

Climate Investment Funds

Washington, D.C. 20433

U.S.A.

October 6, 2009

Dear SCF Trust Fund Committee,

You will recall that in July, the Trust Fund Committee approved by mail the design document for the Forest Investment Program (FIP) and the following decision:

The SCF Trust Fund Committee, having reviewed the document, *Design Document for the Forest Investment Program, a Targeted Program under the SCF Trust Fund*, dated July 7, 2009, approves the Forest Investment Program. The Committee requests the Administrative Unit to work with potential contributor countries to mobilize resources to support the program and to take steps to establish a FIP Sub-Committee once pledges sufficient to meet a minimum funding level of \$250 million has been reached. Such steps should include:

- a) **the organization of a self selection process for representatives to serve as members of the Sub-Committee consistent with paragraph 18 of the design document. For purposes of identifying representatives from eligible recipient countries, the Administrative Unit is requested to work through the offices of the Executive Directors of the World Bank to solicit nominations for members of the Sub-Committee and to hold consultations, on a regional basis, with representatives from eligible recipient countries to select the members. For purposes of identifying representatives from contributor countries, the Administrative Unit is requested to invite contributors to identify members for the Sub-Committee when pledges are made;**
- b) **the Administrative Unit should circulate to the SCF Trust Fund Committee, for approval by mail, the proposed composition of the Sub-Committee that results from the self selection process; and**
- c) **once the Sub-Committee membership is approved by the SCF Trust Fund Committee, the Administrative Unit should convene an organizational meeting of the Sub-Committee to agree upon its program of work and to initiate steps to appoint the FIP Expert Group.**

Thereafter, we convened a meeting to initiate pledging for the new SCF targeted programs, the *Forest Investment Program* and the *Program for Scaling Up Renewable Energy in Low Income Countries*, in Brussels on July 9, 2009. At the meeting, five contributors pledged USD 348.5 million for the FIP and USD 199 million for the SREP. As the pledges to the FIP exceeded the minimum funding level established by the Trust Fund Committee, it was agreed

that the five initial contributors would be represented on the FIP Sub-Committee with one seat still available for an additional contributor country.

Subsequently, the Administrative Unit took steps to solicit nominations and organize consultations with eligible recipient countries, through the offices of the Executive Directors of the World Bank, with a view to reaching agreement on the eligible recipient country representatives to serve on the FIP Sub-Committee.

As a result of this process, six recipient countries have recently been identified to serve on the Sub-Committee for the FIP. Six recipient countries have also been identified to serve on the Sub-Committee for the SREP once the minimum funding level for SREP is achieved and the Sub-Committee is organized. The six Sub-Committee members from eligible recipient countries agreed for the FIP are: **Brazil, Democratic Republic of the Congo, Indonesia, Morocco, Nepal and Romania.** The six Sub-Committee members from eligible recipient countries agreed for the SREP are: **Armenia, Bangladesh, Nicaragua, Solomon Islands, United Republic of Tanzania and Yemen.**

During these consultations, the following was recognized:

- a) that the recipient country seats on each Sub-Committee under the SCF Trust Fund should be representative of the six operational regions of the World Bank;
- b) that the FIP design document provides for an equal number of representatives from contributor countries and recipient countries to be members of the Sub-Committee. Nevertheless, it is recommended that all six members nominated to represent recipient countries should be permitted to take their seats even though at present there are only five contributor country members nominated for the FIP Sub-Committee; and
- c) that paragraph 27 of the *SCF Governance Framework* provides that Sub-Committee Members should serve for one year terms. Recognizing that the *Rules of Procedure for the SCF Trust Fund Committee* provides that a year term shall run from the date immediately after the last day of a Partnership Forum meeting until the last day of the next Partnership Forum, it is recommended that the initial term of FIP Sub-Committee members should run until the last day of the Partnership Forum in 2011.

Taking into account the above, it is proposed that the SCF Trust Fund Committee approved the following decision by mail:

Further to its decision establishing the Forest Investment Program (FIP) as a targeted program under the Strategic Climate Fund, the SCF Trust Fund Committee:

- a) ***welcomes the pledges that have been made to the FIP and notes that the pledges exceed the minimum level established for initiating the operationalization of the program;***

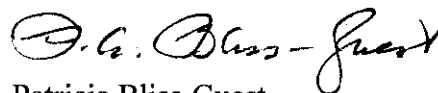
- b) *agrees to the establishment of the FIP Sub-Committee with the following membership:*

Australia, Brazil, Democratic Republic of the Congo, Denmark, Indonesia, Morocco, Nepal, Norway, Romania, United Kingdom and the United States.

- c) *takes note that there is an open seat for a contributor country which should be filled as soon as an additional contributor pledges resources to the FIP;*
- d) *agrees that the term for the initial members of the FIP Sub-Committee should run from the first meeting of the Sub-Committee until the last day of the Partnership Forum in 2011;*
- e) *requests the CIF Administrative Unit to organize the first meeting of the Sub-Committee at the end of October, in conjunction with the SCF Trust Fund Committee; and*
- f) *requests the Sub-Committee and the CIF Administrative Unit to report regularly to the SCF Trust Fund Committee on the work undertaken by the Sub-Committee.*

If we have not received an objection to this decision by **October 20, 2009**, the decision will be approved, and the Administrative Unit will invite the Sub-Committee members to its first meeting scheduled for October 29.

Sincerely,



Patricia Bliss-Guest
Program Manager, Administrative Unit
Climate Investment Funds