

CLIMATE INVESTMENT FUNDS

FIP/SC.20/3
May 10, 2018

Meeting of the FIP Sub-Committee
Washington DC
Thursday, June 7, 2018

Agenda Item 3

FIP SEMI-ANNUAL OPERATIONAL REPORT

PROPOSED DECISION

The FIP Sub-Committee reviewed the document, FIP/SC.20/3, *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 appreciates the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievements, resource availability, pipeline review, and portfolio updates.

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1 Introduction

1. The Semi-Annual Report (SAR) of the Forest Investment Program (FIP), identifies key strategic issues, highlights key decisions taken inter-sessionally by the FIP Sub-Committee, and provides an update on the status of FIP-funded programs and projects under the endorsed investment plans and related activities. This report also includes projections on future approvals and provides an update on the implementation of projects in the FIP portfolio.
2. This report provides an update of the entire FIP portfolio for the period July 1 to December 31, 2017 (with additional updates to March 31, 2018 on Resource Availability as a measure to facilitate discussion and decision-making during the June 2018 FIP Sub-Committee meeting).

2 Strategic issues

3. The FIP is a USD 753.9 million¹ fund established in 2008 to provide scaled-up financing to help countries address the drivers of deforestation and forest degradation. It started out working in eight countries (Brazil, Burkina Faso, DRC, Ghana, Indonesia, Lao PDR, Mexico, and Peru), and in 2015 it added six new countries (Congo Republic, Cote d'Ivoire, Ecuador, Guatemala, Mozambique, and Nepal), with an indicative envelope of resources of USD 24 million each and nine additional countries with no funding envelope (Bangladesh, Cambodia, Cameroon, Guyana, Honduras, Rwanda, Tunisia, Uganda, and Zambia).
4. Key strategic issues to highlight during this reporting period include 1) the work on long-term administrative costs forecast and funding options to prevent any impact on the pipeline of the six new countries with indicative funding envelopes and 2) the knowledge-related work being implemented in the context of the CIF Evaluation and Learning Initiative and in partnership with the Global Delivery Initiative (GDI) and the World Bank's Development Impact Evaluation (DIME).
5. The importance of resource mobilization is also highlighted, given that the investment plans from the nine unfunded countries have been endorsed. Since the end of 2017, the CIF Administrative Unit and the Secretariat of the Green Climate Fund (GCF) have been discussing the possibility of providing GCF funding for these plans in the short term.

2.1 SCF resource availability

6. At the December 11, 2017 meeting, the Strategic Climate Fund (SCF) Trust Fund Committee, reviewed the Report of the Trustee on the Financial Status of the SCF and noted that the investment income of the SCF Trust Fund is not currently expected to be sufficient to cover the costs of the projected level of Administrative Services by the CIF Administrative Unit, MDBs, and the Trustee up to 2028. The Committee requested the CIF

¹ Including contributions and pledges

Administrative Unit, working in collaboration with the MDBs and the Trustee, to undertake a full analysis to explore possible options for financing administrative expenses, costs reductions, and attribution of administrative expenses amongst the SCF programs. The Committee also decided to pause the approval of any funding within the SCF other than that of project preparation grants, until such time that the Committee had reviewed the analysis requested and decided on a way forward.

7. At the intersessional meeting held on March 8, 2018, the SCF Trust Fund Committee considered the proposals for addressing the shortfall in the SCF Trust Fund set out in the document entitled [*Long-term SCF Administrative Costs and Funding Options*](#) developed by the CIF Administrative Unit, the MDBs, and the Trustee. The Committee decided on a means to apportion administrative costs between SCF programs and agreed that reflows from SCF loans may be used to finance the potential shortfall of grant resources to cover administrative costs after they become available in each program. The Committee further agreed that the pause in approval of SCF funding be lifted.
8. More specifically, the SCF Trust Fund Committee agreed to allocate a portion of the available grant resources from each of the SCF programs to finance estimated administrative costs from FY19 to FY28 as follows:
 - USD 11.6 million from the FIP
 - USD 10.6 million from the PPCR
 - USD 31.6 million from the SREP

2.2 Resource availability in the FIP

9. As of March 31, 2018, the FIP has endorsed all expected investment plans with indicative allocated funding. The FIP pipeline still under development includes 23 projects that will require USD 92.1 million in grant resources and USD 129.9 million in non-grant resources (see Annex 1 for the list of pipeline projects). With this expected resource commitment of USD 233.2 million², the FIP has a surplus of USD 17.4 million in non-grant funds and a shortfall of USD 19 million in grants (see Table 1). As the FIP maintains a first-come-first-served approach to resource programming, projects with submission dates for FIP Sub-Committee approval after July 2019 are at risk of falling outside the existing resource envelope.
10. At its intersessional meeting in March 2018, the SCF Trust Fund Committee requested the CIF Administrative Unit, along with the MDBs and the Trustee, to undertake additional analysis of administrative budget building on the scenarios already presented. The CIF Administrative Unit is also exploring the encashment of an outstanding contribution so that it may be used for FIP programming. As these may influence resource availability, the impact on the FIP pipeline would subsequently need to be reconsidered.
11. Based on the decisions of the SCF Trust Fund Committee, the Trustee and the CIF

² Including USD 221.9 million allocated to projects and an estimated USD 11.2 million in MPIS costs.

Administrative Unit have updated the resource availability for each of the SCF programs. Table 1 below includes a summary of FIP resources available for commitments, while the details can be found in Annex 2.

Table 1: FIP Resource Availability Schedule Summary – March 2018 (in USD million)

	TOTAL	Capital	Grant
Unrestricted Fund Balance	204.9	119.7	85.3
Future Programming Reserves			
<i>Admin Expenses-Reserve for FY19-28</i>	(11.6)	-	(11.6)
Unrestricted Fund Balance After Reserves (i)	193.3	119.7	73.7
Anticipated Commitments (ii) Program/project funding and MPIS costs	233.2	129.9	103.3
Available Resources (i - ii)	(39.9)	(10.2)	(29.7)
Potential Future Resources (FY18-FY21) (iii)	38.2	27.5	10.7
Pledges	0.3	-	0.3
Release of currency risk reserves	37.9	27.5	10.3
Potential Available Resources (i-ii+iii)	(1.6)	17.4	(19.0)

2.3 Pipeline management update

12. In November 2017, the CIF Administrative Unit launched the [CIF Collaboration Hub](#) (CCH) a secure, interactive platform developed to support the CIF portfolio management. It is used by the broad range of internal stakeholders, including Committee members and observers, MDBs, CIF Administrative Unit, and the Trustee. Currently the CCH offers a variety of functions, such as project portfolio information, approval of funding requests, and reporting and analytics data.
13. In accordance to the new deadlines established on the January 2017 [Pipeline Management Policy for SCF Programs \(FIP\)](#), the MDBs, along with the FIP pilot countries, presented the following submissions for approval/ endorsement during this reporting period:
 - Investment plans: All pending investment plans were endorsed during the December 2017 Sub-Committee meeting, except for Honduras (in November 2017 the FIP Sub-Committee granted an extension up to the end of June 2018), and Guyana (the FIP Sub-Committee did not approve the extension request because, as of November 2017, no progress or activities had taken place in relation to the preparation of the investment plan).
 - Four projects (totaling USD 40.4 million) were to be submitted to the FIP Sub-Committee for approval by September 30, 2017. The three project proposals for Peru were submitted by the IDB as one merged project (*Forest Investment Program*, for USD 36.3 million), while the IDB requested that the Private Sector Set-Aside (PSSA) project in Mexico, *Guarantee Fund for Financing Low Carbon Forestry Investments*, be removed from the pipeline due to difficulty finding a

suitable executing entity to implement the financial instrument proposed in the project concept.

- Four projects (totaling USD 92.25 million) submitted documents for funding approval by November 30, 2017. Processing for FIP Sub-Committee approval of these projects was paused due to the SCF Trust Fund Committee decision during its December 2017 meeting. The pause was lifted at the March 2018 SCF Trust Fund Committee intersessional meeting, and these projects are currently under review. These include three World Bank projects (Peru: *Integrated Land management in Atalaya, Ucayali Region*; Brazil: *Integrated Landscape Management in the Cerrado Biome*; and Ghana: *Additional Financing for Ghana Forest Investment Program - Enhancing Natural Forest and Agroforest Landscapes*³), and one IFC project (Indonesia: *Forest Bond*).

2.4 Knowledge management highlights

14. The year 2018 marks the 10-year anniversary of the establishment of the CIF, and as such, the CIF Administrative Unit is undertaking several activities related to knowledge management to highlight achievements and promote learning among different stakeholders.
15. The FIP is engaged in ongoing activities related to case studies, including a GDI case study in Ghana; learning partnerships and studies as part of the CIF Evaluation and Learning Initiative; an impact evaluation in Burkina Faso in partnership with DIME; and collaboration with forest knowledge initiatives, such as the World Bank's Program on Forests (PROFOR).
16. Sections 4.1 and 4.2 of this document include detailed information of this initiatives and activities.

