and private sector, the mission held a meeting, with support from the “Peru REDD+ Roundtable”, which is composed of about 70 public and private institutions.
- 6 The main results and agreements of the scoping mission include the following<sup>1</sup>:
- a. The mission recommended to the government the need to create an inter-ministerial committee to coordinate the preparation of the FIP Investment Plan and to ensure the proper engagement of the most relevant government institutions in the FIP and more generally, the REDD process.
  - b. The mission also recommended to the government the use of the project preparation grant to gather, systematize and analyze the available information in order to have inputs for the government to develop the investment plan.
  - c. The mission has recommended for the government to pay special attention to the stakeholder engagement plan. As well as, the need to link the Dedicated Grant Mechanism for Indigenous People and Local Communities to the Investment Plan.
- 7 In spite of the smooth transition of governments after the 2011 elections, the agreements and schedule for the investment plan preparation had experienced some delays given the need of the newly elected government and public officials to understand and follow up on the recommendations of the scoping mission.
- 8 In October 13, 2011, after the new government took office, the inter-ministerial committee was formed including the: Ministry of Environmental (MINAM), Ministry of Agriculture (MINAG), Ministry of Economy and Finance (MEF), and the “Consejo Interregional Amazónico” (CIAM). The meetings of the committee are chaired by MINAM. The main objective of the committee is to coordinate the process that will lead to the endorsement of the Investment Plan by the Government of Perú. The committee meets regularly to discuss

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<sup>1</sup> More details about the scoping mission can be found in the following link to the aide memoire:[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).

progress regarding the technical inputs for the investment plan. The MDBs are invited to participate as observers.

9 Similar to the scoping mission, the first joint mission held meetings with stakeholders ranging from government, civil society, private sector, to bilateral donors that are supporting initiatives in the REDD+ related forestry and agriculture sector:

- a. With the national 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.
- b. On the civil society side, the mission met with the REDD+ National Roundtable.
- c. The mission also held individual meetings with AIDSESP. The Ministry of Environment invited also CONAP but the meeting did not take place.
- d. The joint mission also had meetings with the Technical Group that is assisting the Inter-ministerial Committee in carrying out analytical and technical work in preparation for the development of Peru's FIP Investment Plan. The work of the technical group is covered through the FIP preparation grant of US\$ 250,000 that was requested by the Government of Peru.

10 The first joint mission had the following conclusions<sup>2</sup>:

- a. The work plan of the Technical Group is supposed to have the following components: 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; and iv) stakeholder engagement plan and proposal to link the Dedicated Grant Mechanism to the Investment Plan. A workplan for the private sector was also discussed, even if the creation of the working group experienced some delay.
- b. The mission stressed the necessity to ensure coherence and linkages among the different studies, and to elaborate the FIP Investment Plan in the context of the national REDD + strategy. At the time as the mission was taking place, a consultancy to carry out a study on the involvement of the private sector in the FIP was in the process of being

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<sup>2</sup> The aide memoir of the second mission can be found at [http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP\\_Peru\\_Joint\\_Mission\\_Aide\\_Memoire\\_\(Spanish\).pdf](http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP_Peru_Joint_Mission_Aide_Memoire_(Spanish).pdf)

contracted. The mission highlighted the importance of coordinating between private and public sector interventions.

- c. The mission team recommended broad participation and transparency mechanisms during the process in order to engage agents and actors involved in REDD+ and forest institutions in Peru. It was agreed that the Technical working groups will have working meetings with the indigenous organizations during the formulation of the Investment Plan.
- 11 In addition to the meetings that happened during the missions, the Government and MDBs have been in contact with different stakeholders to follow up on the FIP Investment Plan for Peru. For example, on March 20, the MDBs organized a Sustainable Forestry Roundtable attended by members of the NGO and private sector communities to prioritize activities that would promote sustainable forest management as a key element of FIP. In July 2012, the MDBs met with BICUSA and Global Witness to discuss the status of the investment plan, 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.
- 12 The inter-ministerial committee has been meeting on a regular basis to review the progress of the Technical Group. Also, regional and national workshops were organized to provide information about FIP-Peru and to gather recommendations from stakeholders on studies and on potential interventions. These workshops took place in the regions of Loreto, Ucayali and San Martin, plus a national workshop in Lima. Each meeting was attended by 70 to 90 people, representing a wide variety of stakeholders.
- 13 In order to achieve the goal of increasing the opportunities for knowledge sharing and lessons learned, the IDB organized a visit of the participants of the Peruvian FIP Inter-ministerial Committee to Mexico in June 2012, in order to share experiences and lessons learned on the FIP Investment Plan design and implementation. Meetings with Conafor (Comision Nacional Forestal), the Ministry of Agriculture, SEMARNAT (Secretaria de Medo Ambiente y Recursos Naturales) and Financiera Rural took place both in Mexico City and Guadalajara.
- 14 Moreover, the Inter-ministerial Committee, as well as the MDBs, had meetings with the expert hired by CIF AU in Lima to contribute on the lessons learn report that will be presented during the CIF meetings in Istanbul.
- 15 The Inter-ministerial Committee and the MDBs have had several discussions in the last month regarding the status of the work and, as a result, the Government has decided that, in order to ensure a comprehensive and good quality investment plan and guarantee the engagement of all relevant stakeholders in the design process, the FIP Peru Investment Plan will be submitted to the FIP Sub-Committee for endorsement in May/June 2012. A

