## **Investors Policy Dialogue on Deforestation (IPDD)**

**Terms of Reference**

**INTRODUCTION**

This document sets out the term of reference for the Investors Policy Dialogue on Deforestation (IPDD) initiative, which was formally established in July 2020. It applies to the whole investor coalition. Separate country workstreams will be set up for each focus country included in the IPDD, beginning with Brazil where investor action has already commenced during June 2020.

There is an Advisory Committee comprised of lead (country) investors and the co-chairs (currently Storebrand Asset Management and BlueBay Asset Management. Each country work stream focusing on a critically important forests and natural vegetation will have co-chairs represented in the Advisory Committee. The Advisory Committee sets the strategy and direction of the work of the IPDD initiative, with input and support from the wider supporting investor members and the various workstreams. The formation of country workstreams as well as appointment of co-chairs for each new country workstreams requires the approval of the Advisory Committee. Secretariat support is currently being provided by the PRI, with discussions ongoing for a more permanent secretariat

**IPDD**

(consisting of lead and supporting investors)

Advisory Committee: Co-chairs of IPDD, lead investors, co-chairs of country workstreams, secretariat

**IPDD Brazil**

Co-chairs

Lead investors

**IPDD country x** (e.g. Indonesia)

Co-chairs

Lead investors

The goal of the IPDD initiative is to coordinate a public policy dialogue on halting deforestation with government related authorities and associations, as well as other stakeholders in selected countries with critically important forests and natural vegetation. It marks the start of an ongoing process of investor engagement with governments, public agencies and industry associations on the systematic and sustainable land use and management of natural resources, with an initial focus on tropical forests and natural vegetation.

The IPDD initiative has been formed in response to the increasing rates of deforestation being observed in Brazil and other countries. So far (as of October 2020), 43investors representing over US$5.6 trillion have joined the IPDD where the current focus on activities centers on Brazil.

**ROLES OF CO-CHAIRS, MEMBERS AND SECRETARIAT**

**Objectives**

The objective of the IPDD initiative is to ensure long-term financial sustainability of investments in the countries they are invested in by promoting sustainable land use and forest management and respect for human rights. The IPDD will engage with relevant government authorities, and industry associations and other relevant stakeholders to encourage adoption and implementation of regulatory frameworks that ensure protection of tropical forests and human rights.

Specific outcomes will be identified by investors for each of the focus countries workstreams and will be clearly documented and have an associated work programme.

**Responsibilities**

Co-chairs

The co-chairs play an active role in leading and coordinating investor groups and commits to:

* Defining project objectives, strategy and timelines, based on input from members.
* Providing strategic and organizational guidance and administrative support.
* Provide expertise from either internal or external sources, convening, and facilitating regular meetings of members.
* Coordinating meetings, providing agendas producing meeting minutes, briefings and publications, etc.
* Ensuring effective communication of strategy, action and progress among all the coalition members.
* Where relevant, developing RFPs for research or consultancy and appointing providers
* Ensuring the group moves forward and adheres to agreed timelines.
* Assisting the group in assessing the impact of the engagement.

Following approval from the Advisory Committee and wider coalition members, the co-chairs at all times retains ownership and final sign-off of any outputs that are published under the name of the initiative, including events, research or outcomes documents. The co-chairs are responsible for the timelines, resources and budget that have been allocated to the project.

Members

By participating in this initiative, members confirm that they are able to devote sufficient time to the project and duties, as defined below. Proactive participation from all members is crucial for an effective group and the co-chairs have the authority to remove participants that do not abide by the agreed commitment levels.

Members of the coalition may participate in the initiative as leading or supporting investors.

Typical rights and responsibilities for **lead investor(s) and Advisory Committee members** include:

* Joining regular group calls, the frequency of which will be based on project needs.
* Signing joint letters upon their approval.
* Leading dialogues with selected target government authorities.
* Sharing information with the group on the issue of focus and dialogue.
* Informing the group of any engagement strategy involving filing resolutions with dialogues they lead on and committing not to make an explicit connection to the work of the group in relevant official documentation.
* Joining meetings led by other group members when of interest and appropriate according to the leading investors involved.
* Outreach and engagement with peers in relation to the work of the group. The co-chairs can provide supporting material.

Typical rights and responsibilities for **supporting** investors (i.e. those who are not co-chairs or lead country investors) include:

* Signing joint letters upon their approval.
* Indicating specific dialogues where they are prepared to join meetings or calls, and providing feedback, information and input to the leading investor.
* Participating in regular group update calls to provide input, the frequency of which will be based on project needs.
* Joining meetings led by other group members when of interest and appropriate according to the leading investors involved.
* Sharing information with the group (e.g. on issues, countries and companies).
* Outreach and engagement with peers in relation to the work of the group. The co-chairs can provide supporting material.

