

Perú

Scoping Mission – Forest Investment Program (FIP)

Aide Memoire (Summary)

I. Introduction

1. Between the 17th and 21st of January 2011, a mission of the Multilateral Development Banks (Inter American Development Bank, International Finance Corporation (IFC) and the World Bank) visited Lima, Peru, to discuss with representatives of the Government of Peru, the civil society, indigenous peoples organizations, private sector and international cooperation agencies, the preparation process for the Investment Strategy of the Forest Investment Program (FIP), a targeted program of the Climate Investment Fund (CIF).
2. The general objective of the mission was to start joining efforts between the national authorities and institutions and the multilateral Banks, in order to establish general guidelines for the development of the FIP Investment Strategy.
3. The Government of Peru was represented by Mr. Eduardo Durand, General Director of Climate Change, Desertification and Water Resources from the Ministry of Environment, and Mr. Javier Roca, General Director of International Economic Affairs, Competition and Private Investment of the Ministry of Economics and Finances. On behalf of the Multilateral Development Banks, the team was co-lead by Mrs. Gloria Visconti (ECC/INE), Mr. Eirivelthon Santos (RDN/INE), both from IDB, Mr. Gerardo Segura from the World Bank and Mr. Steven Gretzinger from IFC. The complete list of participants can be found at the end of this document.
4. The mission had meetings with a wide variety of stakeholders from government and civil society. On the government side, meetings were held with Vice Ministers, Directors and technical staff from the Ministry of Environment, Ministry of Economy and Finance, and Ministry of Agriculture. Both ministries have different forest conservation and forest sustainable management initiatives including, among other, the elaboration of the National Forest Policy, updating the national forest inventory, the development of sub-national capacities in law enforcement and the promotion of sustainable forestry by regional governments. A way to articulate and create synergies among such initiatives is therefore needed.
5. 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 met with AIDSEP and CONAP, the two indigenous people's organizations that group the majority of native communities of the Peruvian Amazon. The mission found that among the biggest concerns of the indigenous organizations was the way in which the development of REDD initiatives could affect the land property rights and the management of natural resources of native communities.

6. The mission met with companies and private sector representatives involved in production activities related to forest management and agricultural activities. The mission found that currently there are different private initiatives that are achieving the objective of adding enough value to the forests so that they are not converted to other uses.

7. The Mission met with international cooperation agencies that are supporting initiatives in the forestry sector and REDD. The mission saw that there is a very interesting juncture of multiple efforts oriented towards improving the forestry production and sustainable management of the forests, including the implementation of the REDD+ mechanism. The country is expected to receive a financial flow from different international cooperation sources of between US\$ 100 and US\$ 150 million, to be executed within the next 5 years.

8. Finally, the mission made a visit to the region of San Martin, where it met 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. These governments are at the beginning of their term, so they will also ensure the continuity of any initiative that may be implemented with FIP.

II. Agreements

9. **Institutional arrangements to be developed under the FIP framework:** A mechanism to coordinate between ministries will be formalized; this coordinating mechanism will include representatives of the Ministry of Environment, the Ministry of Economy and Finances, and the Ministry of Agriculture. The coordinating mechanism will in turn determine an efficient mechanism to coordinate with other institutions from the National and Regional Governments.

10. **Preparation of the Investment Strategy:** With respect to the FIP preparation grant (US\$ 250,000), the following studies and activities are foreseen:

- i. **Harmonization of REDD+ and FIP initiatives, including a gap analysis to identify problems that are currently not addressed by other initiatives in the forest sector, as well as an assessment of the availability, use and results of geographic information.** Duration: 1 month. Date of delivery: second week of April. The FIP focal points on behalf of the Government will send the first draft of the Terms of Reference (TOR) on the first week of February.
- ii. **Rapid assessment of drivers of deforestation.** Duration: 2 months in parallel with (i). Date of delivery: second week of May. The FIP focal points on behalf of the Government will send the first draft of the TOR on the first week of February.
- iii. **Preliminary design of the Investment Strategy in agreement with the FIP technical requirements.** Duration: 2 months. Date of delivery: third week of June. The FIP focal points on behalf of the government will send the first draft of the TOR on the first week of February.

iv. Private sector strategy. Duration: 3 months. Date of delivery: third week of June. The FIP focal points on behalf of the government will send the first draft of the TOR on the first week of February.

v. Consultancy to support the FIP team. Duration: 6 months. The FIP focal points on behalf of the government will send the first draft of the TOR on the first week of February.

vi. Proposal for the “Grant Preparation” request to develop the Investment Strategy. The FIP focal points on behalf of the government will send the first draft of the TOR by the first week of February.

11. Joint Missions programming: The first Joint Mission was agreed to be undertaken on mid-June 2011, in order to discuss the first draft of the FIP Investment Strategy. The date of the Mission would be conditioned on the timely delivery of the draft Investment Strategy. The second Joint Mission would be programmed for the end of October 2011, prior to the presentation of the final version of the Investment Strategy to the CIF, foreseen for November 2011. The date of this second Mission would also be conditioned on the timely delivery of the Investment Strategy document.

List of mission participants

Government of Peru

1. Eduardo Durand
General Director of Climate Change, Desertification and Water Resources
Ministry of the Environment
2. Javier Roca
General Director of International Economic Affairs, Competition and Private Investment
Ministry of Economy and Finances
3. Jorge Ugaz
General Director of Forestry and Wildlife
Ministry of Agriculture
4. Rocío Malleux
Director of Forestry Promotion
General Directorate of Forestry and Wildlife
Ministry of Agriculture
5. Patricia Luna
Advisor to the General Directorate of Forestry and Wildlife
Ministry of Agriculture
6. Natalia Rojas
Consultant of the General Directorate of International Economic Affairs, Competition and Private Investment
Ministry of Economics and Finance

Inter American Development Bank

1. Gloria Visconti
Climate Investment Funds Coordinator
Sustainable Energy and Climate Change Unit
2. Eirivelthon Lima
Sector Specialist
Division of Rural Development, Environment and Disaster Prevention
3. Laura Gaensly
Forest Investment Program Coordinator
Sustainable Energy and Climate Change Unit
4. Steve Wilson
Climate Change Coordinator for the private sector

5. Jessica Thompson
Climate Change Coordination
Office of the Private Sector Vice Presidency
6. Alfonso Tolmos
Sector Specialist
Division of Rural Development, Environment and Disaster Prevention
7. Jaime Fernández-Baca
Consultant – Forest Investment Program
Sustainable Energy and Climate Change Unit
8. Gabriel Quijandría
Climate Change Specialist
Sustainable Energy and Climate Change Unit

World Bank

1. Gerardo Segura
Rural Development Senior Specialist
Agriculture and Rural Development Team
Latin America and Caribbean Region
2. Carolina Hoyos
Communications Specialist

International Finance Corporation

1. Steven Gretzinger
Senior Forestry Specialist
2. Liliana Miró Quesada
Operations Officer

United Nations Development Program (UNDP)

1. Jorge Alvarez Lam
Consultant in Carbon Finances