

Mexico Forest Investment Program

Terms of Reference for the Joint Mission

1. Mission objectives, products and processes

The **objective** of the mission will be to support Mexico in the development of the Investment Plan of the Forest Investment Program (FIP).

The **specific objectives** include:

- Review and update the Investment Plan draft, taking into consideration the status of the development and implementation actions for REDD+ in Mexico in order to guarantee coordination and consistency. The mission will look for elements that will allow completing the Plan to forward it to the FIP Sub-Committee for its remote approval, as agreed in the last FIP Sub-Committee meeting in South Africa.
- Analyze the funding modalities and mechanisms to manage the FIP.
- Collect opinions, recommendations and aspirations of the civil society, including, representatives of the indigenous communities, experts and other government actors by means of Technical Advisory Committee (Spanish acronym CTC) REDD+ on the Investment Plan.
- Collect opinions, recommendations and aspirations of the indigenous representatives regarding the Investment Plan and the progress of the Dedicated Grant Mechanism for the Indigenous Peoples and Local Communities that may be relevant according to its development stage for that date.
- Interaction with representatives and other relevant REDD+ initiatives to ensure alignment of the actions and funding.
- Review the Project document draft (Attachment of the Investment Plan)
- Collect the opinion of the FIP Sub-Committee members that are taking part in the mission; they will be timely invited.
- Analyze and understand comments to the Plan that had been received, including those of the external Evaluator.

The **main product** of the Mission will be a reviewed and updated Investment Plan that will be ready for its submission to the FIP Sub-committee.

The Investment Plan draft development **process** includes:

1. Integration of the FIP Steering Committee.
2. Coordination with REDD National Strategy development activities, particularly with those of the FCPF preparation Plan.
3. Interaction with other Ministries, including the Inter-Ministerial Commission on Climate Change (Spanish acronym CICC) made up by the Ministers of Foreign Affairs; Social Development; Environment and Natural Resources, Energy, Economy; Agriculture, Livestock, Rural Development, Fisheries, and Food; and

- Communications and Transport, and as guests the Ministers of Health; Finance and Public Credit; and the Interior. And the Inter-Ministerial Commission for Sustainable Rural Development (Spanish acronym CIDRS) made up by the Ministers of Agriculture, Livestock, Rural Development, Fisheries, and Food; Economy, Environment and Natural Resources; Finance and Public Credit; Communications and Transport; Health; Social Development; Agrarian Reform; Public Education; and Energy and the heads of agencies and entities of the executive branch deemed necessary, depending on the issues in question.
4. Design the components to share information and promote learning, collecting lessons learned from the initial stages of the preparation of the investment program.
 5. Design of a full monitoring and evaluation system that will allow feeding the processes for implementation and replication. It will also be important for handling the overall program into a programmatic approach. In this activity will be involved the National Council for the Evaluation of Social Development Policy (Spanish acronym CONEVAL) which is a Federal public decentralized organism with autonomy and technical capacity to generate objective information over the social policy and the measurement of poverty in Mexico. Among its major functions is to regulate and coordinate the evaluation of the National Social Development Policy and the policies, programs and actions executed by public agencies, being the ideal entity to carry out monitoring and evaluation of the impacts of the FIP in Mexico.
 6. Specific meetings with key actors (donors, civil society, private sector, financing agents, indigenous groups, including state and municipal actors) adjusting it according to the actors mapping, in coordination with the Forest Carbon Partnership Facility (FCPF) activities.
 7. Provide information to CTC REDD+ (including via the Internet portal).
 8. Facilitate indigenous groups' participation and establish links with the Dedicated Grant Mechanism for the Indigenous Peoples and Local Communities.
 9. Invite members of the FIP Sub-Committee so that they get to know in further detail the Mexico Investment Plan and so that they can make recommendations.
 10. Begin to design Results Framework.

2. Context

- a. Mexico started preparing REDD+ over two years ago, specially driven by the **Forest Carbon Partnership Facility** and the subsequent development of its Readiness Preparation Plan (RPP).
- b. By late 2009, Mexico started the formal process to build its REDD+ National Strategy by means of the Inter-Ministerial Commission of Climate Change. This process had a first intermediate product, with the publication of *Mexico's REDD+ Vision: Towards a national strategy*.

