

CLIMATE INVESTMENT FUNDS

December 9, 2013 (revised)

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

October 30, 2013

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

AGENDA ITEM 1. 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.

AGENDA ITEM 2. ADOPTION OF THE AGENDA

2. The FIP Sub-Committee approves the provisional agenda, document FIP/SC.11/1/Rev.1.

AGENDA ITEM 3. FIP SEMI-ANNUAL OPERATIONAL REPORT

3. The FIP Sub-Committee reviewed document, FIP/SC.11/3, *FIP Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the FIP in the pilot countries. The Sub-Committee particularly appreciates the progress that has been made in:

- a) completing the programming phase of the FIP;
- b) reporting realistic projections for project development;
- c) submitting projects and program proposals to the Sub-Committee for approval of FIP funding; and
- d) advancing the development of the Dedicated Grant Mechanism.

4. The Sub-Committee takes note of the work that has been initiated to assess the process, experience and lessons learned in developing FIP investment plans and requests that the outcome of the work be presented to the Sub-Committee for discussion at its next meeting.

5. The Sub-Committee requests the CIF Administrative Unit to work with the MDBs and the members of the Sub-Committee to promote shared understandings of the information that is to be made available in project proposals submitted to the Sub-Committee for funding approval.

6. The Sub-Committee requests the CIF Administrative Unit, in collaboration with the MDB committee, to further reflect on the need for measures to improve the management of the FIP pipeline, including options for over-programming, as the pipeline advances.

AGENDA ITEM 4. FIP INVESTMENT PLAN FOR PERU

7. The FIP Sub-Committee, having reviewed the *Investment Plan for Peru* (document FIP/SC.11/4/Rev.1),

- a) endorses the Investment Plan as a basis for the further development of the projects foreseen in the plan and takes note of the total requested funding of USD 50

million (USD 26.8 million in grant funding and USD 23.2 million in loan financing).

- b) reconfirms its decision on the allocation of resources, adopted at its meeting in November 2010, that a range of funding for the country should be used as a planning tool in the further development of project and program proposals to be submitted to the FIP Sub-Committee for FIP funding approval, recognizing that the minimum amount of the range is more likely and that the upper limit of the range will depend on availability of funding. The range of funding agreed for Peru is USD 30-50 million in FIP resources. The Sub-Committee also recognizes that the quality of the proposed activities will be a significant factor in the funding to be approved by the Sub-Committee when project and program proposals are submitted for approval of FIP funding.
- c) approves a total of USD 1,500,000 in FIP funding as preparation grants for the following projects,
 - i. USD 370,000 for the project “*Integrated forest landscape management along the main route between Tarapoto and Yurimaguas in the Regions of San Martín and Loreto*”, (IDB);
 - ii. USD 400,000 for the project “*Integrated landscape management in Atalaya, Ucayali Region*”, (World Bank);
 - iii. USD 370,000 for the project “*Integrated landscape management along the main route between Puerto Maldonado and Iñapari and in the Amarakaeri Communal Reserve*”, (IDB); and
 - iv. USD 360,000 for the project “*Strengthening of national forest governance and innovation*”, (IDB)to be developed under the investment plan.
- d) takes note of the estimated budget for project preparation and supervision services for the projects referenced above and approves a first tranche of funding for MDB preparation and supervision services as follows:
 - i. USD 250,000 for the project “*Integrated forest landscape management along the main route between Tarapoto and Yurimaguas in the Regions of San Martín and Loreto*”, (IDB);
 - ii. USD 400,000 for the project “*Integrated landscape management in Atalaya, Ucayali Region*”, (World Bank);

- iii. USD 250,000 for the project “*Integrated landscape management along the main route between Puerto Maldonado and Iñapari and in the Amarakaeri Communal Reserve*”, (IDB); and
 - iv. USD 250,000 for the project “*Strengthening of national forest governance and innovation*”, (IDB).
- e) requests the Government of Peru and the MDBs to take into account comments made at the meeting and written comments submitted by Sub-Committee members by November 15, 2013, in the further development of the projects.

8. The Sub-Committee welcomes the joint statement that the Government of Peru and indigenous organization commit to maintain their joint work in the following phase of project formulation under the FIP Investment Program, analyzing and identifying options to solve the issues that need to be discussed such as control and registry of early REDD+ initiatives, participation of indigenous technical staff in the formulation of the project proposals and the ways how communities will ensure their direct involvement in the implementation of project activities in the field.