3 Status of the FIP

3.1 Portfolio at a glance

17. As of December 31, 2017, USD 691.7 million have been endorsed by the FIP Sub-Committee as indicative allocations to the participating countries, totaling 58 projects included in investment plans, the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), and the Private Sector Set Aside (PSSA). Table 2 provides a summary of the portfolio status.

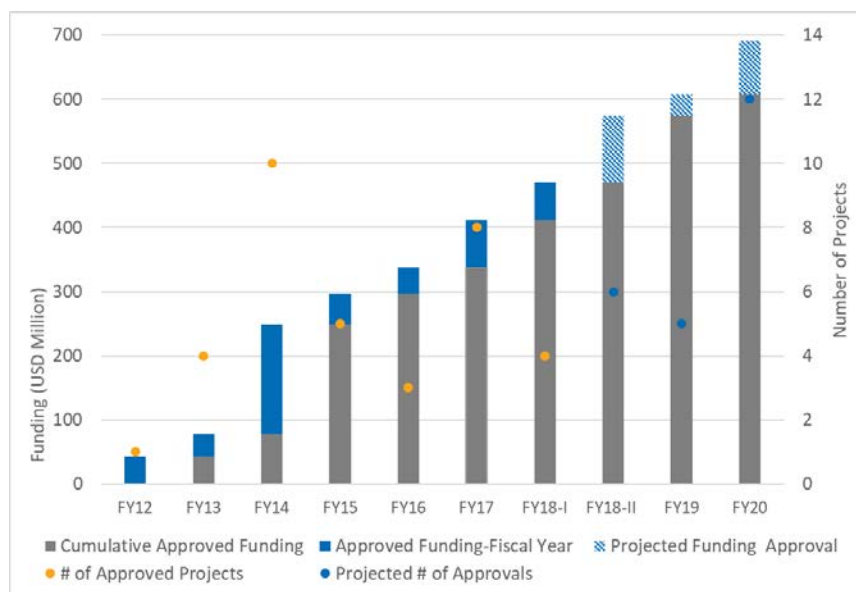
³ This project merged 2 previously endorsed concepts: Reducing Degradation and Deforestation due to Mining in Forest Landscapes (WB, USD 10 million); and Engaging the Private Sector in REDD+ (IFC, USD 10 million)

Table 2: Overview of FIP Portfolio (USD million)⁴

	Indicative Portfolio Allocation				Approved funding		Disbursement (cumulative)
	TOTAL	IP	DGM	PSSA	Committee	MDB	
FIP Amount (in USD M)	691.7	598.9	75.5	17.3	471.3	415.5	152.5
Number of projects	58	40	15	3	35	32	27

18. By December 31, 2017, 35 projects have been approved by the FIP Sub-Committee for a total of USD 471.3 million. Figure 1 shows cumulative funding approvals continue to increase from projects in the FIP investment plans, PSSA concepts, and DGM, including approval projections for the coming years.

Figure 1: Project Approvals by FIP Sub-Committee by Fiscal Year



19. Two projects were withdrawn from the project pipeline:

- Mexico: *Guarantee Fund for financing low carbon forestry investments* (IDB, USD 3.0 million loan) IDB had difficulty finding a suitable executing entity to implement the financial instrument proposed in the project concept.
- Lao PDR: *DGM for Indigenous Peoples and Local Communities* (WB, USD 4.5 million grant) The Government of Lao PDR decided not to proceed with this proposal⁵.

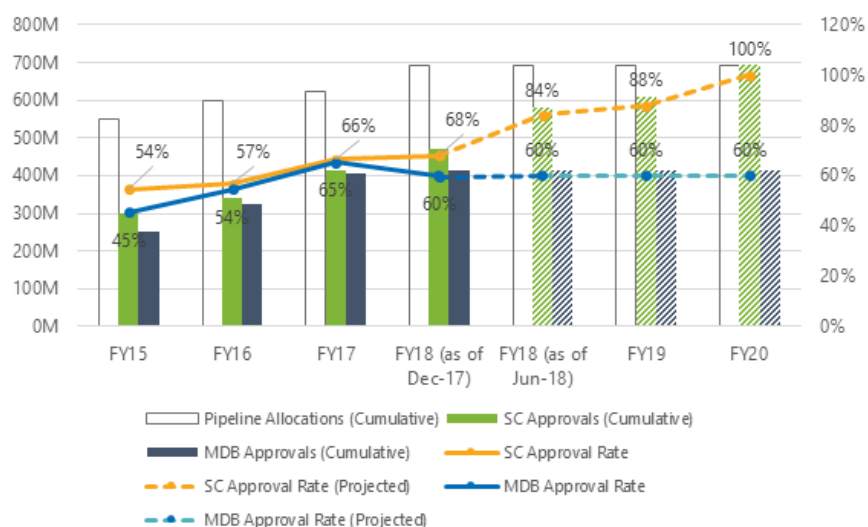
20. Sixty-eight percent of the currently endorsed funding has already been approved by the

⁴ Includes PPG and, for disbursements, also IPPGs. Disbursed funding includes USD 9.1 million for PPGs and USD 3.8 million for IPPGs.

⁵ The operations of the DGM are consistent with the FIP Design Document and other relevant FIP policy documents and are grounded by the country-driven approach, providing for maximum country- and community-level ownership, hence DGM development takes place where there is buy-in from all actors.

Sub-Committee, while the MDB approval rate was 60 percent. Using current projections⁶, the expected approval rates of endorsed funding up to the end of Fiscal Year 2018 (June 2018) will increase to a total of 84 percent of the funds approved by the Sub-Committee and 60 percent approved by the MDBs (see Figure 2)⁷.

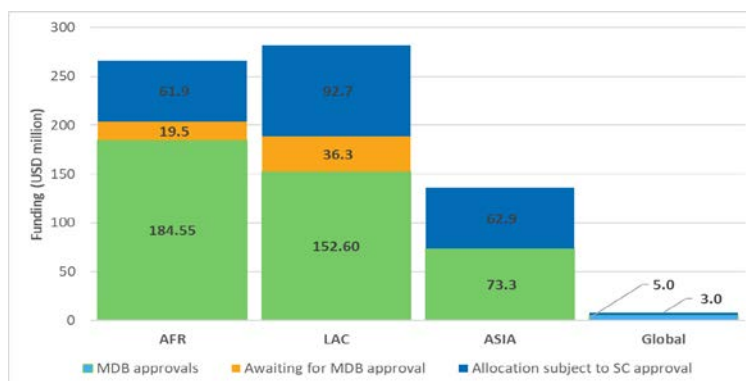
Figure 2: FIP Funding Approval Rates by Fiscal Year (projections until FY20)⁸



3.2 Portfolio overview

21. Figure 3 shows the FIP funding distribution across regions. With the endorsement of all investment plans, 41 percent of the FIP portfolio funding has been allocated to the Latin America region, 38 percent to Africa, and 20 percent to Asia. The remainder (1 percent) is allocated for the Global DGM Project.

Figure 3: Indicative Allocation of Funding and Approvals by Region



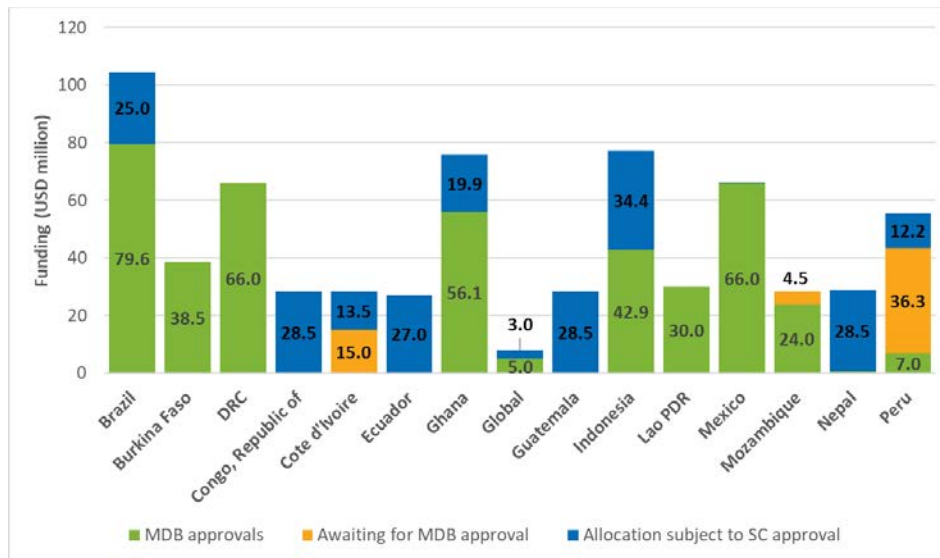
⁶ Based on information provided by MDBs.