- c. This document was developed through a **participation process** where the CTC REDD+ was incorporated to advise the Vision. In the CTC-REDD+ representatives of the civil society, indigenous groups, academia and different levels of government take part, giving room to a warm environment for reflections. During the development and implementation stage after the Strategy, Mexico will drive REDD+ in the national territory, through the work of a large amount of social organizations and academic institutions which have supported, promoted, strengthened capabilities during many years, evaluating process and documenting experiences related to the conservation and management of forest.
- d. Due to the fact that the National Forestry Commission (CONAFOR) mandate is focused on the conservation and sustainable forest management, it has been the focal point for REDD+ and has coordinated these development efforts of the REDD+ Strategy.
- e. The *Vision of Mexico on REDD+* is focused on the adjustment, strengthening and deepening of the national efforts aimed to reduce deforestation and forest degradation, to keep biodiversity and to promote the sustainable rural development, and therefore, contribute to stabilization of GEI concentrations. In addition, the vision acknowledges the importance of indigenous communities' participation, and generally speaking of the rural communities, in the design and implementation of the REDD+ National Strategy and, therefore the relevance of widely spreading information of the issue, designing consultation and direct participation models to enforce the right to free, previous and informed consent.
- f. Particularly so, Mexico's Vision on REDD+ acknowledges that deforestation and forest degradation processes are beyond the borders of the forest ecosystems, which involve the **adjustment and harmonization of the set of activities and policies that are developed in the territory** and that belong to the different activities from all sectors and social life at large. By the same token, the transversality in policies, as well as the role of sustainable forest management strengthening mechanism, are key components of this harmonization.
- g. *Mexico's Vision on REDD+* not only establishes goals intended to decrease deforestation, but it also addresses a strong emphasis on stopping degradation processes, as well as the role of sustainable forest and community management as a core element of the REDD+ strategy in Mexico.
- h. Mexico's goal is working in favor of articulating the preparation and implementation **funding** for REDD+ in such a way that they take into consideration this vision. Within the most relevant funding we find the one provided for the preparation plan within **FCPF**, and the Forest Investment Program (**FIP**).
- i. **FIP** is a program of the Climate Investment Funds framework (CIF). The main purpose of the FIP consists of supporting developing countries efforts to reduce the emissions due to deforestation and forest degradation, providing up-front "bridge" financing to start the reforms that will allow them to be prepared for this task, obtaining public and private investments identified through national readiness strategies to reduce such emissions.

- j. **Mexico was chosen as pilot country** for FIP in July 2010. The range of available funds for Mexico is of 40 to 60 million USD and there is also the possibility to access complementary funds.
- k. The Government of Mexico (GOM) **made a decision to coordinate FIP process in Mexico through International Bank for Reconstruction and Development (IBRD)**, taking into consideration its long term collaboration with this Multilateral Development Bank (MDB) in the forest sector and the new Technical Advice Program on forests and climate change.
- l. The GOM called all MDB for the **Scoping Mission**. The purpose of such Mission was to start the dialog with the government and other actors in order to plan activities for the development of the Investment Plan for FIP and to prepare the subsequent formal Joint Mission.
- m. The Forest Investment Program is closely **related to a wider financing package with the World Bank** related to climate change and forests in an extended way including: the Preparation Plan with the **FCPF**, a Specific Investment Loan (**SIL**), policy development loans (**DPL**) and looking for opportunities within the Carbon Bonus and Carbon Fund from FCPF as well as other potential partners including GEF
- n. Under the Strategic Climate Fund, the Multilateral Development Banks will mobilize new and additional financing for adaptation and mitigation programs oriented to address climate change led by selected countries which purpose would be to favor the sustainable development and reduction of poverty.
- o. Upon developing the Investment Plan, as well as the Project Document, the GOM **will use different participation spaces** to make sure that key actors, particularly representatives of indigenous communities are included, and their visions and aspirations taken into consideration within the process. National CTC-REDD+ will play an important role in this process, as well as the CDI Board. The draft for the investment program will be posted on the CONAFOR website August 16, 2011.
- p. The GOM is looking for integrating the private sector and make sure on the one hand that the financial institutions effectively address the sector barriers to access forest funding, in the production chain and out of the forest sector to reduce the pressure on deforestation and forest degradation.
- q. Within the Investment Plan creation, the GOM is committed from the beginning of the FIP Investment Plan to acknowledge the need of integrating gender equity, this means to collaborate in efforts so that women can have access to management and ownership of resources and related forests. For that reason women's NGOs/groups will be consulted as part of the stakeholder consultations, consultation process will be inclusive and take into account gender considerations.
- r. Taking into consideration the most recent version of the Forest Investment Program Result Framework, GOM will develop its investment plan, as well as related projects, taking as basis this framework. During the Joint Mission a draft results framework is going to be developed to accompany the overall Investment Plan.

