

CLIMATE INVESTMENT FUNDS

February 10, 2010

Summary of the Co-Chairs
Forest Investment Program Sub-Committee Meeting
February 3 and 4, 2010

Co-Chairs
Eduardo Saboia, Brazil
Robin Davies, Australia

Opening of the Meeting

1. The meeting of the FIP Sub-Committee was opened by the FIP Sub-Committee Co-Chairs, Eduardo Saboia and Robin Davies.

Adoption of the Agenda

2. The meeting adopted the provisional agenda set forth in document FIP/SC.2/1/Rev.1.

Elements of FIP Operational Guidelines

3. The FIP Sub-Committee reviewed document FIP/SC.2/3/Rev.1, *FIP Operational Guidelines*, and provided comments and guidance to the CIF Administrative Unit and the MDBs for the finalization of a paper based on the elements to be submitted to the next FIP Sub-Committee meeting. The FIP Sub-Committee requested the CIF Administrative Unit and the MDBs to enhance the proposed operational guidelines by:

- a) emphasizing country ownership in the development and implementation of FIP investment strategies;
- b) stressing the importance of consultations at the country level among various stakeholder groups, including indigenous peoples, local communities and the private sector;
- c) highlighting the need for a clear link between the investment strategy and the *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities*; and
- d) amending the outline of a FIP investment strategy to include information on:
 - i. expected co-benefits from FIP Investments in the main text;
 - ii. the role of the proposed FIP investment in the context of the national REDD+ strategy or action plan; and
 - iii. proposed projects and program proposals (concept notes) in a separate chapter in the FIP investment strategy.

4. The FIP Sub-Committee took note of the proposal that a grant of up to \$150,000 be made available to pilots once they are confirmed by the Sub-Committee to assist the country in exercising a leadership role in the development of an investment strategy.

6. FIP Sub-Committee Members were invited to provide written comments on document FIP/SC.2/3/Rev.1, *FIP Operational Guidelines*, by February 12, 2010, to the CIF Administrative Unit to facilitate the preparation of the paper to be submitted to the Sub-Committee for review, with a view to its approval, at the Sub-Committee meeting in March 2010.

Elements of FIP Investment Criteria and Financing Modalities

7. The FIP Sub-Committee reviewed document FIP /SC.2/4/Rev.1, *Elements of FIP Investment Criteria and Financing Modalities*, and requested the CIF Administrative Unit and the MDBs to prepare a paper based on the elements for review at its next meeting in March 2010, taking into account comments made during the meeting and additional comments submitted in writing by February 12, 2010.

8. The FIP Sub-Committee reviewed a proposal for rationalizing and simplifying the proposed FIP Investment Criteria, FIP/SC.2/CRP.2 *FIP Investment Criteria*, and requested the CIF Administrative Unit and the MDBs to prepare the respective section in the paper taking into account the proposed consolidated criteria.

9. The FIP Sub-Committee further requested that the CIF Administrative Unit and the MDBs to continue their work on the section addressing the investment modalities for the FIP and to enhance the understanding of the proposed modalities by providing examples of activities that may be supported. It was suggested that the financing modalities for the public and private sectors be separated so as to specifically address the experience of the private sector in utilizing specific financing modalities.

10. The FIP Sub-Committee was invited to provide written comments on document FIP/SC.2/4/Rev.1, *Elements of FIP Investment Criteria and Financing Modalities*, by February 12, 2010. The CIF Administrative Unit and the MDBs were requested to take into account comments made during the meeting and those provided in writing in preparing a paper for review by the Sub-Committee at its next meeting. The CIF Administrative Unit was requested to make the paper available at least 3 weeks prior to the next FIP Sub-Committee meeting, if possible.

Exchange of Views on Key Issues related to REDD+ within the Context of the UNFCCC

11. The Sub-Committee welcomed the information provided by the UNFCCC Secretariat on the outcomes from COP-15 in Copenhagen regarding the REDD+ agenda.

12. Members discussed their views on the role of the FIP in the context of the future architecture on REDD+ finance and its collaboration with the FCPF, UN-REDD and other REDD+ initiatives.

13. The FIP Sub-Committee members agreed that, while remaining conscious of the ongoing discussions on the REDD+ agenda in the UNFCCC context, the CIF Administrative Unit and the MDBs should continue their efforts to accelerate the implementation of the FIP at the country level.

13. The FIP SC also requested the CIF Administrative Unit to work with other multilateral REDD+ institutions and REDD+ initiatives to study options for enhancing cooperation and for seeking coherence among them to support countries' REDD+ efforts. The CIF Administrative Unit should report back to the FIP Sub-Committee at its June session with an options analysis report, if appropriate.

Status Report on FIP Expert Group

14. The FIP Sub-Committee welcomed the update from the CIF Administrative Unit on the work of the FIP Expert Group that will meet during the week of February 12 -15, 2010, to prepare recommendations on the selection of pilots to be financed by the FIP, consistent with the criteria agreed by the Sub-Committee at its meeting in October 2009.

15. The CIF Administrative Unit was requested to make available to FIP Sub-Committee members, as appropriate, the background documents provided to the FIP Expert Group

16. The FIP Sub-Committee was informed of the expressions of interest submitted from countries and regions interested in being considered as pilots under the FIP. As of February 1, 2010, forty-two expressions of interest had been received. The FIP Sub-Committee agreed that February 7, 2010, should be the final deadline for submission of expressions of interest. No additional expressions of interest should be accepted after the final deadline.

Other Business

17. The Sub-Committee took note of document FIP/SC.2/Inf.2, *Note on the Indigenous Peoples and Local Communities Dedicated Initiative*, reporting on the past and ongoing consultative work that has been initiated by the CIF Administrative Unit to reach agreement among representatives from indigenous peoples and civil society on the terms of reference for the consultative process and other work to be undertaken to develop a proposal for a dedicated mechanism.

18. The FIP Sub-Committee was invited to provide written comments on the preliminary draft terms of reference to the CIF Administrative Unit by February 12, 2010.

19. The FIP Sub-Committee requested the CIF Administrative Unit to make available the proposed terms of reference and an associated budget estimate for discussion and approval in its meeting in March 2010.

Closing

20. The meeting was closed on February 4, 2010.