⁷ Data analyzed only includes projects for which the MDBs have provided an expected approval date.

⁸ Expected MDB approval dates are not available for many projects that are still under design. This explains why the expected MDB approval rate in the chart does not increase in the coming years. MDB Board approval must be obtained within nine months after Sub-Committee approval for public sector projects.

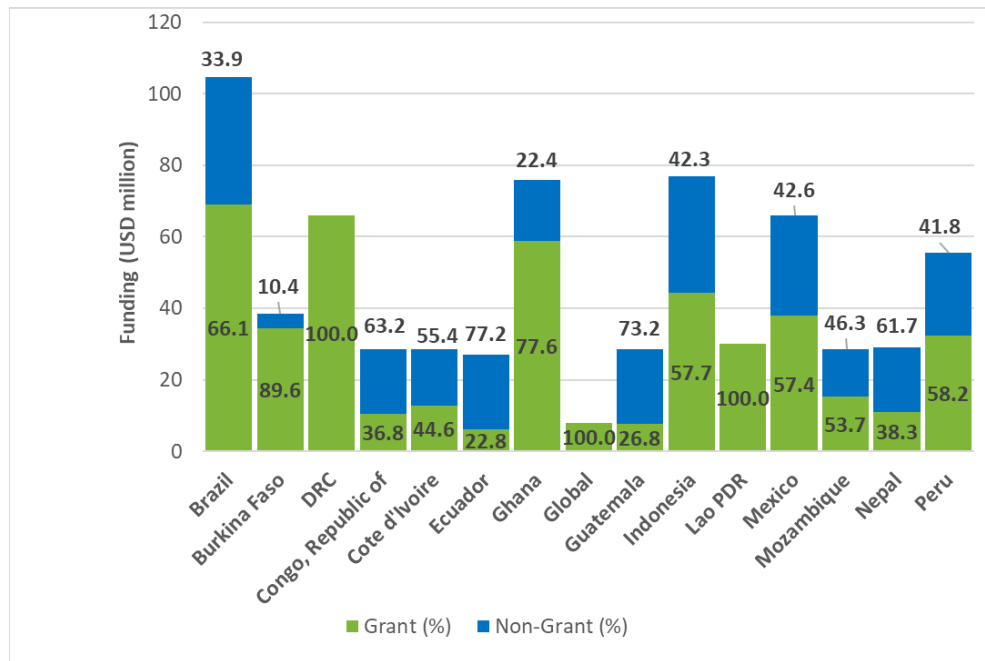
22. Figure 4 shows the approval levels of endorsed FIP funding by pilot country and the DGM Global Project. Currently four FIP pilot countries have achieved 100 percent FIP Sub-Committee approval of all their indicative funding. The January 2017 [Pipeline Management Policy for SCF Programs \(FIP\)](#) achieved its intended goal of improving the approval rates of the FIP portfolio, as the original eight pilot countries will have all their projects presented to the FIP Sub-Committee before the end of FY18 (all pending proposals were submitted by November 2017 and are currently under review).

Figure 4: Funding Approval of Indicative Allocations by Country



23. Figure 5 provides the breakdown of the entire FIP portfolio of indicative funds by country. On average, the first eight FIP pilot countries (Brazil, Burkina Faso, DRC, Ghana, Indonesia, Lao PRD, Mexico, and Peru) have received 73 percent of funds in the form of grant resources and 27 percent in non-grant resources. For the second group of countries, the average funding allocated was 37 percent grant resources and 63 percent non-grant resources.

Figure 5: Indicative Allocation of FIP Funding by Country (Grant/Non-Grant in %)



24. Figure 6 shows that USD 598.9 million (87 percent) of FIP allocated funds are for the public sector, of which 69 percent has already been approved by the FIP Sub-Committee. Of the total public-sector funding, USD 422.9 million are in grants and USD 176 million are in loans.
25. The private sector FIP portfolio totals USD 92.8 million, of which 69 percent (USD 64.1 million) are loans.
26. Regarding the FIP portfolio of MDB-approved projects, the largest portion of FIP funding focuses on Landscape Approaches, followed by Sustainable Forest Management and Capacity Building (see Figure 7).

Figure 6: Indicative Allocation of FIP Funding and Approvals by Sector

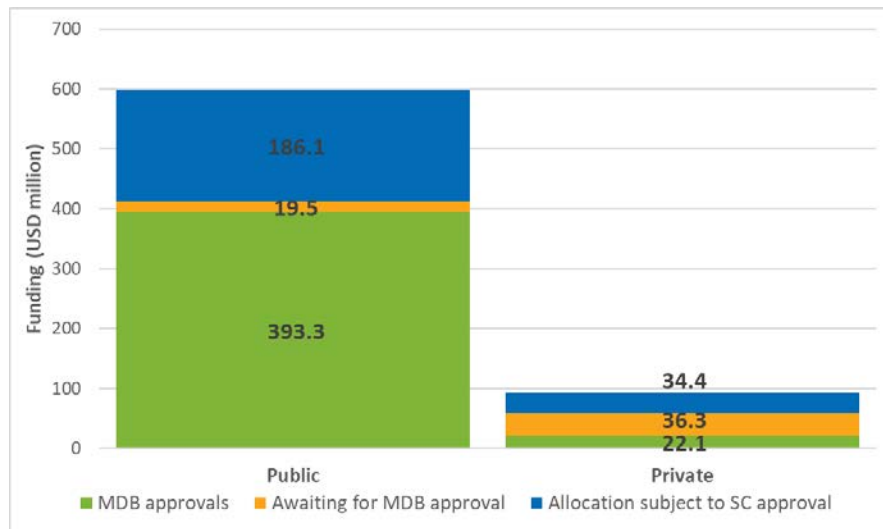
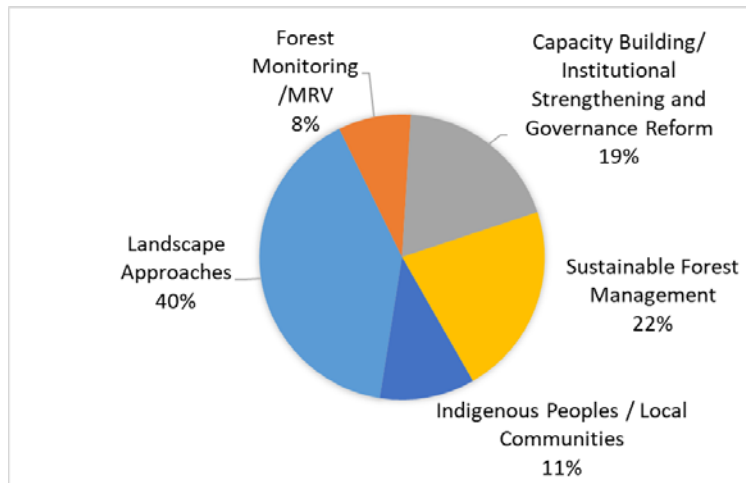


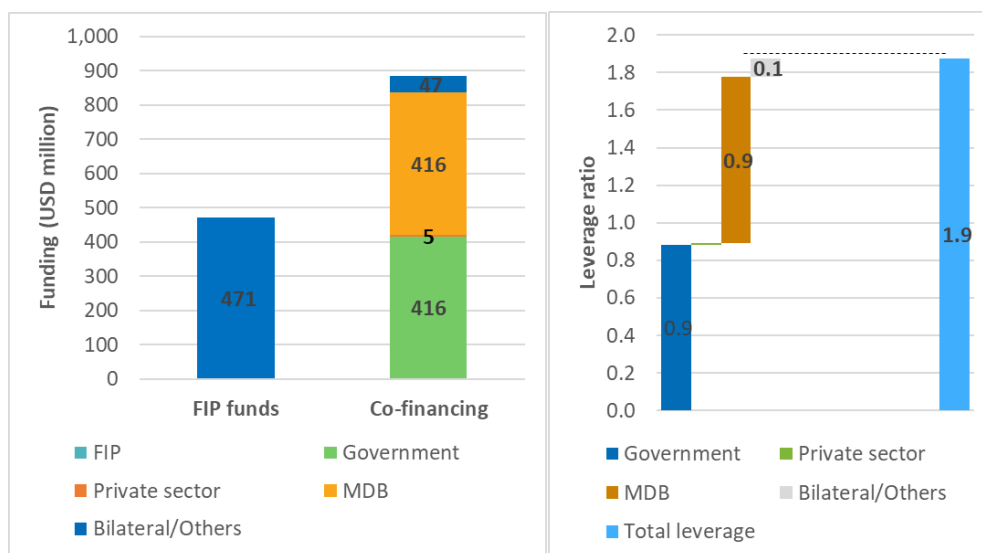
Figure 7: Thematic Focus of Sub-Committee Approved Projects



27. The expected co-financing for Sub-Committee-approved projects is USD 884 million, which, compared to total FIP funding, gives a co-financing ratio of 1:1.9⁹.
28. The MDBs and Governments are the main sources of co-financing for the FIP, representing more than 94 percent of total co-financing (see Figure 8).

