

NATURE, PEOPLE AND CLIMATE INVESTMENT PROGRAM

**Operational Guidelines - CIF NPC Investment Plan Development
Process**

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1. INTRODUCTION

1. The Climate Investment Fund's (CIF) Nature, People and Climate (NPC) Investment Program will tackle in an integrated manner the multiple drivers and impacts of climate change resulting from human activities on land resources and ecosystems services. By working with MDBs as implementing agencies, fostering strategic partnerships, and deploying scaled-up and flexible concessional capital, the program aims to support multi-sectoral solutions, including the creation of enabling environment and direct investments for improved use of land, coastal and other natural resources. The NPC program is premised on a landscape approach¹ that will enable CIF recipient governments and implementing MDB partners to deliver core climate results (GHG mitigation, resilience strengthening of lands and communities), while also generating improved livelihoods, biodiversity conservation, and disaster risk reduction among other benefits.
2. The NPC program call for Expressions of Interest was initiated in June 2022. At the CIF Intercessional Meeting in October, the Global Climate Action Program (GCAP) Sub-Committee invited four countries and one regional program to develop investment plans (IP) and undertake implementation of this IP once it is approved by the GCAP Sub-Committee. An additional five countries will also receive funding for IP preparations, in anticipation of obtaining further contributions to the NPC program for their implementation.
3. This document outlines the general steps to launch the Investment Plan (IP) process for the NPC program. Next steps, which include scoping and MDB joint missions, use of IP preparation grants, IP development and finalization, are outlined in Figure 1 below and elaborated throughout the document. Specific guidance on the expected content, structure, and length of the IP documents can be found in Annex 2.

¹ A landscape approach deals with large-scale processes in an integrated and multidisciplinary manner, combining natural resource management with environmental and livelihood considerations. The landscape approach also factors in human activities and their institutions, viewing them as an integral part of the system rather than as external agents. (FAO 2012).

Figure 1. Flowchart for Stages of IP Preparation



2. INVITATION

2. As four countries and a regional program have now been selected to participate in the NPC Program, these countries/regional programs are invited to develop an Investment Plan and requested to designate a focal point to serve as the main contact in the country for the Multilateral Development Banks (MDBs) and the CIF Administrative Unit (CIF AU) in developing the IP.
3. After the confirmation has been submitted to the CIF AU, the designated focal point should be in conversation with the appropriate representatives of the relevant MDBs to initiate discussion of the steps required to prepare an investment plan. MDBs can initiate this process, but requests should be sent to the relevant MDBs and the country focal points, with the CIF AU copied.
4. The MDBs will be available to assist the country throughout the IP preparation process, including through the in country-led joint missions.

3. SCOPING MISSION

5. Through collaboration between the country and the MDBs, *scoping missions* may be organized to assist the government in planning and preparing for the Investment Plan development process. During the *scoping mission*, the country and the MDBs should also engage with other key development partners including other bilateral and multilateral agencies operating in the country, UN agencies, private sector, civil society organizations, youth organizations, and other key stakeholders. Such scoping missions may also be used by

the government and MDBs to jointly develop the terms of reference for the Joint Mission including its composition, budget, contacts, and schedule.

6. A key outcome of the *scoping mission* will be an assessment of the level of government capacity and resources to develop an investment plan. Minimum readiness indicators include:
 - a. Nationally designated institution or lead agency with mandate to engage on relevant CIF programmatic areas and related functions; and
 - b. Indicative concept of activities identified for potential support through the IP.
7. During the scoping mission an agreement should be reached with the government on the scope of assistance needed for planned activities under the program. When countries were selected for the NPC program, the GCAP Sub-Committee decided to allocate preparation grants for the development of the gender-responsive and socially inclusive investment plans (Investment Plan Preparation Grants - IPPGs)² to assist the country to fully engage in leading the design of the program to be disbursed upon request after the initial scoping mission.
8. The MDBs should provide consistent guidance to participating countries to assist them in utilizing investment plan preparation grants by recommending which activities are appropriate for this stage of the process (as opposed to activities that may be more appropriate for project preparation grants). The Government should agree with the MDBs on administrative arrangements to facilitate the provision of the IPPGs. The CIF Administrative Unit will inform the GCAP Sub-Committees of the approval of the IPPG allocation and post the funding request publicly.

