



Safeguard Policy Filter Report

Operation Information

Operation		
PE-G1003 Forest Investment Projects Peru		
Environmental and Social Impact Category	High Risk Rating	
A	{Not Set}	
Country	Executing Agency	
PERU		
Organizational Unit	IDB Sector/Subsector	
Climate Change	FOREST RESOURCES MANAGEMENT	
Team Leader	ESG Primary Team Member	
JUAN DE DIOS MATTOS	MICHAEL KENT	
Type of Operation	Original IDB Amount	% Disbursed
Investment Grants	\$19,500,000	0.000 %
Assessment Date	Author	
15 Nov 2017	MJOSEC ESG Team Member	
Operation Cycle Stage	Completion Date	
ERM (Estimated)	{Not Set}	
QRR (Estimated)	{Not Set}	
Board Approval (Estimated)	{Not Set}	
Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		

Safeguard Policy Items Identified

B.1 Bank Policies (Access to Information Policy– OP-102)

The Bank will make the relevant project documents available to the public.

B.1 Bank Policies (Disaster Risk Management Policy– OP-704)

The operation is in a geographical area exposed to [natural hazards](#) ([Type 1 Disaster Risk Scenario](#)). Climate change may increase the frequency and/or intensity of some hazards.



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B.1 Bank Policies (Disaster Risk Management Policy– OP-704)

The operation includes activities related to climate change adaptation, but these are not the primary objective of the operation.

B.1 Bank Policies (Indigenous People Policy– OP-765)

The operation has the potential to negatively affect indigenous people (also see [Indigenous Peoples Policy](#)).

B.1 Bank Policies (Indigenous People Policy– OP-765)

The operation will offer opportunities for indigenous people

B.2 Country Laws and Regulations

The operation is expected to be in compliance with laws and regulations of the country regarding specific women's rights, the environment, gender and indigenous peoples (including national obligations established under ratified multilateral environmental agreements).

B.3 Screening and Classification

The operation (including [associated facilities](#)) is screened and classified according to its potential environmental impacts.

B.4 Other Risk Factors

The borrower/executing agency exhibits weak institutional capacity for managing environmental and social issues.

B.4 Other Risk Factors

The operation may be of high risk due to controversial environmental and associated social issues or liabilities.

B.4 Other Risk Factors

The operation [includes activities](#) to close current “adaptation deficits” or to increase the ability of society and ecological systems to adapt to a changing climate.

B.5 Environmental Assessment Requirements

An environmental assessment is required.

B.6 Consultations

Consultations with affected parties will be performed equitably and inclusively with the views of all stakeholders taken into account, including in particular: (a) equal participation by women and men, (b) socio-culturally appropriate participation of indigenous peoples and (c) mechanisms for equitable participation by vulnerable groups.

B.7 Supervision and Compliance

The Bank is expected to monitor the executing agency/borrower's compliance with all safeguard requirements stipulated in the loan agreement and project operating or credit regulations.

B.9 Natural Habitats and Cultural Sites



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The operation will result in the degradation or conversion of Natural Habitat or Critical Natural Habitat in the project area of influence.

B.17. Procurement

Suitable safeguard provisions for the procurement of goods and services in Bank financed operations may be incorporated into project-specific loan agreements, operating regulations and bidding documents, as appropriate, to ensure environmentally responsible procurement.

Potential Safeguard Policy Items

B.1 Bank Policies (Disaster Risk Management Policy– OP-704)

The sector of the operation is vulnerable to natural hazards. Climate change may increase the frequency and/or intensity of some hazards.

B.1 Bank Policies (Gender Equality Policy– OP-761)

The operation has the potential to affect negatively women or gender equality ([Negative gender impacts may include the following](#))

B.1 Bank Policies (Gender Equality Policy– OP-761)

The operation will offer opportunities to promote [gender equality](#) or [women's empowerment](#).

B.4 Other Risk Factors

There are other environmental and social sustainability issues that the project team considers to represent a risk for this operation. (e.g. wood sourced from Amazon rainforest).

B.9 Natural Habitats and Cultural Sites

The operation will use invasive species, or lead to a high risk of their accidental introduction in the project area of influence.

B.10. Hazardous Materials

The operation has the potential to impact the environment and occupational health and safety due to the production, procurement, use, and/or disposal of hazardous material, including organic and inorganic toxic substances, pesticides and persistent organic pollutants (POPs).

B.11. Pollution Prevention and Abatement

The operation has the potential to pollute the environment (e.g. air, soil, water, greenhouse gases).

Recommended Actions



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Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR. The project triggered the Disaster Risk Management policy (OP-704) and this should be reflected in the Project Environmental and Social Strategy. A Disaster Risk Assessment (DRA) may be required (see Directive A-2 of the DRM Policy OP-704). Next, please complete a Disaster Risk Classification along with Impact Classification. Also: if the project needs to be modified to increase resilience to climate change, consider the (i) possibility of classification as adaptation project and (ii) additional financing options. Please consult with INE/CCS adaptation group for guidance. The project triggered the Other Risks policy (B.04): climate risk.