3. Scope of work

a) **Pre-mission activities**

Teleconferences with the **Multilateral Development Banks** (World Bank, International Finance Corporation and Inter-American Development Bank) will take place in order to continue making progress on the operational settlement for FIP. A weekly teleconference will take place until the FIP Investment Plan is sent.

b) **Preparation work for the Joint Mission**

Meetings with the Multilateral Development Banks and *Financiera Rural* (Development Bank in Mexico) to make progress on the collaboration mechanisms.

c) **Coordination with other development partners**

These activities have been carried out by integrated planning of other supports that Mexico has received, such as collaboration with Norway, the United States and the European Union, as well as the interaction with other actors in working Groups from CICC and CIDRS, and CTC-REDD itself.

d) **Socialization with other actors**

It will take place in the early action sites: Coastal watersheds in the State of Jalisco, The Yucatán Peninsula and Chiapas.

1. In Jalisco, 3 workshops: (1) Ayuquila, (2) Coahuayana, and (3) Ameca.
2. In Península, 3 workshops: (1) Campeche, (2) Quintana Roo, (3) Yucatán.
3. In Chiapas, 1 state workshop, including actors within the intervention area of the Biological Corridor.

4. Mission participants

a) **Government of Mexico:** National Forestry Commission (CONAFOR), Ministry of Finance and Public Credit (SHCP), Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), Ministry of Environment and Natural Resources (SEMARNAT) and Financiera Rural.

b) **Multilateral Development Banks:** International Bank for Reconstruction and Development (IBRD, also known as the World Bank), the Inter-American Development Bank (IDB), the International Financial Corporation (CFI, part of the World Bank Group), and the Multilateral Investment Fund (FOMIN, member of the IDB Group).

Joint Mission MDB Participants

World Bank

Task Manager, Sr. Natural Resources Specialist

Advisor, FIP Focal Point

Sr. Environmental Specialist

Forest Carbon Specialist

Environmental Economist

Sector Leader (local WB staff)
 Sr. Procurement Specialist (local WB staff)
 Financial Management Specialist (local WB staff)

IDB
 Senior Climate Change Specialist (CIF Focal point)
 FIP Coordinator
 Financial Markets Senior Specialist
 FIP Mexico consultant
 Mexico FOMIN representative

IFC
 Senior Forestry Specialist
 Senior Investment Officer (local IFC staff)
 Sustainable Business Advisory
 Access to Finance (local IFC staff)

4. DRAFT Joint Mission agenda (5 days)

Time	Activity Description	Venue
Monday August 29, 2011		
11:00-11:45	Forest Investment Plan presentation at CTC-REDD+	Mexico (place to be confirmed).
11:45-12:00	Clarification questions	
12:00-12:20	Comments by External expert reviewer	
12:20-12:40	Initial reactions by GOM	
12:40-13:00	Open discussion	
15:00-15:30	Welcome and introduction to participants in the Joint Mission	Mexico (place to be confirmed).
15:30-16:30	Comments by Members of the FIP Subcommittee	
16:30-18:00	Comments by other invited experts (gender specialist and private sector)	
Tuesday August 30, 2011		
09:00-10:30	Continuation of comments by other invited experts (indigenous communities and forests specialists)	Mexico (place to be confirmed).
10:30-11:30	Comments by representatives of CTC REDD+	
11:30-11:45	Coffee break	
11:45-13:00	Summary of comments and discussion	
15:00-18:00	Working group(s) to address comments (if working groups are created wrap up session will be held at the end of the day)	
Wednesday August 31, 2011		
09:00-10:00	Presentation of REDD relevant activities by donors	Mexico (place to be confirmed).

10:00-10:30	Presentation of the Forest Investment Plan and Mission update and donor coordination actions by de GOM	
10:30-11:30	Open discussion	
11:30-12:00	Coffee break	
12:00-14:00	Safeguard and administrative procedures among Multilateral Development Banks	
16:00-18:00	Continuation: Safeguard and administrative procedures among Multilateral Development Banks	
Thursday September 01, 2011		
09:00-13:00	Initial discussion of the investment strategy	Mexico (place to be confirmed).
15:00-17:00	Final drafting of revised Forest Investment Plan	
Friday September 02, 2011		
09:00-13:00	Approval of the final Forest Investment Plan	Mexico (place to be confirmed).
15:00-17:00	Next steps and conclusions	

6. Mission contacts

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