⁹ It is important to take into consideration that about 69 percent of the expected co-finance for the FIP portfolio comes from the Mexico *Forests and Climate Change Project* (USD 683 million).

Figure 8: FIP Co-Financing Breakdown by Source for Sub-Committee-Approved Projects (left) and Leverage Ratio (right)



3.3 Portfolio updates

3.3.1 Investment plans

29. During this reporting period the FIP Sub-Committee endorsed the investment plans for seven FIP pilot countries¹⁰. This included three countries with an indicative allocation of USD 24 million each (Republic of Congo ¹¹, Ecuador, and Nepal highlighted in Boxes 1-3), and four countries with no allocation (Bangladesh, Cameroon, Rwanda, and Zambia).

¹⁰ The investment plans can be found here: <https://www.climateinvestmentfunds.org/event/fip-sub-committee-meeting-wednesday-december-13-thursday-december-14-2017>

¹¹ The FIP Sub-Committee noted that, at the time of endorsement, the investment plan was also being reviewed by the Central African Forest Initiative (CAFI) and may be revised following such review. As such, the FIP Sub-Committee invited the Government of Congo Republic to submit any revisions to the investment plan to the FIP Sub-Committee for information.

Box 1: Planning for overall REDD+ investments in Republic of Congo



Total Funding: USD 24 million
Grant: USD 6 million
Loan: USD 18 million
MDBs: World Bank and AfDB

The Republic of Congo's endorsed FIP investment plan is the reference framework for actions to be implemented over the 2018-2025 period and for emission reductions linked to deforestation, forest degradation, and carbon stock increase throughout the national territory. The plan includes two projects:

- 1) *The Agroforestry Project* in degraded or non-forested areas of Northern Congo will develop cocoa, fruit trees, and subsistence crops in agroforestry plantations as part of the Sangha-Likouala ER-Program, which is one of the geographically integrated programs identified in the FIP investment plan.
- 2) *The Agroforestry and Fuelwood Community Program* in the Pool and Plateaux Departments will develop fuelwood and subsistence crops in agroforestry plantations in the South to meet Brazzaville's energy needs. It will also promote more efficient use of fuelwood through the dissemination of improved cook stoves and improved carbonization techniques.

Box 2: Strengthening forestry investments in Ecuador's coastal region



Total Funding: USD 24 million
Grant: USD 3.15 million
Loan: USD 20.85 million
MDB: World Bank

The coastal region of Ecuador has the second largest remnant of forest cover in the country yet suffers from high deforestation rates and significantly less financing than the Amazon region.

In its FIP investment plan, the Government of Ecuador prioritized three zones of homogeneous deforestation processes (ZHDP) in the coastal region where the following projects proposals will be implemented:

- 1) *Forest landscapes managed in a sustainable manner:* Project activities will focus on strengthening the management of areas under conservation and sustainable use, strengthening of bio-ventures, and the implementation of a Forest Traceability System.
- 2) *Sustainable management of agricultural lands:* This project will finance agricultural production under sustainable practices; create, strengthen and finance green credit lines; and establish a Forest Restoration Fund.

Box 3: Investing in Nepal's forests for prosperity at a time of transformation



Total Funding: USD 24 million
Grant: USD 6.1 million
Loan: USD 17.9 million
MDB: World Bank

The current national transformation that is taking place as Nepal moves towards a federal republic under the provisions of the new constitution will likely result in significant capacity gaps for REDD+ implementation, especially at local levels where new governance structures are still being put in place. Nepal's FIP investment plan includes five linked projects, which will be managed under a common program framework over the course of eight years. They include the following:

- 1) *Sustainable Forest Management through Community-Based Forest Management* to be implemented in the Terai and Chure Regions
- 2) *Forest Management for Forest-Based Economy*, focusing on established and productive plantations under CBFM group management in the Middle Hills and productive natural forest in the Terai
- 3) *Private Land Forest Development* to establish plantations of fast-growing timber tree species on underutilized or abandoned private agricultural land in both the Hills and Terai
- 4) *Enhanced Environmental Services through Nature-Based Tourism* to be implemented in selected municipalities considered tourism "hot spots" outside protected areas
- 5) *Watershed Management through Innovative Technologies* to rehabilitate degraded, unproductive dryland forest in selected river valley locations

30. Only two FIP pilot countries have not presented their investment plans:

- Honduras: In November 2017, the FIP Sub-Committee granted a submission extension up to the end of June 2018. In March 2018, the World Bank informed the CIF Administrative Unit that Honduras is not likely to go forward with investment plan preparation. In that case, the unused funds received to prepare the investment plan will be returned to the Trustee.
- Guyana: The FIP Sub-Committee did not approve an extension request for submission because, as of November 2017, no progress or activities have taken place in relation to the preparation of the investment plan.

31. This therefore marks the completion of the preparation and endorsement of FIP investment plans with a total of 21 endorsed investment plans. In the following two years, the remaining 23 projects that are pending FIP Sub-Committee funding approval should be submitted before the deadline of two years after investment plan endorsement.

3.3.2 FIP Sub-Committee approvals

32. During the reporting period, four projects were approved by the FIP Sub-Committee for a total of USD 58.8 million (see Table 3). Box 4 highlights Peru's project.

Table 3: FIP Sub-Committee Approved Projects and Programs (July 1-December 31, 2017)

Country	Project Title	MDB	Project Funding ¹² (USD M)	Approval Date
Brazil	Macauba Palm Oil in Silvicultural System	IDB	3.0	Jul 2017
Mozambique	DGM for Indigenous Peoples and Local Communities	WB	4.5	Aug 2017
Cote d'Ivoire	Forest Investment Project	WB	15.0	Dec 2017
Peru	Forest Investment Program	IDB	36.3	Dec 2017
TOTAL			58.8	

33. Following the requests for submission extension submitted by the MDBs in compliance with the January 2017 Pipeline Management Policy for the FIP, four additional projects should have been approved in this reporting period:

- Peru: Integrated Land management in Atalaya, Ucayali Region (IBRD)
- Indonesia: Forest Bond (IFC)
- Ghana: Additional Financing for Ghana Forest Investment Program - Enhancing Natural Forest and Agroforest Landscapes Project (IBRD)
- Brazil: Integrated Landscape Management in the Cerrado Biome (IBRD)

34. During the SCF Trust Fund Committee December 2017 meeting, the Committee agreed to pause the approval of pending projects and requested the CIF Administrative Unit to undertake an analysis of resource availability options. The pause was lifted at the March 2018 SCF Trust Fund Committee intersessional meeting and these proposals are currently under review.

¹² Excluding PPG that was approved in previous reporting periods

Box 4: Integrated Forest Landscapes Management and Strengthening the Environmental Information System in Peru



Project: Peru Forest Investment Program

FIP Financing: USD 36.3 million

Implementing MDB: IDB

Objective: Contribute to the national goals of reducing greenhouse gas emissions due to deforestation in the Peruvian Amazon

In Peru, the agriculture, forestry, and other land use (AFOLU) sector is responsible for the majority of the nation's greenhouse gas emissions (GHG). The Peru Forest Investment Program aligns with the national GHG emission reduction goals by supporting the implementation of the National REDD+ Strategy.

Activities include supporting sustainable use of biodiversity in forest landscapes ecosystems by indigenous communities, and strengthening the national environmental information system. The main Peruvian indigenous associations, AIDSESP and CONAP, were actively involved in the design of this program through their participation in the FIP Management Committee of Peru.

Greater access to technical assistance and financing, as well as better legal certainty on land use rights, will enable indigenous communities and other forest dependent communities to increase their income while improving the value of the standing forest. Moreover, better environmental management capacity of regional governments and local communities and greater forest monitoring capacity of the central government will positively impact the reduction of unauthorized land use changes, reducing GHG emissions from the AFOLU sector.

3.3.3 MDB approvals

35. Three projects were approved by their respective MDB Boards during the reporting period for a total of USD 10 million (see Table 4). Box 5 highlights Brazil's Macauba-based Silvicultural System and Value Chain project.

Table 4: MDB Approved Projects and Programs (July 01-December 31, 2017)

IP/DGM/PSSA	Country	Project Title	MDB	Project Funding ¹³ (USD M)	Approval Date
PSSA	Brazil	Macauba Palm Oil in Silvicultural System	IDB	3.0	Jul 2017
DGM	Mexico	DGM for Indigenous Peoples and Local Communities	WB	6.0	Sep 2017
IP	Brazil	Investment Plan Coordination Project	WB	1.0	Nov 2017
TOTAL				10.0	

Box 5: Piloting the production of Macauba oil in Brazil’s Cerrado region to reduce the expansion of monoculture palm plantations



Project: Development of a Macauba-based Silvicultural System and Value Chain

FIP Financing: USD 3.0 million

Implementing Agency: IDB - MIF

Objective: Develop the first sustainable Macauba oil value chain in the world by designing a model in which smallholder farmers harvest Macauba plants on their land and existing pastures and receive payments for their labor and the Macauba fruits grown on their land.