- Please include sections on how climate risk will be dealt with in the ESS as well as client documents (EIA, EA, etc);
- Recommend addressing risks from gradual changes in climate for the project in cost/benefit and credit risk analyses as well as TORs for engineering studies.

Additional Comments

[No additional comments]



Safeguard Screening Form

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Safeguard Performance Rating		
{Not Set}		
Rationale		
{Not Set}		

Operation Classification Summary

Overriden Rating	Overriden Justification
Comments	



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Conditions / Recommendations

Category "A" operations require an Environmental Impact Assessment or a Strategic Environmental Assessment (see Environment Policy Guideline: Directive B.5 for EIA and SEA requirements) and at least two consultations with affected parties.

These operations will require an environmental assessment (EA), normally an Environmental Impact Assessment (EIA) for investment operations, or other environmental assessments such as a Strategic Environmental Assessment (SEA) for programs and other financial operations that involve plans and policies. Category "A" operations are considered high safeguard risk. For some high safeguard risk operations that, in the Bank's opinion raise complex and sensitive environmental, social, or health and safety concerns, the borrower should normally establish an advisory panel of experts to provide guidance for the design and/or execution of the operation on issues relevant to the EA process, including health and safety. However, these operations will also establish safeguard, or monitoring requirements to address environmental and other risks (social, disaster, cultural, health and safety etc.).

The Project Team must send to the ESR the PP (or equivalent) containing the Environmental and Social Strategy (the requirements for an ESS are described in the Environment Policy Guideline: Directive B.3) as well as the Safeguard Policy Filter and Safeguard Screening Form Reports.

Summary of Impacts / Risks and Potential Solutions

Land conversion with minor to moderate negative impacts on species, habitats or ecosystems

The Land Use Plan must be acceptable: The mitigation measures should be presented in the Land Use Plan (included in the ESMP) and should follow the mitigation hierarchy: impacts to biodiversity should be avoided in the first instance (i.e. proposed activities relocated or reconfigured); if avoidance of all impacts is not possible, those remaining should be minimized, mitigated by restoration, or compensated for. The plan should also explain what consultation activities are planned. The plan must define how these measures will be implemented (roles and responsibilities, monitoring, budget, etc.). Confirmation should be obtained from competent experts that they are confident that the plan can mitigate impacts and that approval has been granted by relevant authorities. Regular (bi-annual or annual) reporting is required, in addition to independent audits of BMP. Depending on the financial product, the plan should also be referenced in appropriate legal documentation (covenants, conditions of disbursement, project completion tests, etc.).

Commercial development of indigenous cultural resources or knowledge



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Mitigation Framework and Specific Development Agreement with Affected Indigenous Peoples Required:

When a Project involves the commercial development of indigenous cultural resources or knowledge, in addition to including a Mitigation Framework for the adverse effects of any Project impacts relating to such commercial development, the borrower must demonstrate that it has obtained the prior agreement of the affected peoples and that the terms agreed include safeguards for intellectual property and traditional knowledge as well as provisions for equitable participation of the affected peoples in the benefits derived from commercial development. Where a Project includes commercial development of IP cultural resources, Project preparation and implementation should include specific analysis and consultation/agreements regarding these issues and the Mitigation Framework must include: (i) specific mitigation for any negative impacts; (ii) evidence of prior agreements and equitable benefit participation. The Mitigation Framework will be referenced in the legal documentation (covenants, conditions of disbursement, etc.), require regular reporting, frequent and independent monitoring, and independent review of implementation, including participatory monitoring.

Conversion or degradation of critical natural habitat causing minor to moderate impact on protected areas or areas of high conservation value

As there is a significant risk of non-compliance with IDB policy OP-703 directive B9, justification must be provided that the conversion is unavoidable, the cost-benefit analysis favours the project, and that mitigation measures are acceptable:

The borrower must provide evidence that: (a) there are no feasible alternatives acceptable to the Bank; (b) project benefits substantially outweigh environmental costs; and (c) mitigation and compensation measures are acceptable to the Bank

Without this evidence, the Bank cannot support any operation that is predicted to lead to minor or moderate conversion or degradation of critical natural habitat. The mitigation measures should be presented in the Biodiversity Management Plan (included in the ESMP) and should follow the mitigation hierarchy: impacts to biodiversity should be avoided in the first instance (i.e. proposed activities relocated or reconfigured); if avoidance of all impacts is not possible, those remaining should be minimized, mitigated by restoration, or compensated for. The BMP should also explain what consultation activities are planned. The BMP must define how these measures will be implemented (roles and responsibilities, monitoring, budget, etc.). Confirmation should be obtained from competent experts that they are confident that the BMP can mitigate impacts and that approval has been granted by relevant authorities. Regular (bi-annual or annual) reporting is required, in addition to independent audits of BMP. Depending on the financial product, the BMP should also be referenced in appropriate legal documentation (covenants, conditions of disbursement, project completion tests, etc.).

