

**Peru**  
**Joint Mission - Forest Investment Program**  
**March 21-23, 2012**  
**Aide Memoire**

**I. Introduction**

A joint mission of the Forest Investment Program (FIP), composed of the Multilateral Development Banks (MDBs), visited Lima from the 21<sup>st</sup> to 23<sup>rd</sup> March 2012, in order to continue with the process of preparing the FIP Investment Plan, in collaboration with representatives of the Government of Peru (GOP).

The GOP was represented by a team comprising of the Ministry of Environment (MINAM), the Ministry of Agriculture (MINAG), the Ministry of Economy and Finance (MEF) and the National Assembly of Regional Governments through the Amazon Interregional Council (CIAM). MINAM was represented by Eduardo Durand (Director General of Climate Change, Desertification and Water Resources and the FIP focal point for the Government of Peru), Kenneth Peralta, Yuri Flores, and Elvira Gomez; MINAG was represented by Rosario Acero (Director General of Forestry and Wildlife), Lucetty Ullilen, Antonio Morizaki, Luis Ma and Carlos Linares; MEF was represented by Veronica Villena Cardich (Directorate General for International Economics, Competition and Productivity) and regional governments were represented by Victor Galarreta and Gustavo Suarez de Freitas (CIAM). FONAM, in its role as an observer, was represented by Julian Zegarra Vento and Sandro Lezcano

The MDB's participating in the mission included the Inter-American Development Bank (IDB), the International Bank for Reconstruction and Development (IBRD, also known as the World Bank) and the International Finance Corporation (IFC). The IDB was represented by: Gloria Visconti (Mission co-leader), Eirivelthon Lima (Mission co-leader), Elizabeth Cushion (climate change and FIP expert), and Jaime Fernandez-Baca (FIP Peru Coordinator); the IBRD was represented by Edgar Maravi (Forestry Specialist); and the IFC was represented by Steve Gretzinger (Forestry Specialist), Lisa de Silva (Chief Investment Officer), and Brian Gurr (Strategic Specialist for Community Involvement). Andrew Dahl-Jorgensen of the Government of Norway also participated in the mission.

The mission would like to thank the Government of Peru, as well as the other stakeholders and organizations that participated in meetings, including the Inter-ministerial Committee, representatives of the Mesa REDD, indigenous peoples' associations and national and international organizations.

## **II. Background and objectives**

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. FIP assists Countries' efforts by 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.

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.

In Peru, the National Forestry and Wildlife Authority is under the jurisdiction of the Ministry of Agriculture through the Directorate General of Forestry and Wildlife. As a result of decentralization, some regional governments are already responsible for managing and monitoring forests, while others still rely on the National Forest and Wildlife Authority. In the future, all responsibility will be transferred to regional governments.

The new Forest and Wildlife Law created the National Forestry and Wildlife Service (SERFOR) as the technical authority for the national regulatory framework, and also created the regional forest and wildlife authorities. The law is undergoing a participatory process that includes a system of prior consultation with indigenous communities in order to identify issues that may affect their collective rights.

From January 17<sup>th</sup> -21<sup>st</sup> 2011, an identification mission took place in Lima and was comprised of representatives from the Inter-American Development Bank, the International Finance Corporation and the International Bank for Reconstruction and Development. The overall objective of the mission was to harmonize efforts among national authorities, institutions, and the Multilateral Development Banks in order to establish general guidelines for the development of the FIP investment strategy. The aide memoire for the identification mission can be found on the FIP website.

The first workshop on safeguards for REDD in Peru was held on March 15<sup>th</sup> and 16<sup>th</sup>, 2012, with participation from civil society, indigenous representatives and the private sector. Comments and suggestions arising out of the presentations were aimed at strengthening communication and information mechanisms at different levels of intervention (local, regional, national).

The objectives of the first joint mission (March 21-23 in Lima, Peru) were to assist the Government of Peru in order to resume the process of developing the FIP Investment Plan and to begin activities and key processes in accordance with a schedule of deliverables

The joint mission took stock of the Government's progress in the preparation phase of REDD+ and identified opportunities to enhance synergies and avoid overlap between FIP and other programs.