The Macauba palm tree, native to Brazil, grows outside of typical rainforest zones and can be planted in agroforestry schemes (including on existing pastures). The presents an alternative to traditional monoculture palm plantations, whose expansion generally negatively impacts the environment by putting pressure on land and forests.

Macauba can produce palm oil to meet sustainably rising domestic and global demand without the need for land use change and without reducing the yield of pastures for cattle grazing. The long-term Macauba production potential in Brazil exceeds current global palm oil production volume. This private sector project will be implemented in the state of Minas Gerais, benefiting 400 smallholder farmers working on 2,000 hectares of degraded pasture land.

3.3.4 Project implementation

36. Twenty-seven MDB-approved projects are currently ongoing and disbursing FIP funds.

¹³ Excluding PPG that was approved in previous reporting periods

These include 23 from the public sector and four from the private sector. Detailed information on project implementation can be found in the [FIP Countries Portfolio document](#).

3.3.5 Project pipeline tracking and projected submissions

37. The CIF Administrative Unit keeps track of the status of the endorsed portfolio to monitor project approval delays in two stages: time elapsed between investment plan endorsement and FIP Sub-Committee approval and time elapsed between FIP Sub-Committee approval and MDB approval.
38. As of December 2017, five projects in the pipeline have exceeded the agreed benchmark of 24 months or more without receiving FIP Sub-Committee approval. They include one project from the DGM (global), one private sector project from IFC, and three World Bank projects.
39. Four of these projects (USD 91.44 million) were submitted for approval in November 2017 but were subjected to the SCF Trust Fund Committee decision to pause approvals and are currently under review. The only pending project is the second tranche of the Global DGM project (USD 3 million), which will be submitted for approval by June 2019 (see Table 5).

Table 5: Projects Awaiting Approval by FIP Sub-Committee(left) and Projects Awaiting Approval by MDB (right) as of December 2017 (in USD million)

IP Endorsement to SC Approval Time Lapse			SC Approval to MDB Approval Time Lapse		
Time Elapsed	# projects	Funding	Time Elapsed	# projects	Funding
< 16 months	16	114	< 6 months	3	55.8
16-24 months	2	13.5	6-9 months	0	0
> 24 months	5	94.44	> 9 months	0	0
TOTAL	23	221.94	TOTAL	3	55.8

40. The complete list of projects in the FIP pipeline is presented in Annex 1, and an update on the status of the delayed projects is included in the [FIP Countries Portfolio document](#).
41. Table 6 lists the six projects that are expected to be approved by the FIP Sub-Committee by the end of FY18, totaling USD 102.9 million.

Table 6: Projects in Preparation for FIP Sub-Committee Approval for FY18¹⁴

Country	Project Title	MDB	Public/Private	Grant (USD million)	Non grant (USD million)	IP / concept Endorsement	Expected SC Approval Date
Peru	Integrated Land management in Atalaya, Ucayali Region	WB	Public	5.8	6.4	Oct 2013	Under review
Brazil	Integrated Landscape Management in the Cerrado Biome	WB	Public	25.0	-	Oct 2015	Under review
Ghana	Additional Financing for Ghana Forest Investment Program - Enhancing Natural Forest and Agroforest Landscapes Project	WB	Public	12.89	7.0	Oct 2015	Under review
Indonesia	Indonesia Forest Bond	IFC	Private	1.85	32.5	Oct 2012	Under review
Cote d'Ivoire	Forest Cover Recovery and Resilience Improvement Project in the Center of Cote D'Ivoire	AfDB	Public	2.64	6.36	Jun 2016	Jun 2018
Guatemala	Access to Funding (private and public)	IDB	Public	0.5	2.0	Jun 2017	Jun 2018

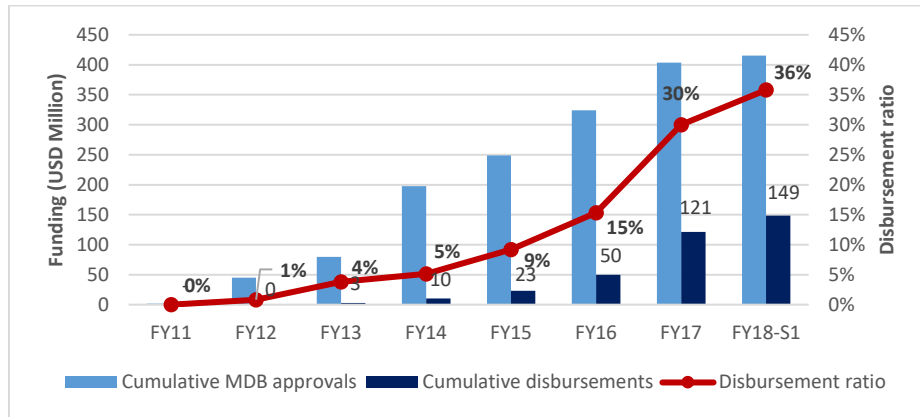
3.3.6 Disbursements

42. As of December 2017, cumulative disbursements by MDBs total USD 152.5 million, including USD 3.8 million disbursed from Investment Plan Preparation Grants (IPPGs). Project disbursements total USD 148.8 million¹⁵ corresponding to 27 projects under implementation, including Project Preparation Grants (PPGs).
43. As the FIP portfolio continues to mature and more projects enter the implementation phase, the level of disbursement as a percentage of the MDB approved funding for projects continues to increase, currently reaching 36 percent (see Figure 9).
44. Detailed disbursement data is presented in the Annex of the [CIF Disbursement Report](#).

¹⁴ Project funding does not include PPG. Based on information received by MDBs as of December 2017.

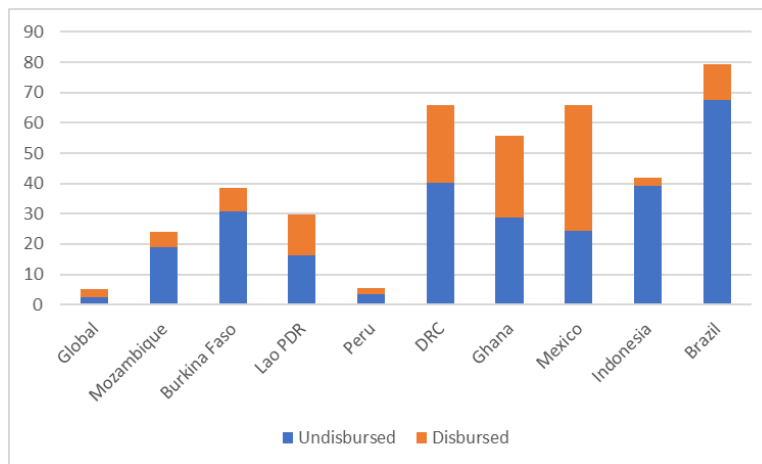
¹⁵ USD 139.7 million disbursed for projects under implementation, and USD 9.1 million disbursed for PPGs.

Figure 9: FIP Project Disbursements by Reporting Period and Fiscal Year



45. Figure 10 shows FIP pilot countries disbursements. It is important to note that the rates of disbursements depend on the maturity of the approved portfolio. For example, Indonesia had its first MDB-approved project in April 2016, Brazil in December 2013, Mexico in January 2012, and Ghana in January 2014. Detailed information on project delays can be found in the [FIP Country Portfolios](#) document.

Figure 10: Disbursement of MDB-Approved FIP Funds by Country (USD million)



3.3.7 Dedicated Grant Mechanism¹⁶

46. During the reporting period, the DGM Global Project continued its work on “Global Learning, Outreach, and Information Sharing” by hosting the second annual Africa Regional Exchange in Kumasi, Ghana (August 2017) and the Second Global Exchange in Bonn,

¹⁶ Information provided in the Fifth Semi Annual Report produced by Conservation International, available at www.dgmglobal.org/documents.

Germany. The Africa Regional Exchange was DGM's largest global exchange to date, with 34 participants representing indigenous peoples and local communities (IPLCs) from 10 countries coming together to share their experiences and learn about important topics like agroforestry and community forest management. In November 2017, 14 targeted IPLC leaders from 11 countries and four regional networks came together in the week before the 23rd Conference of the Parties (COP 23) of the United Nations Framework Convention on Climate Change (UNFCCC) to learn about key issues and strategize for effective engagement in support of IPLC priorities. During COP 23, DGM Global continued its support with targeted side events, daily check-ins with participants, and advocacy for key issues such as the Local Communities and Indigenous Peoples Platform.