By participating in this collaborative engagement all participants, regardless of type, agree to abide by the confidentiality and non-disclosure arrangements noted below.

Secretariat

The Secretariat’s role is to support the work of the IPDD Brazil initiative. Typically support functions include:

* Provide strategic and organizational guidance and administrative support to the Advisory Committee / wider group.
* Coordinating meetings, providing agendas producing meeting minutes, briefings and publications, etc.
* Support the development and publication of any external outputs the group may produce (e.g. ranging from media communications, reports etc.), as well as take part in efforts to raise public awareness of the initiative and activities to grow support for its objective.
* Provide guidance and assistance with monitoring and reviews of the effectiveness of the group in implementing its work programme and achieving its objective, drawing attention to matters relating to implementation.
* Landscape mapping / coordinating, if there are opportunities to build off other work or avoid duplication of efforts.
* Perform any other such support functions as may be required to it by the group where appropriate.
* Maintain messaging documents, noting any confidential information – something that members can refer to in case of press or client inquiries or for their own reporting

**NOTES ON MEMBERSHIP**

* The initiate term of this initiative will be two years, so membership term is also initially for the same period. Should the initiative extend its mandate beyond this timeframe, the co-chairs will review the length of standard terms
* Members are expected to commit to the initial two-year term, and will have the opportunity to renew this depending on whether the IPDD’s mandate is extended beyond this.
* Member representatives may be replaced by an appropriate colleague at the same organization at the co-chair’s discretion during their membership term.

A list of the investor coalition members is maintained in a separate document.

**WORK PROGRAMME**

A work programme for each country workstream with suggested timelines and milestones will be agreed and outlined in a separate document. Progress against this will be formally evaluated on an annual basis.

**CONDUCT**

Coalition members should treat their follow members with courtesy and respect at all times. Individuals are contributing their valuable time, knowledge and insights, and work on the basis of mutual trust and in the spirit of collaboration. Failure to meet these requirements may lead to the member being removed from the coalition.

**CONFIDENTIALITY**

Members must refrain from using this forum for explicit commercial purposes and should focus on furthering the goals and objectives as defined above. Information gathered during the collaborative engagement process should not be used for any other purposes beyond the objectives of the initiative. Failure to meet these requirements may also lead to the investor being removed from the initiative.

Unless there are exceptional circumstances, the broad theme of the engagement, its existence, and high-level indications of its progress can be publicly disclosed by the co-chairs. The co-chairs will encourage disclosure of additional information related to the engagement whenever trust between parties (investor and government representative) is not at risk.

The following information will be made public as part of this investor working group:

* The names of the participating investors.
* The number of meetings held.

The following information will be kept private:

* During the engagement process, the names of government representatives under engagement will not be publicly disclosed unless this has been explicitly and formally agreed i.e. as a means to escalate the group’s engagement or commend companies that have responded positively.
* Discussions during group conference calls and government/company updates shared by co-chairs, leading investors or others, unless this has been explicitly and formally agreed.

When in doubt as to what can be publicly disclosed, members should seek guidance from the co-chair organisations.

**PUBLIC COMMUNICATIONS**

Any participating investor will be free to provide information on engagement activities undertaken by them within the collaboration. However, any information disseminated must be in the investor’s own words and can only be shared on the basis that the above guidelines on confidentiality are followed. It is also the responsibility of participants to ensure that the confidentiality of the engagement is understood and agreed by their clients and/or members. Should parties in the engagement group wish for their involvement to remain private, the other parties will agree to respect their wishes by not disclosing their names.

The above confidentiality and disclosure arrangements do not limit participants from disclosing information which: a) they are able to reasonably establish as previously known to them; or b) is in the public domain at the time of disclosure.

The co-chairs are empowered to speak publicly on behalf of the IPDD initiative (acting as spokespersons) on the process and progress followed by the group within the terms of any confidentiality agreement in place for the group. In no case will the co-chairs discuss actions that individual members should decide on such as divestment or other investment actions. Other members may also be permitted to speak on the process and progress followed by the group when this has been explicitly and formally agreed.

**CONTACT**

If you are interested in understanding more about this engagement, please contact the Secretariat for the initiative:

Name: tbc

Email: tbc

Tel: tbc

Date: MM YYYY