### **III. Mission activities**

**Investment Plan preparation.** In order to move forward with the preparation of the draft Investment Plan for FIP Peru, including the supporting technical documentation, the following activities were conducted during the mission:

*Technical team work plan.* The Joint Mission, in collaboration with the Inter-ministerial Committee defined a roadmap for the technical team that is responsible for developing the background information for the Investment Plan. The work plan is structured into four components which address: a stakeholder engagement plan, the analysis of initiatives directly and indirectly related to REDD+ (analysis of gaps and overlaps), defining areas with the greatest potential to reduce GHG emissions, and proposed lines of action to reduce GHG emissions. The work plan was shared with stakeholders, including representatives of indigenous peoples' organizations, the private sector and civil society organizations, as well as with international partners.

*Information sharing with representatives of indigenous organizations and civil society.* The Peruvian government presented advances since the FIP scoping mission, which took place in January, 2011. It also detailed the steps for the development of the Investment Plan. The Government emphasized that the Plan will be designed through a participatory and inclusive process and that the details of a participation mechanism will be described in the stakeholder engagement plan. This will be the first product of the design process of the Investment Plan. The Mission clarified the role of MDBs in the process and emphasized that the Government will take on a leading role in the design of FIP. Additionally, the Government of Peru described the stages and milestones of the overall process.

During the meeting with the Mesa REDD, the participants made several suggestions which included: the Investment Plan should include actions to achieve a solid institutional framework and is articulated to effectively control illegal logging; documents should be distributed further in advance in order to facilitate discussion; civil society and indigenous people representatives should participate as observers in the Inter-ministerial Committee; the Investment Plan should take into consideration the possibility of national carbon markets; and the Plan should be comprehensive rather than focusing exclusively on the REDD market.

The joint mission met with a group of 10 leaders and technical advisors from AIDSESEP. The meeting focused on a detailed presentation entitled "Climate, Forests and Indigenous REDD+ Program." AIDSESEP detailed program components on indigenous land management and ecosystem services and community forestry training and oversight. In the land management component, AIDSESEP provided a detailed description of 6 sub-components (recognition, land titling, expansion of native communities; territorial reserves, community reserves and indigenous peoples' territories). In the community forestry training and oversight component, AIDSESEP described the National Monitoring and Community Forest Management system and Indigenous School on Community Forest Management and their relationship to the welfare and rights of indigenous communities resulting from the sustainability of their forests. AIDSESEP delivered letter No 045-2012-AIDSESEP dated March 22, 2012.

It is important to note that MINAM also invited the indigenous organization CONAP, who was unable to participate in the Joint Mission.

***Private Sector.*** The Mission met with private sector representatives in order to receive feedback on barriers and opportunities for investments in the forestry sector. PERHUSA presented its technology for coffee production and processing that reduces emissions along with delivering other environmental benefits. GLOBULUS presented their initiative to promote eucalyptus plantations in the Peruvian highlands (including partnership development between communities and businesses to contribute to the enrichment of carbon stocks and social inclusion) as an alternative sustainable economic activity. PaTS presented an initiative aimed at reducing the loss of forest cover and reducing emissions by adding value to the forest and its products through a high end furniture line which targets the whole forest product value chain.

***Implementation of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).*** The joint mission provided information on the Dedicated Grant Mechanism process. Specifically, the Mission reported on progress to date, including upcoming country workshops which will explain the operation of this mechanism.

***REDD projects and programs financed by bilateral and multilateral organizations.*** The joint mission was updated on REDD projects financed by multilateral and bilateral organizations including FAO, Moore Foundation and KfW, USAID, Corporacion Andina de Fomento (CAF), United Nations Development Program (UNDP) and JICA.

The project team funded by the Moore Foundation presented actions linked to REDD on strengthening forest governance, effective monitoring of emissions reductions, land use planning, and respecting the rights of forest dwellers. The MINAG-MINAM-FAO project team presented the National Forest Inventory and Sustainable Forest Management Project for Peru. The DGFFS introduced the Inclusive and Competitive Sustainable Management Program in the Peruvian Amazon, which will benefit and promote the socio-economic and environmental development of 8 regions in Peru (Amazonas, San Martin, Loreto, Ucayali, Madre de Dios,

Huanuco, Pasco and Junin). JICA presented a proposal for a forestry program with three components: a forest information system, a production system and training of local and regional governments. The project Peru Bosques, financed by USAID presented initiatives to strengthen the forestry institutional framework in the country.