47. Regarding the DGM Global Steering Committee (GSC), July 2017 marked the inauguration of the new co-chairs, Mina Setra of Indonesia and Idrissa Zeba of Burkina Faso. In addition to its new co-chairs, this was the first full reporting period since the GSC established working groups at its April 2016 meeting in Brasilia. These groups have increased the GSC's targeted support in key areas, including the project budget, grievance redress, and the long-term sustainability of the DGM.
48. With the approval of the DGM project in Mexico by the World Bank Board, the first group of FIP pilot countries now have all their DGM national projects under implementation. The only exception is Lao PDR, whose government decided not to move forward with their national DGM project¹⁷.
49. Of the second group of FIP pilot countries, only Mozambique has received FIP Sub-Committee approval. One grievance¹⁸ was received at the global level in relation to the selection of national steering committee members in Côte d'Ivoire. The case was resolved with the help of the Global Executive Agency, Conservation International (CI), and by seeking clarification from World Bank team leader for the respective DGM project. Côte d'Ivoire has since selected a National Steering Committee, and the World Bank is currently preparing the project for submission to the FIP Sub-Committee by December 2018. In the case of Republic of Congo, the indigenous peoples and local communities have already selected a National Steering Committee, whose chair is actively engaging with CI and the national government to coordinate DGM's engagement with regional initiatives such as Institutional Capacity Building on REDD+ for Sustainable Management of Forests in the Congo Basin, the Network of Indigenous and Local Communities for the Sustainable Management of Forest Ecosystems of Central Africa, and the Commission of Central African Forests.

¹⁷ The operations of the DGM are consistent with the FIP Design Document and other relevant FIP policy documents and are grounded by the country-driven approach, providing for maximum country- and community-level ownership, hence DGM development takes place where there is buy-in from all actors.

¹⁸ Instructions for reporting a grievance online are at www.dgmglobal.org/grievance-mechanism/. Any grievances reported, along with actions taken to address the grievance, are posted on the DGM Global website.

4 Cross-cutting themes

4.1 Learning and knowledge management

50. **The FIP Pilot Countries Meeting** took place from September 27-29, 2017 in Luang Prabang, Lao PDR. The meeting was hosted by the Government of Lao PDR and organized by the CIF Administrative Unit in collaboration with the MDBs The World Bank and IFC Country Offices in Vientiane, Lao PDR played a key role in organizing the meeting and site visits.
51. This was the first time that this meeting was held in collaboration with the Forest Carbon Partnership Facility's (FCPF) Committee meeting. A joint knowledge day offered the opportunity for FIP and FCPF country representatives, civil society and the private sector to share views and experiences through a series of workshops, discussion panels, focus groups, and a knowledge café exchange. Collaboration with the FCPF during the FIP Pilot Country Meeting was well received by both FCPF and FIP participants. The opportunity to have cross-mechanism dialogue was noted by several delegates. The CIF Administrative Unit prepared the [Summary Report](#) of the meeting.
52. The [IIED/LTS International](#) consortium initiated work on the **Learning Partnership on Financing Forest-Related Enterprises**, including field visits in November 2017 to two FIP countries selected as case studies: Lao PDR and Ghana. This partnership focuses on four main themes to determine how to harness the effectiveness of private sector financing mechanisms and instruments: 1) theory of change/design, 2) analysis of early results, 3) identification of barriers and risks, and 4) lessons learned. Preliminary findings include the importance of building the credit-readiness of micro, small and medium enterprises, the need for tailoring finance to investment needs, and the need for capacity building across a range of actors, including government private sector, intermediaries, and financing institutions (MDB and commercial banks officers included).
53. [Itad](#) presented the Inception Report of the **Learning Partnership on the DGM**, including the selection of three FIP countries to visit as case studies: Indonesia, Burkina Faso, and Peru. During the reporting period, preliminary work commenced by identifying a reference group to help shape the work and by contacting key stakeholders expected to engage in the partnership. Work began logging key events in the DGM's timeline as identified during document reviews and interviews with key informants. The team also attended the FIP Pilot Countries Meeting in September 2017 to interview stakeholders and country focal points.
54. Preliminary findings from the country visits confirm the strong ownership that Indigenous People and Local Communities (IPLCs) have of the DGM at the national level, the important role the DGM plays in helping bring IPLC issues to a national stage via the FIP, and the DGM has pushed IPLC organizations to handle larger budgets, which, in turn, is showing donors that IPLC organizations have the capacity to manage funds. The issue of the more limited participation of local communities in the DGM has been raised in some countries where they do not have strong organizations compared to IPs, such as AMAN (Indonesia) or

CONAP and AIDSESEP (Peru), to ensure the DGM benefits them.

55. In the second round of call for proposals under **CIF Evaluation and Learning (E&L) Initiative**, four new activities focused exclusively on the FIP were approved. Annex 3 lists all FIP-related activities and their implementation status.
56. A new case study highlighting progress and results from Mexico's FIP efforts was released at an event held at the Embassy of Mexico in Washington, D.C. in December 2017. Ambassador Zabalgoitia and the Executive Directors for Mexico from the World Bank and IDB gave opening remarks. The panel (see photo below) had an interesting and engaging conversation on the importance of the FIP programmatic approach, long-term engagement with countries, and concessional funding to allow MDBs to innovate by sharing the risks of promoting new financial mechanisms. The Embassy set up a live streaming of the event via [Facebook Live](#).
57. The case study, [Sustainable Forests, Sustainable Communities: a Case Study of the Forest Investment Program in Mexico](#) finds that the FIP has been successful in achieving a mix of objectives, including rural development, poverty reduction, improved market access, and increased resilience for forest-dwelling communities and their forests. Growing from past investments and linking with national-level policy, the FIP has built institutional capacity of key organizations like the National Forestry Commission (CONAFOR) and other executing agencies, offered workshops and learning exchanges, improved monitoring and information-sharing capabilities, creating new financial tools, and bolstered business management and long-term planning abilities for forests by forest owners.



Panelists: Gloria Visconti (IDB), Benrenice Hernandez Toro (CONAFOR-Mexico), Alejandra Espinosa (Mexican Embassy), and Valerie Hickey (World Bank)

58. Collaboration with the PROFOR team on the use of its **Forest Governance Assessment and Monitoring Tool**, continued to advance in Cote d'Ivoire. A national workshop on forest governance assessment using the tool was held in Abidjan in September 2017. Thirty stakeholders from government, civil society, and the private sector worked together to

score a total of 67 governance indicators specifying the sectors/areas in which it is crucial to define actions to improve forest governance in Côte d'Ivoire. These included strengthening on-the-ground implementation of forest management law and regulatory tools, improving stakeholder participation, and improving coherence with other sectors affecting forest resources, particularly agriculture and mining. These findings will be refined and further validated during regional workshops.

59. The World Bank FIP team study on a [Pathway for Designing a Mechanism to Incentivize Deforestation Free Landscapes and Value Chains for Green Growth](#) highlights that across the globe, demand for wood products is increasing and expected to quadruple by 2050. This trend is pressuring forests and stands to exacerbate deforestation and forest degradation. The report shows how sustainably harvesting wood products can help meet growing demand while providing jobs, mitigating climate change, and conserving primary forests. It also presents opportunities for improved approaches for combining sustainable farming and forest management to create jobs and economic growth. The report also notes to close the growing supply gap in harvested wood products, smart investments in productive forests and sustainable value chains are needed.
60. This work concluded with a conference, [Sustainable wood for a sustainable world](#), held in Rome at the Food and Agriculture Organization in October 2017. The FIP World Bank team was part of the steering committee with other partners. Over 100 participants from governments, private sector, civil society, and international organizations attended the conference, contributing their expertise to assess the benefits of sustainable wood to sustainable development. The conclusions from the event confirmed the wide range of contributions from sustainable wood value chains to the SDGs and reinforced the need to advance policy dialogues at international, regional, and national levels. With the approval of a follow-up proposal in the 2nd cycle of the CIF E&L Initiative, the World Bank FIP team will implement this activity to identify concrete fiscal mechanisms that could potentially work. The study will be jointly implemented by Macro and Fiscal Global Practice, with PROFOR and International Tropical Timber Organization (IITO), and contributions from the International Monetary Fund (IMF), World Resources Institute (WRI), Brookings Institution, and International Institute for Applied Systems Analysis (IIASA), as well as leading academics with a distinctively applied policy focus.
61. In December 2017, the World Bank organized an internal knowledge session on the Peru Saweto DGM. This indigenous people-led initiative is executed by WWF-Peru. Guest speakers Roberto Espinoza Llanos, member of the National Steering Committee, and Patricia León-Melgar, WWF, introduced the Saweto DGM and described how this project is supporting collective land titling, community forest management, and indigenous governance for 2,000 communities in the Peruvian Amazon. Peru Saweto DGM has gone further with implementation than other FIP country, supporting 180 communities out of 330 targeted in getting their land rights claims recognized by the Peruvian government.