4. JOINT MISSION

9. The purpose of joint missions, to be organized in collaboration with the MDBs and the CIF AU, is to assist with the development of the IP and subsequent programming. Considering travel restrictions and safety precautions in place to protect against COVID-19, missions may need to be virtual, when deemed appropriate by the country and MDB(s).
10. Before a Joint Mission takes place, a country should undertake the preparatory work necessary to ensure the smooth conduct and maximum outputs from the Joint Mission. The MDBs are expected to assist a country in identifying and undertaking the required preparatory work, if requested by the country. Preparations may include:
 - Identifying government ministries, other development partners, and other key stakeholders who should participate in the Joint Mission;
 - Consolidating documentation available on a range of analytical, strategic and

² For NPC, an amount up to USD 500,000 was approved based on the potential scope of activities submitted by the country for approval by the GCAP Sub-Committee.

programming activities related to the program, which can be an important input to the investment plan preparation; and

- Undertaking a stocktaking of existing and potential activities in the country that may be relevant to the investment plan.

11. The Government will lead and coordinate the joint mission, which will include teams from the MDBs and key government agencies. During the joint mission, consultations should be held with key stakeholders in the country, including other development partners, non-governmental organizations, women's groups, farmer's groups, Indigenous Peoples' groups, youth organizations, local communities, and the private sector. The mission should include consultative workshops, meetings and appropriate field trips, and other activities focused on identifying specific opportunities and challenges for investments that facilitate nature-based solutions to climate change that promote gender equality and social inclusion.
12. Joint missions should serve to strengthen country ownership, identify activities of other development partners that could contribute to the programmatic objectives of the program, mobilize co-financing for program investments, ensure harmonized policy support, and promote complementarity with on-going activities. Furthermore, they serve as a platform to hear from other key stakeholders in the country, including civil society, non-governmental organizations, women's groups, farmer's groups, Indigenous Peoples' groups, local communities, youth organizations, and the private sector (e.g., local entrepreneurs and innovators).
13. During the process of developing an investment plan, recipient countries working with development partners should explore synergies and mobilize complementary resources for assistance, planning and advisory services from other partners or institutions (e.g., MDBs, UN agencies, bilateral and other development partners). The aim should be to create national platforms to "crowd in" where possible appropriate activities and resources to align them with the objectives and goals of the CIF programmatic approach. Additional resources secured to complement program funding should be indicated in the investment plan.
14. As part of the preparatory process, and working with the Government, MDBs should prepare terms of reference (TOR) for the joint mission. The TOR should include the mission composition, Government and MDB contacts, including gender and social specialist (name, institution, telephone number and email address), detailed agenda, as well as a preliminary schedule of meetings, consultations, and places visited. The TOR for the joint mission should identify the roles and responsibilities of each MDB, and arrangements for collaboration with other relevant partners in supporting the government in the development of the investment plan. In particular, arrangements for consultations with other development partners, civil society, including NGOs, Indigenous Peoples' organizations, women's groups, farmer's groups, and private sector should be provided in the TOR. The CIF AU should notify the GCAP Sub-Committee of the agreed joint mission four weeks in advance and post this information on the CIF website. This advanced notice is intended to facilitate the participation of other development partners and stakeholders in country-led consultations during the joint

mission.

15. The TOR should be submitted to the MDB Committee for approval, including approval of the financing necessary to cover the budgetary requirements for support provided by the MDB. Funds to cover MDB support to country programming will be made available through the country engagement allocation in the annual CIF Administrative Budget.
16. The MDB Committee review of the TOR should take place with sufficient time to allow the CIF AU to notify the GCAP Sub-Committee once the TORs are approved. In some cases, additional joint missions may be needed to develop the investment plan. For all subsequent country missions, the MDB(s) should inform the CIF AU in sufficient time so that the Sub-Committee can be notified two weeks in advance of the mission.

5. AIDE MEMOIRE

17. A report summarizing agreed key findings, incorporating information received through the stakeholder consultations, including a list of local donor and development partners and other stakeholders consulted during the mission, and next steps should be prepared and submitted to the CIF Administrative Unit within 30 days following the completion of the mission. The report will be posted on the CIF website.

