

CLIMATE INVESTMENT FUNDS

July 12, 2016

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

June 16, 2016

Co-Chairs

Ms. Berenice Hernández Toro, Mexico
Mr. Ben Green, United Kingdom

AGENDA ITEM 1. OPENING

1. The meeting of the FIP Sub-Committee was opened by the Sub-Committee Co-Chairs, Ms. Berenice Hernández Toro from Mexico, representing the recipient countries and Mr. Ben Green from the United Kingdom, representing the contributor countries.

AGENDA ITEM 2. ADOPTION OF AGENDA

2. The FIP Sub-Committee adopted the provisional agenda document FIP/SC.16/1 with a reordering of the agenda items to address Agenda Item 4 FIP Semi-Annual Operational Report prior to Agenda Item 3 Report on the Strategic Discussion from the Joint Meeting.

AGENDA ITEM 3. REPORT ON THE STRATEGIC DISCUSSION FROM THE JOINT MEETING

3. The FIP Sub-Committee notes the decision of the Joint Meeting on the Strategic Directions for the CIF to continue to monitor the developments in the international climate finance architecture to inform a discussion on the sunset clause in December 2018 at the earliest, and take a decision on this issue in June 2019, in particular on if and when the Trustee should stop receiving new contributions for the Clean Technology Fund and/or the Strategic Climate Fund.

4. The Sub-Committee agrees on the need to enhance cooperation between the FIP and other entities and mechanisms in the climate finance architecture, in particular the Green Climate Fund, though, inter alia:

- a) Improved coordination at the country level led by the FIP focal points and GCF's national designated authorities, including in cooperation with MDBs when requested, for mobilizing funding and implementing investment plans;
- b) Enhanced efforts by all stakeholders of the FIP to share lessons learned, including through the CIF evaluative and learning special initiative; and
- c) Exploring joint training and learning sessions for FIP and other multilateral climate finance mechanisms.

5. The Sub-Committee invites the contributors in a position to do so to provide financial resources for the implementation of the investment plans for the new FIP pilot countries.

6. The Sub-Committee requests the CIF Administrative Unit (working with the Trustee and the MDBs) to make an initial assessment on the feasibility of alternative financing models for the FIP.

AGENDA ITEM 4. FIP SEMI-ANNUAL OPERATIONAL REPORT

7. The FIP Sub-Committee reviewed the document, FIP/SC.16/4, *FIP Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the FIP in the pilot countries.

8. The Sub-Committee thanks the Government of Mexico for hosting the FIP pilot countries meeting in June 12-13, 2016 in Oaxaca, Mexico and the FIP field trip on June 14, 2016 and notes with appreciation the participation of FIP contributor countries, pilot countries and FIP observers.

9. The Sub-Committee expresses concern over the delays in implementation of investment plans, projects and related disbursements and requests the CIF Administrative Unit to include detailed information on the reasons for such delays in subsequent semi-annual operational reports. The Sub-Committee encourages MDBs and the FIP pilot countries to take all possible measures to expedite the implementation of projects and the disbursement of funds. In this regard, the Sub-Committee requests the CIF Administrative Unit, working with MDBs and the Trustee, to prepare a cancellation policy for the FIP, taking into account the nature of FIP projects, for consideration by the Sub-Committee at its next meeting.

10. The Sub-Committee welcomes the progress made in new FIP countries in undertaking steps to develop the investment plans. The Sub-Committee recalls its decision from the May 2015 meeting that should any of the six new pilot countries not be able to submit their investment plans for endorsement within the two year period, such countries will be replaced by one or more of the additional nine countries, based on their ranking recommended by the expert group. However, the Committee notes that there may be exceptional national circumstances that may warrant the consideration of an extension of the above deadline by the Sub-Committee.

AGENDA ITEM 5. INVESTMENT PLAN FOR COTE D’IVOIRE

11. The FIP Sub-Committee, having reviewed document FIP/SC.16/5, FIP Investment Plan for Cote d’Ivoire, endorses the investment plan as a basis for the further development of the projects and programs foreseen in the plan and takes note of the request for USD 24 million (USD 15.8 million in loan financing and USD 8.2 million in grant funding).

12. The FIP-Committee requests the Government of Cote d’Ivoire, in the further development of the proposed projects and programs, to take into account comments made at the meeting and any additional written comments submitted by Sub-Committee members by July 1, 2016, and to respond in writing to questions raised during the meeting and in subsequent written comments.

13. The FIP Sub-Committee

- a) reaffirms that all allocation amounts are indicative for planning purposes and that approval of funding will be on the basis of high-quality investment plans and projects, subject to the availability of funds;
- b) takes note of the estimated budget of USD 770,000 for MDB project preparation and supervision services for the project entitled “Forest Cover Restoration Project”, (IBRD) and approves USD 385,000 as a first tranche of funding for such services;
- c) takes note of the estimated budget of USD 450,000 for MDB project preparation and supervision services for the project entitled “Tai National Park Management Support Project”, (AfDB) and USD 225,000 as a first tranche of funding for such services.

AGENDA ITEM 6. INVESTMENT PLAN FOR MOZAMBIQUE

14. The FIP Sub-Committee, having reviewed document FIP/SC.16/6, FIP Investment Plan for Mozambique, endorses the investment plan as a basis for the further development of the projects and programs foreseen in the plan and takes note of the request for USD 24 million (USD 10.8 million in grant funding and USD 13.2 million in loan financing).

15. The FIP-Committee requests the Government of Mozambique, in the further development of the proposed projects and programs, to take into account comments made at the meeting and any additional written comments submitted by Sub-Committee members by July 1, 2016, and to respond in writing to questions raised during the meeting and in subsequent written comments.

16. The FIP Sub-Committee

- a) reaffirms that all allocation amounts are indicative for planning purposes and that approval of funding will be on the basis of high-quality investment plans and projects, subject to the availability of funds;
- b) approves USD 150,000 as preparation grants for the project “Emissions Reductions in the Forest Sector Through Planted Forests with Major Investors”, (IFC);
- c) takes note of the estimated budget of USD 770,000 for MDB project preparation and supervision services for the project entitled “Mozambique Forest Investment Project”, (IBRD) and approves USD 385,000 as first tranche of funding for such services.

AGENDA ITEM 7. OTHER BUSINESS

17. The Sub-Committee noted the intention of the Government of Peru to provide a written update on the FIP process in Peru.

AGENDA ITEM 8. CLOSING

18. The meeting was closed on Thursday, June 16, 2016.