AGENDA ITEM 5. REVIEW AND SELECTION OF CONCEPTS TO BE FINANCED FROM THE FIP PRIVATE SECTOR SET ASIDE

9. The FIP Sub-Committee reviewed document, FIP/SC.11/5/Rev.1, *Review and selection of concepts to be financed from the FIP private sector set aside*, and notes with appreciation the work of the expert group.

10. The FIP Sub-Committee:

- a) endorses the following project concepts to be further developed for FIP funding approval:
 - i. Brazil: *Macauba palm oil in silvicultural system*, (IDB);
 - ii. Brazil: *Commercial reforestation of modified lands in Cerrado*, (IFC);
 - iii. Burkina Faso: *Climate change mitigation and poverty reduction through the development of the cashew sector*, (AfDB);
 - iv. Ghana: *Public-private partnership for restoration of degraded forest reserve through VCS and FSC certified plantations*, (AfDB); and
 - v. Mexico: *Guaranteed fund for financing low carbon forestry investments*, (IDB).

The Sub-Committee invites the MDBs for the selected project concepts to prepare, in collaboration with the project proponent and taking into account

comments made at the meeting, any written comments submitted by Sub-Committee members and Observers by November 15, 2013 and comments in the report of the expert group, a detailed project document and submit it to the FIP Sub-Committee for FIP funding approval;

- b) welcomes the following project concepts and requests the MDBs to revise the concepts, taking into account the comments of the expert group and any written comments submitted by Sub-Committee members by November 15, 2013, for further review and endorsement by mail.
 - i. Burkina Faso: *Powering climate-smart rural development in Burkina Faso*, (AfDB)
 - ii. DRC: *Community acacia and palm oil plantations on degraded lands to reduce deforestation in the Bandundu Province in DRC*, (AfDB); and
 - iii. DRC: *Novacel Sud Kwamouth* , (IBRD).
- c) agrees that the remaining concepts should not be considered further for FIP funding.

11. The Sub-Committee requests the CIF Administrative Unit, in collaboration with the MDBs and the pilot countries, to further analyze, as soon as possible, the effectiveness and value-added of the FIP private sector set-aside, including its competitive selection process and taking note of the recommendations of the expert group. The Sub-Committee requests the CIF Administrative Unit to share lessons learned with the FIP Sub-Committee and interested stakeholders.

AGENDA ITEM 6. RESULTS MONITORING AND REPORTING IN THE FIP

12. The FIP Sub-Committee reviewed document, FIP/SC.11/6/Rev.1, *Results Monitoring and Reporting in the FIP*, and notes with appreciation the work of the FIP Sub-Committee Working Group and the FIP pilot countries in contributing to the preparation of the proposal.

13. The Sub-Committee, recognizing that the current FIP results framework and its adoption in the endorsed investment plans is the basis for mid-term and ex-post evaluation in the FIP pilot countries, and recognizing further the recommendations on undertaking gender mainstreaming into CIF activities as presented in the Gender Review approved by the CTF and SCF Trust Fund committee in March 2013, approves the proposal for annual reporting by the pilot countries, subject to the comments made by the meeting, and:

- a) invites pilot countries to consider the need to revise their results frameworks to reflect a realistic set of results expected from FIP investments. Any revised results framework should be submitted to the FIP Sub-Committee for endorsement;

- b) requests the CIF Administrative Unit to provide further guidance on the reporting requirements for each category of reporting, a common format for reporting and a calendar for submissions of the annual reports; and
- c) invites FIP pilot countries to submit to the Sub-Committee for further consideration any capacity development needs for reporting.

14. The Sub-Committee requests the CIF Administrative Unit to revise document, FIP/SC.11/6, *Results Monitoring and Reporting in the FIP*, to reflect the agreed changes agreed.

AGENDA ITEM 7. APPROACHES AND CRITERIA FOR CONSIDERING POTENTIAL NEW PILOT COUNTRIES

15. The Sub-Committee takes note of document FIP.11/7, *Approaches and Criteria for Considering Potential New Pilot Countries*. However, the Sub-Committee agrees that it is not selecting new countries under the Forest Investment Program at this stage and that it is not asking for any expression of interest or new investment plans.

16. The Sub-Committee would welcome a broader discussion of how funding could be used effectively should new funds become available.

17. The CIF Administrative Unit, in collaboration with the MDB committee, is invited to prepare a paper exploring possibilities for using new funds, should they become available under the FIP, for consideration at the next Sub-Committee meeting.

AGENDA ITEM 8. OTHER BUSINESS

18. The Sub-Committee welcomes the invitation from the member from the Democratic Republic of Congo to host the next FIP pilot countries meeting to be organized in a FIP pilot country.

AGENDA ITEM 9. CLOSING

19. The meeting was closed on October 30, 2013.