#### **IV. Main conclusions**

*Technical team work plan.* The work plan will contain four components (which are described above). The team highlighted the need to ensure integration and interrelation of the components and to align the Investment Plan with the objectives of the FIP and within the context of a REDD+ mechanism. All work must also be coordinated with the private sector team. The deadline for delivery of final products is the end of August.

*Information sharing with representatives of indigenous organizations and civil society.* Mechanisms will be developed in order to ensure participation and transparency in the process for forestry stakeholders involved in REDD+. It was agreed that the technical team will have work meetings with indigenous organizations during the formulation of the Investment Plan.

*Private Sector.* The Joint Mission highlighted the need to incorporate contributions from the private sector in the development of the Investment Plan.

*Monitoring and Evaluation.* The mission agreed that the technical team will develop methodology based on the FIP Results Framework. This proposal will be submitted to the Inter-ministerial Committee, and will be discuss in-depth during the next joint mission.

#### **V. Next steps and calendar**

The next steps include:

- The next Inter-ministerial Committee meeting will be held on Thursday, March 29<sup>th</sup> 2012, in order to discuss and approve a monitoring framework for the development of the Investment Plan, including: working terms for the technical team, coordination with the Inter-ministerial Committee, and means to share information on programs and activities of relevant actors.
- Approve the criteria and approaches for the formulation of a stakeholder engagement plan which will be based on a proposal to be submitted by the technical team, including forms of communication and ongoing coordination with stakeholders (ie web publishing, listservs and others).
- Provide an update on the developments in the FIP Peru process at the FIP pilot country meetings in Brasilia.

- The next joint mission will take place in late August 2012, upon receipt of inputs for a draft investment plan, with a level of content and quality that is acceptable to the MDBs and the Government of Peru.
- The work schedule is designed with the target of delivering a final Investment Plan in September that will be presented to the FIP Sub-Committee in October, 2012.

## ANNEX 1

### Joint Mission Agenda

TIME	ACTIVITY	PARTICIPANTS	LOCATION	ADDRESS
<b>Wednesday, March 21</b>				
9:30 – 10:00	Mission open	Joint mission (IBRD-IDB-IFC) FIP Inter-ministerial committee (MINAG-MINAM-MEF, obs. IDB and FONAM)	IDB	Calle Dean Valdivia 148, Piso 10, San Isidro. Tel.: 2157800
10:00 - 12:30	Meeting between FIP Inter-ministerial committee and the joint mission (IBRD-IDB-IFC) to begin work plan; discuss work plan and methodology	Joint mission (IBRD-IDB-IFC) FIP Inter-ministerial committee (MINAG-MINAM-MEF, obs. IDB and FONAM)	IDB	Calle Dean Valdivia 148, Piso 10, San Isidro. Tel.: 2157800
<b>LUNCH</b>				
15:00 - 17:30	ONGOING: Meeting between FIP Inter-ministerial committee and the joint mission (IBRD-IDB-IFC) to finalize work plan; discuss work plan and methodology	Joint mission (IBRD-IDB-IFC) FIP Inter-ministerial committee (MINAG-MINAM-MEF, obs. IDB and FONAM)	IDB	Calle Dean Valdivia 148, Piso 10, San Isidro. Tel.: 2157800
<b>Thursday, March 22</b>				
9:00 - 11:00	Meeting with funding partners (USAID, JICA, MOORE, ETC) - MINAM presentation on FIP - Work plan presentation (consultant) 10 minute presentation on REDD work by each funding partner	Joint mission (IBRD-IDB-IFC) Funding partners * Private sector FIP committee	UNDP	