4.2 Gender

62. The FIP portfolio of investment plans and projects approved by the FIP Sub-Committee from July 1 to December 31, 2017 was reviewed regarding gender quality at entry. The three scorecard indicators on sector-specific gender analysis, women-specific activities, and sex-disaggregated indicators were reviewed for each investment plan and project. Figures were compared to baseline performance of the FIP portfolio as on June 30, 2014.
63. FIP investment plan performance on the three gender indicators was strong relative to the historical baseline. Sector-specific gender analysis and specific activities aimed at women were present in all seven investment plans approved during the reporting period. Five of the seven plans featured sex-disaggregated indicators.
64. Sector-specific gender analysis and planning for women-specific activities was undertaken in all four FIP projects approved during this period (compared to baselines of 29 percent and 53 percent, respectively). Two of four projects approved (i.e., 50 percent) featured sex-disaggregated indicators (compared to a baseline of 35 percent). See Box 6 for gender highlights from Cote d'Ivoire.
65. As part of the joint learning day organized by the FIP and FCPF during their meetings in Lao PDR in September 2017, the CIF gender team, together with PROFOR, FCPF, and World Bank FIP team, organized a day-long series of sessions on gender and sustainable forest management¹⁹. Speakers included representatives from the International Union for Conservation of Nature (IUCN) and the Center for International Forestry Research (CIFOR), as well as country representatives from Lao PDR, Mexico, Mozambique, Nepal, and Peru among others. They shared their experience in gender integration at policy and program levels, including mechanisms and positive institutional incentives, such as alignment with national policies on social inclusion and poverty reduction; use of decentralized governance structures; presence of gender-responsive legislative frameworks and gender budgeting; land titling efforts; linkages to livelihoods outcomes; lessons from inclusive consultations; and the importance of iterative processes and building on foundations of earlier REDD+ work undertaken in-country.
66. The CIF gender team published a new knowledge note, [Gender and Sustainable Forest Management: Entry Points for Design and Implementation](#), as an aid to improve gender integration in forest operations supported by the FIP. The team also [wrote a blog](#) to share lessons on gender integration and expansion of women's employment in forest-based enterprises under the FIP Mexico.

¹⁹ The sessions agenda can be found at the [CIF website](#), and the materials [here](#) and [here](#).

Box 6: Addressing gender gaps in Cote d'Ivoire's forestry sector

Project: Forest Investment Project
FIP financing: USD 15 million
Implementing agency: World Bank
Objective: Conserve and increase the forest stock and improve access to sources of income from sustainable forest management for selected communities in target zones

Women and men in Core d'Ivoire have different access to and control over forest resources. A project gender assessment found, for example, that women typically do not co-sign contracts with their husbands, and that where they do have their own contracts, these are shorter-term (usually five years). This constrains secure access to land for women's agroforestry activities over the period needed for cultivation. Women's access to water for tree nurseries and transport availability to reach the agroforestry sites within the gazetted forests is similarly limited.

The project will fund interventions to reduce these gender gaps. Performance-based contracts for agro-forestry under the project will feature contracts signed by both husbands and wives at household level, and not be contingent on women holding land title, thus enhancing benefit-sharing of project revenues to both women and men, rather than men alone. Use-rights contracts for women's associations with the forestry agency SODEFOR will be for 30 years, to allow for more secure tenure than short-run leaseholds. These provisions will be specified in the project manual so that they are clear during implementation. In addition, at least 50 percent of incentive-based subproject funds will be directed to targeted gender activities.

The project is committed to addressing gender gaps in the zero-deforestation agriculture and parks management initiatives through enhanced agro-forest extension for women and participatory forest governance organized to be more socially inclusive and to enhance women's leadership in forest co-management committees. It is financing awareness raising and communication campaigns targeted at women in project area communities, as well as safe transport to project forest sites. Women will also participate in forest restoration on a collective basis through women's associations organized by SODEFOR and local organizations, including investments in water catchments to overcome water insecurity in these areas. Technical assistance on enhanced vegetable cultivation, fruit and fuelwood forestry, and other nutritional tree species will be provided to women. Finally, project manuals will specify grievance redress mechanisms to be set up for the project, including reporting of any gender-based violence abuses that arise during project implementation.

4.3 Monitoring and reporting

67. The newly revised FIP M&R toolkit was presented at the FIP pilot country meeting held in Lao PDR. The session included presentations from Mexico and Lao PDR on their experiences implementing the new toolkit over the last reporting period. Both Lao and Mexico highlighted the benefits and showed clear ownership and testimony of the new FIP

M&R system. Two other sessions related to other FIP M&R issues were also held at the joint FIP/FCPF knowledge café.

- 68. The M&R team started the annual results reporting process whereby results data was collected and analyzed country submission for FIP. The December 2017 Results Report presented for the first time, interim results data was collected from the MDBs for each project. This allowed for a more comprehensive reporting on FIP achievements and results.
- 69. The M&R team advanced collaboration with the Global Development Initiative (GDI), officially confirming a partnership to produce six GDI case studies on CIF projects, including the Ghana *Enhancing Natural Forest and Agroforest Landscapes* project. Training sessions in GDI’s methodology were given to staff and consultant involved in writing the case studies.
- 70. Work with the World Bank Development Impact Evaluation (DIME) further progressed. The DIME team presented preliminary results of tree cover mapping in Burkina Faso, based on its FIP-backed *Decentralized Forest and Woodland Management* project, at a Geospatial Analysis for International Development conference in September 2017 and at the American Evaluation Association (AEA), together with CIF, in October 2017. They also presented the impact evaluation of the same project to USAID in November, with a focus on the use of new GIS-based techniques to monitor progress and evaluate the impact of the project.

4.4 Risk management

- 71. The SCF Trust Fund Committee decided in December 2017 that the CIF Administrative Unit would prepare a standalone FIP Risk Report on a semi-annual basis. Additionally, credit risk will now be assessed for the FIP (and all SCF programs), as this risk has become more relevant to these programs since the Committee decided in March 2018 to permit each SCF program to use reflows to cover administrative costs. See the [Risk Report of the FIP](#) for details.

4.5 Synergies with other REDD+ funding mechanisms

- 72. Synergies between the FIP and the Readiness Fund and Carbon Fund of the FCPF are ongoing in the following countries:

Countries that participate in FIP and the Readiness Fund	Countries that participate in FIP, Readiness Fund and Carbon Fund
Burkina Faso, Cambodia, Uganda	Cameroon, Congo Republic, Cote d’Ivoire, DRC, Ghana, Guatemala, Indonesia, Lao PRD, Mexico, Mozambique, Nepal, Peru

73. Mozambique offers a good example of how the implementation of FIP projects increases the feasibility of future payments for results from the FCPF. *The Emission Reduction of the Zambezia Integrated Landscape Management Program (ZILMP)* is composed of four World Bank investment projects that support its implementation: the "Sustenta" project (USD 40 million from IDA), the MozBio project (USD 46.3 million from IDA and GEF), the DGM (USD 4.5 million from FIP) and MozFIP (USD 47 million from FIP, IDA and the Integrated Landscape and Forests Management Multi-Donor Trust Fund). Verified emissions reduction resulting from these projects will allow the country to access a potential payment of up to USD 50 million once the Emission Reduction Payment Agreement (ERPA) is signed between the Ministry of Land, Environment and Rural Development (MITADER) and the Carbon Fund.
74. Collaboration between the FIP and FCPF not only relates to the development and implementation of projects, but also extends to knowledge sharing. A clear example is the Joint FIP-FCPF Knowledge Day and field trip visits organized during the last FIP Pilot Countries Meeting in Lao PDR.
75. Synergies with other REDD+ funding mechanisms, such as the UN-REDD+, is an important part of the process of preparing FIP investment plans. Levels of interaction and different stakeholders involved in the REDD+ process vary by country, depending on how advanced the process of developing the National REDD+ Strategy is when the FIP work starts. The following examples help to illustrate this:
 - Congo Republic: The FIP investment plan was prepared at the same time as the REDD+ preparation phase (phase 1) was reaching its conclusion. The country used the FIP process to prepare the *National REDD+ Strategy Investment Plan for the Republic of Congo 2018-2025* document that would help them identify the funding requirements needed for the investment phase (phase 2) of the National REDD+ Strategy. In addition, this document was prepared in a collaborative manner that will allow it to be used to access funds by the Central African Forest Initiative (CAFI).
 - Nine unfunded FIP investment plans: Following the FIP Sub-Committee's encouragement to the nine unfunded FIP pilot countries to 'actively seek resources from other bilateral or multilateral sources to fund the investment plans,' these countries produced FIP investment plans for endorsement that clearly identify how project proposals fit within the wider scope of REDD+ funding mechanisms. In the case of Cameroon, an indicative request for USD 24 million from the FIP was expected to leverage USD 120 million from CAFI and USD 30 million from the government, as well as indicative and scalable funding sources from GCF, GEF, KfW, JICA and EU, World Bank, and AfDB.

