

June 23, 2009

## **FOREST INVESTMENT PROGRAM (FIP)**

### **WORKING GROUP ON ANNEX II: TRANSFORMATIONAL CHANGE**

#### **FACILITATOR'S SUMMARY**

The Working Group included representatives of Australia, Gabon, and the United Kingdom; the World Business Council for Sustainable Development; indigenous people's groups participating in the FIP design process; and Greenpeace. The work of the group was supported by the staff of the Administrative Unit and the Co-Chairs. The group was asked to work electronically, so our process involved circulation of a series of drafts.

An initial draft prepared by the Administrative Unit was substantially rewritten based on contributions from diverse members of the Working Group. The resulting, considerably strengthened version was then circulated to the group in two quick additional rounds plus a confirming round, so that final edits could be made in a way that addressed the outstanding concerns of group members. The resulting consensus document was delivered to the Co-Chairs on June 22, 2009.

As its preamble states, the purpose of Annex II is to provide guidance to assess FIP investment strategies, programs and projects and to prioritize FIP programs or projects with a view to initiating and facilitating steps toward transformational impact. We thus focused on identifying major points that could clarify the meaning of "transformational impact" (as distinct from business-as-usual) in the context of various FIP criteria and principles.

This work needs to be understood as a step in an ongoing process. Thus, as the preamble also notes, Annex II is intended to inform the development of measureable indicators for the assessment process and a full results framework for the FIP as a whole. These are significant future steps that will be taken under the direction of the FIP Sub-Committee, in a manner consistent with the overall methodology of the Climate Investment Funds; members of the Working Group emphasized the importance of an inclusive process going forward, one that takes due account of more detailed proposals from various stakeholders.

The Working Group completed its work on a challenging assignment under tight time constraints. The facilitator wishes to thank the members of the group for their responsiveness and flexibility in creating a strong consensus product.

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Group Facilitator