11:00 - 13:00	-Private sector presentations - Question and answer session			
<b>LUNCH</b>				
14:30 - 16:00	-Meeting with mesa REDD - MINAM presentation on FIP - Work plan presentation (consultant) - Question and answer session	Joint mission (IBRD-IDB- IFC) MINAM	UNDP	
16:30 - 18:00	-Meet with mesa REDD indígena - MINAM presentation on FIP - Work plan presentation (consultant) - Question and answer session	Joint mission (IBRD-IDB- IFC) MINAM	UNDP	
<b>Friday, March 23</b>				
9:00 - 13:00	Meeting between FIP Inter-ministerial committee and the joint mission (IBRD-IDB-IFC) to discuss outcomes from previous meetings.	Joint mission (IBRD-IDB- IFC) FIP Inter-ministerial committee (MINAG-MINAM-MEF, obs. IDB and FONAM)	IDB	Calle Dean Valdivia 148, Piso 10, San Isidro. Tel.: 2157800
<b>LUNCH</b>				
14:30 - 16:00	Drafting aide memoire with FIP Inter-ministerial committee	Joint mission (IBRD-IDB- IFC) FIP Inter-ministerial committee (MINAG-MINAM-MEF, obs. IDB and FONAM)	IDB	Calle Dean Valdivia 148, Piso 10, San Isidro. Tel.: 2157800
16:30 - 18:00	Finalize and sign aide memoire	Joint mission (IBRD-IDB- IFC) FIP Inter-ministerial committee (MINAG-MINAM-MEF, obs. IDB and FONAM)	IDB	Calle Dean Valdivia 148, Piso 10, San Isidro. Tel.: 2157800

\* Cooperation: USAID, JICA, MOORE-KFW, FAO, CAF, USFS, IICA-Finlandia



## ANNEX 2

### Participant List

	<b>First Name</b>	<b>Last name</b>	<b>Organization</b>
1	Joaquín	Ortíz de Zevallos	PROFONANPE
2	Jorge	Álvarez	PNUD
3	Isrrail	Aquise	AIDSESEP
4	Daniel	Arancibia	WWF
5	Sergio	Arbaiza Guzmán	AIDSESEP
6	Javier	Arce	Rainforest Alliance
7	Rosemarie	Ávila	DAR
8	Renzo	Barrón	SERNANP
9	Huge	Che Piu	DAR
10	Gerry	Cooklin	PATS
11	George	Cuñachi Encinas	AIDSESEP
12	Elizabeth	Cushion	BID
13	Lisa	Da Silva	IFC
14	Andres	Dahl-Jorgensen	Noruega
15	Dennis	Del Castillo	Proyecto Perú-Bosques-USAID
16	Daniella	Diez Canseco	FONAM
17	Lucas	Dourojeanni	MOORE
18	Eduardo	Durand	MINAM-DGCCDRH
19	Roberto	Espinoza	AIDSESEP
20	Jaime	Fernandez Baca	BID
21	Erik	Fisher	ADEX
22	Yuri	Flores	MINAM-PNCBMCC
23	Elvira	Gómez	MINAM-PNCBMCC
24	Steve	Gretzinger	IFC
25	Brian	Gurr	IFC
26	Ricardo	Huancaruna	PERHUSA
27	Mario	Köhler	Globulus
28	Roberto	Kometter	INDUFOR
29	Eirivelthon	Lima	BID
30	Carlos	Linares	DGFFS-MINAG
31	Luis	Ma	DGFFS-MINAG
32	Natalia	Málaga	MOORE
33	Edgar	Maraví	Banco Mundial
34	Augustina	Mayan Apikai	AIDSESEP
35	Estela	Monroy	Rainforest Alliance
36	Antonio	Morizaki	MINAG

37	Jaime	Nalvarte	AIDER
38	Claudia	Ochoa Pelaez	Bosques Amazónicos
39	Nadesca	Pachao Ayala	Chirapaq
40	Felipe	Pacuri	AIDSESEP
41	Raphaelle	Peinado	ECOTRIBAL
42	Tatiana	Pequeño Saco	CIMA-Cordillera Azul
43	Carlos	Perafan	BID
44	Kenneth	Peralta	MINAM-DGCCDRH
45	Segundo	Pisango	AIDSESEP
46	Carla	Ramirez	FAO
47	Henderson	Rengifo	AIDSESEP
48	Edson	Rosales Figueroa	AIDSESEP
49	Rosario	Acero Villanes	DGFFS-MINAG
50	Felipe	Sánchez Majih	AIDSESEP
51	Tadashi	Shimizu	JICA-MINAM
52	Gustavo	Solano	WWF
53	Kelly	Soudre	WWF
54	Gustavo	Suárez de Freitas	CIAM
55	Lucelly	Ullicen	MINAG-DGFFS
56	Julia	Urrunaga	Environmental Investigation Agency (EIA)
57	Gloria	Visconti	BID
58	Julian	Zegarra	FONAM