Annex 1: List of pipeline projects (as of December 2017 in USD million)

IP/ DGM PSSA	Country	Project title	MDB	Public/ Private	Grant	Non- grant	Date project concept / IP endorsed	Expected SC approval date
IP	Indonesia	Indonesia Forest Bond	IFC	Private	1.85	32.5	November 2012	Under review
IP	Peru	Integrated Land management in Atalaya, Ucayali Region	WB	Public	5.8	6.4	October 2013	Under review
IP	Ghana	Additional Financing - Enhancing Natural Forest and Agroforest Landscape Project	WB	Public	12.89	7.0	October 2015	Under review
IP	Brazil	Integrated Landscape Management in the Cerrado Biome	WB	Public	25.0	-	October 2015	Under review
IP	Cote d'Ivoire	Forest Cover Recovery and Resilience Improvement Project in the Center of Cote D'Ivoire	AfDB	Public	2.64	6.36	June 2016	June 2018
DGM	Cote d'Ivoire	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	June 2016	December 2018
IP	Guatemala	Access to Funding (private and public)	IDB	Public	0.5	2.0	June 2017	June 2018
IP	Guatemala	Sustainable Forest Management	IDB	Public	1.25	8.45	June 2017	Novembe r 2018
DGM	Global	DGM for Indigenous Peoples and Local Communities	WB	Public	3.0	-	June 2015	June 2019
IP	Guatemala	Strengthening governance and livelihood diversification	WB	Public	1.4	11.4	June 2017	June 2019
DGM	Guatemala	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	June 2017	June 2019
IP	Nepal	Sustainable forest management through CBFM	WB	Public	3.0	3.0	December 2017	Before Dec 2019
IP	Nepal	Forest management for a forest-based economy	WB	Public	1.0	5.0	December 2017	Before Dec 2019
IP	Nepal	Private land forest development	WB	Public	-	6.0	December 2017	Before Dec 2019
IP	Nepal	Enhanced environmental services through nature-based tourism	WB	Public	-	1.0	December 2017	Before Dec 2019
IP	Nepal	Watershed management through innovative technologies	WB	Public	2.1	2.9	December 2017	Before Dec 2019
DGM	Nepal	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	December 2017	Before Dec 2019
IP	Ecuador	Sustainable management of agricultural lands	WB	Public	1.04	12.12	December 2017	Before Dec 2019

IP	Ecuador	Forest landscapes managed in a sustainable manner	WB	Public	2.11	8.73	December 2017	Before Dec 2019
DGM	Ecuador	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	December 2017	Before Dec 2019
IP	Congo Republic	Agroforestry project in degraded and non-forest areas in North Congo	WB	Public	4.0	12.0	December 2017	Before Dec 2019
IP	Congo Republic	Community and fuelwood agroforestry in the departments of Pool and Plateaux	AfDB	Public	2.0	6.0	December 2017	Before Dec 2019
DGM	Congo Republic	DGM for Indigenous Peoples and Local Communities	WB	Public	4.5	-	December 2017	Before Dec 2019

Annex 2: Resource availability in the Forest Investment Program

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
<i>Inception through March 31, 2018 (USD millions)</i>				
		Total	Capital	Grant
Donor Pledges and Contributions				
Contributions		753.6	264.3	489.3
Pledges	a/	0.3	-	0.3
Total Pledges and Contributions		753.9	264.3	489.7
Cumulative Funding Received				
Contributions Received				
Cash Contributions		501.1	80.7	420.4
Unencashed promissory notes	b/	252.5	183.6	68.9
Total Contributions Received		753.6	264.3	489.3
Other Resources				
Investment Income earned -up to Feb 1, 2016	c/	14.5	-	14.5
Total Other Resources		14.5	-	14.5
Total Cumulative Funding Received (A)		768.1	264.3	503.9
Cumulative Funding Commitments				
Projects/Programs		490.5	132.1	358.5
MDB Project Implementation and Supervision services (MPIS) Costs		25.5	-	25.5
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Total Cumulative Funding Commitments		541.6	132.1	409.5
Project/Program,MPIS and Admin Budget Cancellations	d/	(16.3)	(15.0)	(1.3)
Net Cumulative Funding Commitments (B)		525.3	117.1	408.3
Fund Balance (A - B)		242.8	147.2	95.6
Currency Risk Reserves	e/	(37.9)	(27.5)	(10.3)
Unrestricted Fund Balance (C)		204.9	119.7	85.3
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country programing budget/Learning and Knowledge exchange reserve) and for FY 19-28 (net of estimated investment income and reflows as of SCF Committee Decision March 8, 2018)	f/	(11.6)		(11.6)
Unrestricted Fund Balance (C) after reserves		193.3	119.7	73.7
Anticipated Commitments (FY18-FY21)				
Program/Project Funding and MPIS Costs		233.2	129.9	103.3
Total Anticipated Commitments (D)		233.2	129.9	103.3
Available Resources (C - D)		(39.9)	(10.2)	(29.7)
Potential Future Resources (FY18-FY21)				
Pledges	a/	0.3		0.3
Release of Currency Risk Reserves	e/	37.9	27.5	10.3
Total Potential Future Resources (E)		38.2	27.5	10.7
Potential Available Resources (C - D + E)		(1.6)	17.4	(19.0)
Reflows from MBDs	g/	0.3		0.3

a/ The balance of the pledge amount from the U.S.
b/ This amount represents USD equivalent of GBP 179.6 million.
c/ From Feb 1, 2016, Investment income across all SCF programs has been posted to a notional Admin "account", from which approved Administrative Budget expenses for the Trustee, Secretariat and MDBs are committed. In accordance with the terms of the Contribution Agreements, if amounts in the notional Admin account are not sufficient to cover Administrative Budgets, the shortfall is pro-rated across programs, based on cash balances. The Country Programming budgets are recorded under individual programs.
d/ This refers to cancellation of program and project commitments approved by the committee.
e/ Amounts withheld to mitigate over-commitment risk resulting from the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes.
f/ The amount of this reserve is estimated by the CIFAU and Trustee using the 10-year forecast of the Admin Budget less the 10-year estimate of Investment Income and reflows. Pro-rata estimates across three SCF programs are based on the 22% fixed pro rata share of the FIP's cash balance as at December 31, 2017 approved by the committee on March 8, 2018. The decision reads as "allocate USD 11.6 million from the available grant resources in the FIP Program Sub-Account to finance estimated Administrative Costs from FY19 to FY28, such that the projected, indicative amount of approximately USD 81.8 million in FIP grant resources remains available for allocation to FIP projects".
g/ The usage of reflow from MDBs are approved by the committee on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income.

Annex 3: List of FIP-related proposals funded under the CIF E&L Initiative

Evaluation & Learning Proposal Name	Type/Submitting Entity	USD funding requested/ approved	Status as of 12/2017	Final Deliverable(s) Expected
1st Round				
1.1. FIP - Lessons Learned from Country Investment Plans	MDB: World Bank FIP Focal Point Team	50,000	Presentation and validation of initial findings at the FIP Country meeting in 09/2017; Final report development 11-12/2017; Collaboration with Transformational Change Learning Partnership during report finalization; report at its final stages of reviews	May 2018
1.2 Pathway for Designing a Mechanism to Incentivize Deforestation Free Landscapes and Value Chains for Green Growth	MDB: World Bank FIP Focal Point Team	150,000	'Phase 1' of the study completed: WB FIP team had an active role in the in organizing the conference "Sustainable wood for a sustainable world" in Rome in Oct2017. Confirmation of co-financing \$ 50.000 by ITTO; and \$20.000 by PROFOR (IBRD)	December 2018
2nd Round				
2.1 Evaluation of alternative private sector investment models for commercial forestry in Africa (Uganda, Mozambique Ghana)	MDB: AfDB with Observer (WWF-Kenya)	130,000	Procurement of sub-contracting services by AfDB	December 2018
2.2 Social identity Framing to get Mexican Rural Women REDDYy for the participation in natural resource management	MDB: WB with National Forestry Commission (CONAFOR	110,000	Inception report development	December 2018
2.3 "Filling the Data Gap: FIP contribution to poverty alleviation and green growth"	MDB: WB	150,000	Joint activity between WB Environment and Poverty Global Practices. Case study countries	December 2018

			have been selected (Mexico and Lao PDR).	
2.4 Achieving Transformational Change through the Dedicated Grant Mechanism – an Indigenous Lens	Observer: Māori and Indigenous Governance Centre (MIGC), University of Waikato, New Zealand	120,000	Procurement	January 2019