6. FINALIZING THE INVESTMENT PLAN

18. The investment plan is critical to allowing potential activities and investments financed by the program to be structured to respond to each country's existing strategies and plans and to take account of on-going operations in key relevant sectors or sub-sectors in a country.
19. The investment plan should be owned by the Government and agreed with the MDBs and other development partners, as appropriate.³ It should be a clearly articulated multi-year proposal that would describe the programmatic goals, proposed uses of CIF resources, and proposed activities of other development partners that could contribute to achieving those goals. The investment plans will include concept briefs for proposed investments and should also include requests for any investment preparation grants that will be required to develop the investment proposals. A suggested structure for the investment plan, including information to be provided, can be found in Annex 2. In line with CIF AU Gender Policy, gender analysis, activities and indicators should be included in the plan.
20. As part of the design of the country IP, particular attention should be paid to the Dedicated Grand Mechanism (DGM). The DGM is the CIF's concerted effort to provide a greater voice and role to Indigenous People and Local Communities (IPLCs) in the management of natural resources. It was developed in response to the call from IPLCs and CIF observers for

³ There is no presumption that all MDBs that normally engage with the country need to be involved in the implementation of investments and other activities.

dedicated resources to augment their capacity to participate in CIF programs, namely the Forest Investment Program. The NPC program will replicate and further scale up the lessons and experiences of the DGM. When designing their IP, each NPC country should provide an annex on activities in countries that will be tailored to the priorities of the communities while being aligned with the strategic objectives of their NPC.

21. The CIF [Pipeline Management and Cancellation Policy](#), approved November 2020, states that “Investment plans...must be submitted for endorsement to the relevant CIF governing body within 18 months from the date the CIF pilot countries are selected.” The time required to complete IPs should respond to recipient country needs and readiness, so MDBs and participating countries are encouraged to accelerate the process wherever appropriate.

7. ENDORSEMENT OF THE IP

22. The IP should be reviewed and finalized through appropriate internal government procedures. A draft should be made available for public information and comment on a government website at least two weeks prior to its finalization. Once approved, the designated Government CIF focal point should send the final IP to the CIF AU to be included in the agenda for the next CIF Committee meeting for endorsement. The IP should be submitted to the CIF AU at least six weeks in advance of the meeting.
23. The IP sets the roadmap for country investments under the program and must include concepts for proposed operations. As part of the IP review and endorsement, the GCAP Sub-Committee may provide comments on those concepts and may approve investment preparation grants (if requested) for the further development of the proposed activities. The GCAP Sub-Committee will also endorse a resource envelope of financing up to a specific amount⁴.

⁴ For NPC, the GCAP Sub-Committee approved a total indicative allocation of up to USD 200 million in aggregate for the four countries/region group program, additional five to be funded pending the contribution of additional resources. based on the assessments made at the time of the IP preparation. These figures may be subject to change based on future availability of resources.

ANNEX 1: ACTION MATRIX FOR IP PREPARATION AND EXECUTION

Steps/Action required	Responsible Parties	Performance Standards
<p>1. Upon invitation of government, MDBs conduct scoping mission and other joint mission(s) to provide inputs to the development of CIF programming. MDB scoping and joint missions, including preparation of funding proposal if required, and identification of relevant activities proposed as part of Investment Plan</p> <p>Coordination meetings with development partners</p> <p>Preparation of Investment Plan</p> <p>Public disclosure and finalization of the Investment Plan</p> <p>Finalization of Investment Plan by Government.</p>	<p>MDB(s) and Recipient Country Government</p>	<p>According to criteria and guidelines established by CIF, including coordination with other development partners. MDB investment lending guidelines for identification and investment concept review.</p> <p>Public disclosure at least two weeks prior to submission of IP to CIF Administrative Unit</p> <p>Investment Plan posted on CIF website</p>
<p>2. GCAP Sub-Committee reviews and endorses Investment Plan, and agrees on MDB designation for operations, eligibility and priorities for investments, indicates notional resource envelope for such activities, and approves requested preparation grants for proposed investments.</p>	<p>GCAP Sub-Committee</p>	<p>At TFC meetings and/or approval-by-mail, as needed.</p>
<p>3. MDB supports preparation of individual investments by host country and/ or private sector client.</p>	<p>Host country, MDB and private sector</p>	<p>According to MDB operational policies and procedures, consistent with endorsed Investment Plans</p>