representative of the Government of Peru will make a presentation on the advancement in the preparation of the Investment Plan during the next FIP Sub-Committee which will take place in Istanbul, November 7, 2012. The presentation will represent an occasion to receive feedbacks from the FIP-Sub-Committee members on the preparation process and future directions.

## **Second Joint Mission objectives**

16 The overall objective of the second Joint Mission, to be held on October 3-5th in Lima, Peru, is to assist the Government of Peru in the advancement of the Investment Plan design. The specific objectives are to:

- a. Review the main inputs for the development of the investment plan: 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 v) determining necessary and feasible sectors, themes, and regions for private sector involvement. The quality of the inputs will be analyzed and decisions will be made as to how to integrate into the first draft of the Investment Plan. The Joint Mission will also evaluate potential gaps in the information provided.
- b. The Government, together with the Joint Mission, will put together the main elements for a draft Investment Plan based on the inputs mentioned above.
- c. On the basis of the information available, the Joint Mission will prepare an updated timetable for the submission of the Investment Plan in the next FIP-Sub-Committee in May/June 2012. The timetable will constitute a reference for accomplishing with the FIP procedures for the Investment Plan process submission.
- d. The Joint Mission will meet with relevant stakeholders from civil society and the private sector through the REDD+ roundtable and with representatives of indigenous people's organizations to follow-up on the feedback received since the first Joint Mission, as well as to inform and discuss the preparation process of the Investment Plan. The Joint Mission will also provide updates on the progress of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).
- e. 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 MDBs (IADB-WB-IFC) operations relevant to the forest sector and climate change.

## **Deliverables**

17 The Second Joint Mission is expected to result in the following deliverable:

An Aide Memoire summarizing:

- The assessment of the Government and the MDBs on the main inputs from the working group to support the Investment Plan preparation:
  - 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 private enterprise in key sectors (forestry, agriculture, and eco-tourism);
  - vi. definition of suggested actions for facilitating greater investment and participation by the private sector in the aforementioned sectors in priority geographic areas;
  - vii. preliminary approach on the results framework and monitoring and evaluation plan for the Investment Plan.
  
- Elements for determining a monitoring and evaluation system, as well as knowledge sharing.
  
- 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.
  
- 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.
  
- The main elements for a draft Investment Plan based on the previous inputs and an outline of a presentation that the Government of Peru will deliver in Istanbul;

## 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
	Paloma Marcos	Gender Specialist
	TBD	Private Sector Specialist
	Jaime Fernández-Baca	FIP Peru In-Country Focal Point
IBRD	David Tuchsneider	Sr Rural Development Specialist
	Edgardo Maravi	Sr Forestry Specialist
	Yopanna Krause	
IFC	Steve Gretzinger	Senior Forestry Specialist
	Laura Gaensly	Operations Officer, Blended Finance Unit

## DRAFT Joint Mission Agenda

Time	Activity Description	Venue
Wednesday, October 3rd		
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, October 4th		
morning	Meet with bilateral donors	tbc
	Meet with private sector	tbc
Afternoon	Meeting with Mesa REDD	(tbc)
	Meeting with Mesa REDD Indigena	(tbc)
Friday, October 5th		
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**

### **Government of Peru**

Eduardo Durand  
FIP Technical Focal Point  
General Director of Climate Change, Desertification and Water Resources  
Ministry of the Environment

### ***MDBs***

#### **Inter-American Development Bank**

Gloria Visconti  
Climate Change Lead Specialist  
Inter-American Development Bank  
[gloriav@iadb.org](mailto:gloriav@iadb.org)

Eirivelthon Lima  
Rural Development Senior Specialist  
Inter-American Development Bank  
[elima@iadb.org](mailto:elima@iadb.org)

#### **International Bank for Reconstruction and Development**

David Tuchschnieder  
Sr Rural Development Specialist  
[dtuchschnieder@worldbank.org](mailto:dtuchschnieder@worldbank.org)

#### **International Finance Corporation**

Steve Gretzinger  
Global Forestry Specialist  
International Finance Corporation  
[sgretzinger@ifc.org](mailto:sgretzinger@ifc.org)