

CLIMATE INVESTMENT FUNDS

July 4, 2014

Summary of the Co-Chairs
Meeting of the Forest Investment Program Sub-Committee

June 28, 2014

Co-Chairs
Mr. Musah Abu Juam, Ghana
Ms. Katie Berg, United States

OPENING

1. The meeting of the FIP Sub-Committee was opened by the co-chairs, Mr. Musah Abu Juam, the Sub-Committee member from Ghana, and Ms. Katie Berg, the Sub-Committee member from the United States.

ADOPTION OF THE AGENDA

2. The FIP Sub-Committee approves the provisional agenda, document FIP/SC.12/1/Rev1.

FIP SEMI-ANNUAL OPERATIONAL REPORT

3. The FIP Sub-Committee reviewed document, FIP/SC.12/3/Rev.1, *FIP Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the FIP in the pilot countries.

4. The Sub-Committee notes its concerns about slow disbursements and requests the MDBs, in consultation with recipient countries and the CIF Administrative Unit, to explore additional ways to support recipient countries and MDBs to enhance their capacity to expedite project implementation.

5. The Sub-Committee requests that when there is a decrease in the expected co-financing of a project or program proposal that an explanation is provided in the semi-annual operational report.

6. The Sub-Committee requests the CIF Administrative Unit, in consultation with the Sub-Committee members, pilot countries, MDBs, and relevant international entities, to prepare for consideration at its next meeting, a paper providing guidance on the link between FIP investment funding and REDD+ performance-based mechanisms, taking into account the international REDD+ architecture and, in particular, the *Warsaw Framework for REDD-plus*.

7. The Sub-Committee requests the CIF Administrative Unit to ensure that the assessment of the SCF private sector set-asides is available for consideration at the next Sub-Committee meeting.

8. The Sub-Committee notes that each country is to lead the organization of stakeholder consultations, taking into account national systems and its investment plan.

9. The Sub-Committee recognizes that the *FIP Monitoring and Reporting Toolkit* provides guidance for a pilot country to use as it deems appropriate.

FIP FUNDING APPROVAL OF THE DGM PROJECT FOR THE GLOBAL COMPONENT

10. The FIP Sub-Committee, having reviewed the project proposal, *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities: Program Framework and Funding Proposal for the DGM Project for the Global Component*, dated June 22, 2014,

- a) endorses the program framework for the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities as a basis for the development of the DGM global component and the DGM projects in each FIP pilot country and takes note of the total requested funding of USD 50 million in grant funding;
- b) recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when DGM project proposals are submitted for approval of FIP funding;
- c) approves USD 4.72 million in FIP grant funding for the *DGM Project for the Global Component* to be implemented by the World Bank;
- d) takes note of the final estimated budget for project preparation and supervision services for the projects referenced above and approves the second tranche of funding for MDB preparation and supervision services in the amount of USD 695,000 for the DGM project for the global component to be implemented by the World Bank; and
- e) requests the World Bank to take into account comments made at the meeting and written comments submitted by Sub-Committee members by July 15, 2014, in the implementation of the projects.

FIP FUNDING APPROVAL OF THE DGM PROJECT FOR BRAZIL

11. The FIP Sub-Committee, having reviewed the project proposal, *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities: Funding Proposal for the DGM Project for Brazil*, dated June 9, 2014,

- a) approves USD 6.5 million in FIP grant funding for the DGM Project in Brazil to be implemented by the World Bank;
- b) takes note of the final estimated budget for project preparation and supervision services for the project referenced above and approves the second tranche of funding for MDB preparation and supervision services in the amount of USD 640,000 for the DGM project in Brazil to be implemented by the World Bank; and

- c) requests the World Bank to take into account comments made at the meeting and written comments submitted by the FIP Sub-Committee by July 15, 2014, in the implementation of the project.

PIPELINE MANAGEMENT APPROACH FOR FIP

12. The FIP Sub-Committee reviewed document, FIP/SC.12/6, *Proposal for Enhancing FIP Pipeline Management*, and agrees to implement readiness based pipeline management.

OPTIONS FOR THE USE OF POTENTIAL NEW FUNDS UNDER THE FIP

13. The FIP Sub-Committee reviewed document, FIP/SC.12/7, *Options for the Use of Potential New Funds under the FIP*. Considering that a decision on this agenda item should not prejudice a decision on the CIF sunset clause and recognizing that the Sub-Committee will consider an assessment of the FIP set aside at its next meeting, the Sub-Committee agrees that options 1, 2 and 3 should be further elaborated, in consultation with Sub-Committee members and pilot countries, and discussed in November 2014 after the discussion in the joint meeting of the CTF and SCF Trust Fund Committees on the CIF sunset clause.

OTHER BUSINESS

14. The Trustee is requested to explore ways to increase the investment income in the SCF Trust Fund while protecting the principal of the fund.

15. It was noted that concerns regarding the CIF independent evaluation relevant to the FIP had been expressed during the discussion of the independent evaluation that occurred at the joint meeting of the CTF and SCF Trust Fund Committees on June 25, 2014.

CLOSING

16. The meeting was closed on June 28, 2014.