ANNEX 2: PROPOSED OUTLINE OF NPC INVESTMENT PLAN

- I. **Proposal Summary (2 pages)**
 - Objectives
 - Expected outcomes
 - Program criteria, priorities, and budget
- II. **Country Context (3-4 pages)**
 - Current state of environmental sustainability in forest, agriculture land and coastal management, as relevant
 - Assessment of sensitivity to climate change and its impacts of the natural resources base and communities most closely associated with it
 - Summary of national and international climate strategies and plans, including status of Nationally Determined Contributions, National Adaptation Plans, SDG-related plans, and other institutional and/or policy frameworks of relevance
 - Gap/barrier analysis; needs assessment
- III. **Nature-based Solutions Context (3-4 pages)**
 - Overview of country efforts to engage NbS in landscape-level planning and management to i) avoid GHG emissions stemming from the changing use of land and erosion of natural resources and systems; ii) build the climate-resilience of lands and communities; and iii) support livelihoods of rural communities and indigenous peoples, empowerment of women, and the management of biodiversity.
 - Analysis of the gaps in access to resources, services and markets that women and men face in the context of NbS
 - Institutional framework and capacity supportive of NbS, including national green growth plans or policies, jurisdictional approaches, relevant laws, policies, ministries or state agencies, regulations, or standards
 - Role of private sector, innovation, and leverage of resources
 - Any complementary activities coordinated with other development partners
- IV. **Program Description (5-6 pages)**
 - Clear and concise overview of proposed interventions to protect, sustainably manage, and restore forest/agricultural and coastal ecosystems (as relevant) and strengthen resilience, including how they will complement each other and lead to integrated landscape management
 - Investment preparation activities, including technical assistance/capacity building and advisory services
 - Types of innovative NbS models, and/or systems level approaches and operation enhancement activities (examples listed in [NPC Design Document](#)) that will be deployed to generate mitigation, resilience strengthening, social and biodiversity outcomes
 - Activities designed to address gender gaps identified in the analysis

- V. Financing Plan and Instruments (3-4 pages)**
 - Requested budget envelope for investments
 - Costs and sources of funding
 - Types of financing to be requested (grant, concessional debt, etc.)
 - Recipients of funding
 - Anticipated co-financing
- VI. Additional Development Activities (1-2 pages)**
 - Parallel activities to be funded by other development partners (e.g. private sector, bilateral financiers, NGOs, IGOs etc.) and how these activities will be complementary
- VII. Implementation Potential with Risk Assessment (2-3 pages)**
 - Country/regional risks - institutional, technology, environmental, social, financial
 - Absorptive capacity for NPC Program and associated investments
- VIII. Monitoring and Evaluation (2-3 pages)**
 - Whole of analysis (see NPC [Integrated Results Framework](#) document)
 - Anticipated program-level impacts
 - Integrated results framework table
 - Proposed approaches for tracking and evaluating transformational change, just transition, and inclusivity aspects of IP

Annexes - Information should be included in annexes on the following areas:

- Assessment of country's absorptive capacity for integration activities
- Stakeholder consultations
- Development co-benefits
- Existing activities around nature-based solutions for climate mitigation and resilience strengthening of lands and communities, particularly activities of other development partners

For each Investment Plan component, an investment concept brief (maximum two pages) should be provided that includes:

- Problem statement (1-2 paragraphs)
- Proposed contribution to initiating transformation (1-2 paragraphs)
- Implementation readiness (1-2 paragraphs)
- Rationale for NPC financing (1-2 paragraphs)
- Results indicators, including indicators that will be disaggregated by gender or directly measure the impact of activities targeting gender gaps
- Financing plan, including financial instruments
- Project preparation timetable
- Requests, if any, for investment preparation funding



The Climate Investment Funds

The Climate Investment Funds (CIF) were established in 2008 to mobilize resources and trigger investments for low carbon, climate resilient development in select middle and low income countries. To date, 14 contributor countries have pledged funds to CIF that have been channeled for mitigation and adaptation interventions at an unprecedented scale in 72 recipient countries. The CIF is the largest active climate finance mechanism in the world.

THE CLIMATE INVESTMENT FUNDS

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