Potencial to exclude or discriminate women or men from project benefits based on gender *NOTE

Incorporation of gender analysis into its social impact and risk assessments: Where the Project or its context present potential for discrimination against women or men based on gender, Project preparation should include an analysis of exclusion or discriminatory factors (specific or as part of overall social assessment) and the Project should include information, dissemination, training and other corrective measures as appropriate aimed at overcoming barriers to afford women or men the same protection and access afforded to other groups and equal access to Project-generated resources and benefits (e.g. credit, employment, public services, etc.). The social impact and risk assessment and associated mitigation framework must address all the factors specifically. The mitigation framework will be referenced in the legal documentation (covenants, conditions of disbursement, etc.), require regular reporting, frequent and independent monitoring, and independent review of implementation, including participatory monitoring.



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Potential to directly or indirectly adversely and moderately impact the rights of [Indigenous Peoples](#).

Mitigation Framework: Impacts are considered moderate if the rights affected do not include land or other fundamental rights or the impacts are not adverse. Consult Indigenous Peoples legislation database at <http://www.iadb.org/Research/legislacionindigena/leyn/index.cfm>. Where project impacts affect the legal rights of indigenous peoples project preparation and implementation should include specific analysis and consultation/good faith negotiations regarding these issues and the Mitigation Framework must address them specifically. The Mitigation Framework will be referenced in the legal documentation (covenants, conditions of disbursement, etc.), require regular reporting, frequent and independent monitoring, and independent review of implementation, including participatory monitoring.

Potential to directly or indirectly cause adverse impact the territories, land and natural resources of [Indigenous Peoples](#). These impacts are presumed to be [significant](#) unless further analysis demonstrates otherwise.

Mitigation Framework for impacts on land and natural resources: Whenever an operation directly or indirectly affects the legal status, possession or management of territories, lands, or natural resources traditionally occupied or used by Indigenous Peoples, the borrower should develop safeguards against impacts that take into account the applicable legal norms, including: (i) prior consultation; (ii) participation mechanisms; (iii) measures to preserve the physical, cultural and economic integrity of the affected peoples and the sustainability of protected areas and natural resources, and to compensate for any damages; (iv) whenever possible, participation in Project benefits; and (v) when necessary, restrictions, and corrective or compensatory measures to complement legal and administrative protection. Project preparation and implementation should include specific analysis and consultation/agreements regarding these issues and the Mitigation Framework must address them specifically. The Mitigation Framework will be referenced in the legal documentation (covenants, conditions of disbursement, project completion tests, credit and operation regulations, etc.), require regular reporting, frequent and independent monitoring, and independent review of implementation, including participatory monitoring.

The project has or will have [minor](#) negative impacts on [Indigenous Peoples](#).

Mitigation Framework: Include specific mitigation measures as needed in consultation with affected IPs. Consult with Indigenous Peoples specialist. Incorporate measures in legal documentation (covenants, conditions of disbursement, etc.). Include mitigation measures as part of overall environmental and social management plans or provisions.

The project has or will have [moderate](#) negative impacts on [Indigenous Peoples](#).



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Mitigation Framework: In situations where Indigenous Peoples (IPs) will be directly or indirectly affected by a project, the borrower should conduct an evaluation including a socio-cultural assessment to identify the impacts and determine their level of significance in order to: (a) consider all realistic and cost-effective options that avoid impacts with adverse effects (sites, technologies, supply chains etc.); and (b) if impacts cannot be avoided: (i) conduct culturally appropriate consultation and good faith negotiations, consistent with affected IP legitimate decision-making processes and (ii) minimize, mitigate or compensate for these impacts in a culturally appropriate manner. Specialist advice should be sought. The project's proposed action should be developed with the informed participation of affected IPs through a process of good faith negotiations, and contained in a time-bound Mitigation Framework. The borrower will be required to seek professional advice in the development of a Mitigation Framework and the necessary consultation and good faith negotiation activities. The Mitigation Framework should be referenced in the legal documentation (covenants, conditions of disbursement, project completion tests, credit and operation regulations, etc.) and require monitoring, regular reporting and independent review of implementation, including participatory monitoring.

Use of [invasive species](#) or high probability of their [accidental introduction](#)

As there is a significant risk of non-compliance with IDB policy OP-703 directive B9, alternative plans must be developed: As the Bank will not support operations that deliberately introduce invasive species and/or pose a high risk of introducing invasive species accidentally, alternative species and approaches to minimize accidental introductions need to be considered. Options must be discussed with ESG biodiversity specialist before proceeding. If alternatives are identified, the Biodiversity Management Plan should specifically consider the regulatory framework for invasive species introductions, confirm that introduced species are not invasive, provide evidence of stakeholder engagement, and provide details of control measures and other management activities that will be put in place in case of inadvertent introductions. An independent audit of the BMP is required.

Disaster Risk Summary

Disaster Risk Level

Low

Disaster / Recommendations

No specific disaster risk management measures are required.

Disaster Summary

Details



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The project is classified as low disaster risk because the occurrence of the hazard event does not impact in the achievement of project outcomes.

Actions

Operation has triggered 1 or more Policy Directives; please refer to appropriate Directive(s). Complete Project Classification Tool. Submit Safeguard Policy Filter Report, PP (or equivalent) and Safeguard Screening Form to ESR.