

CLIMATE INVESTMENT FUNDS

FIP/SC.6/8
June 13, 2011

Meeting of the FIP Sub-Committee
Cape Town, South Africa
June 29 and 30, 2011

Agenda Item 9

QUALITY REVIEW OF FIP INVESTMENT PLANS

Proposed FIP Sub-Committee Decision

The Sub-Committee reviewed document FIP/SC.6/8, *Proposal for the Preparation of Independent Technical Reviews of Investment Plans under the FIP*, and approves the proposed procedures under [option 1] [option 2]. The Sub-Committee agrees that at the first Sub-Committee meeting of each calendar year, it will reflect upon the quality reviews that have been submitted in the last 12 month period based on an overview prepared by the CIF Administrative Unit, in collaboration with the MDB Committee. The Sub-Committee agrees that resources to finance the expert review should be included in the resources available through the CIF Administrative Budget for country programming, and requests the SCF Trust Fund Committee to enhance funding to cover the costs of the reviews when it considers the proposal for the FY12 CIF Administrative Budget.

I. BACKGROUND

1. The SCF Trust Fund Committee (TFC) agreed at its November 2010 meeting that a focused independent technical review of proposed investment plans and plans proposed for funding under the SCF targeted programs could contribute to enhancing the quality of the plans and plans. It requested the CIF Administrative Unit, in collaboration with the MDB Committee, to prepare a proposal for the process and criteria for the preparation of an independent technical review of SCF investment plans and plans. It also agreed that the proposal should explore the costs of the review and propose how resources can best be made available to cover such costs.¹
2. Further to this request, the CIF Administrative Unit, in collaboration with the MDBs, prepared a proposal for preparing the quality reviews which was circulated for approval by mail to the SCF Trust Fund Committee on March 29, 2011, for approval by mail. A number of comments were received from Members of the Trust Fund Committee on the proposal which led the Administrative Unit to conclude that the proposal would need to be revised and reviewed again before it could be approved. The comments from the FIP Sub-Committee member from Norway, pertaining only to the reviews to be undertaken for purposes of the FIP, proposed an alternative approach to that proposed in the paper. Comments received are posted on the CIF website.²
3. The attached paper presents two options for consideration by the FIP Sub-Committee. The first option is based on the original proposal prepared by the MDB Committee, revised to reflect the comments of the SCF Committee Members on that proposal. Option 2 is the alternative proposal submitted by the FIP Sub-Committee Member from Norway.
4. A revision of the original proposal is being submitted to the PPCR and SREP Sub-Committees for review and approval.
5. For the investment plans submitted for endorsement by the FIP Sub-Committees in June 2011 (Burkina Faso and Democratic Republic of Congo), the interim measures proposed by the MDB Committee were followed, taking into account to the extent possible the comments submitted by members of the SCF Trust Fund Committee.³

¹ See paragraphs 6 and 18 of the summary of the meeting, available at <http://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/Summary%20of%20SCF%20Co-Chairs%20November%202010.pdf>

² The comments are posted on the CIF website under SCF Decisions by Mail (http://www.climateinvestmentfunds.org/cif/scf_decisions_by_mail).

³ In accordance with the interim measures, the review process was initiated by the country and the MDBs by agreeing upon an expert to undertake the review. The reviewer was selected from the roster of experts established by the Forest Carbon Partnership Facility (FCPF). The resume of the proposed reviewer was submitted to the CIF Administrative Unit. The country and MDBs also prepared terms of reference based on the generic terms contained in annex C. The CIF Administrative Unit circulated this information to the MDB Committee for approval on a 24 hour, no objection basis. Once approved by the MDB Committee, the information was circulated to the Sub-Committee for clearance, on a no objection basis, within 48 hours of circulation. After the nominee was confirmed by the Sub-Committee, the CIF Administrative Unit began contracting the expert. Upon successful hire, the expert was introduced to the MDB focal points, which facilitated the review process.

II. PROCESS FOR THE PREPARATION OF AN INDEPENDENT QUALITY REVIEW

Principles and Objectives

6. As agreed by the SCF Trust Fund Committee in November 2011, an independent quality review will be undertaken for the FIP Investment Plans. Such a review should be independent and part of the process of developing these plans. The review should:

- a) add value to the design process of the investment plan;
- b) be part of the country-led preparation process of an investment plan;
- c) reflect the objectives and investment criteria of the relevant program under the SCF; and
- d) provide knowledge and experience for interested stakeholders, including the members and observers to the SCF governing bodies.

7. It is recognized that the investment plans are country-owned. The main objective of the quality review is to support the development of a high quality investment plan and ensure that investment plans meet the objectives, principles and criteria of the relevant programs. The review will be carried out by an independent expert and should facilitate the process of endorsement. The review would focus on technical, social and environmental aspects for quality enhancement.

8. It is proposed that at the first meeting of each calendar year, the Sub-Committee will reflect upon the quality reviews that have been submitted in the last 12 month period based on an overview prepared by the CIF Administrative Unit, in collaboration with the MDB Committee.

III. FIP INVESTMENT STRATEGY REVIEW PROCEDURES

Option 1

9. This option follows the same process and procedures proposed for the PPCR and SREP, and takes into account comments on the paper circulated to the SCF Trust Fund for approval in March 2011.

Process Overview

10. FIP Investment Plans will be subject to an independent quality review. This review should complement the existing quality assurance procedures of the multilateral development banks (MDBs).⁴

⁴ Such procedures usually include decision meetings (a formal management led review with participation of independent reviewers), quality enhancement reviews (informal meetings of independent reviewers and experts to discuss the plan), public disclosure and consultations, as well as multiple reviews of individual projects.

11. One expert reviewer will be appointed from a roster of experts to conduct the quality review. The reviewer will be identified by the pilot country and the relevant MDBs early in the preparatory process of the investment plan. The review will consist of the following:
- a) The reviewer will review the first complete draft of the investment plan in accordance with the criteria contained in annex A and prepare a review with recommendations for consideration by the pilot country and the relevant MDBs in the preparation of the final version of the investment plan.
 - b) The country and the MDBs may request a meeting with the independent reviewer to discuss the review.
 - c) The country and the MDBs will prepare a note that describes how the suggestions and recommendations from the review have been considered in the final document. They may decide to share this note with the reviewer and, if required, they may also choose to revise the note after any discussion with the reviewer.
 - d) The review and the note will be submitted to the relevant Sub-Committee together with the proposed investment plan when it is submitted for endorsement.

Roster of Experts

12. The CIF Administrative Unit and the MDBs will use the roster of experts established by the Forest Carbon Partnership Facility (FCPF) to serve as members of the Technical Advisory Panel.⁵ If necessary, the CIF Administrative Unit will explore with the FCPF opening a call for additional experts to join this roster.

Appointment of an Expert to Perform the Review

13. The process to appoint an expert to prepare a review should be initiated as early as possible. To this end, the pilot country and MDBs will select an expert reviewer from the FCPF TAP roster and inform the CIF Administrative Unit of the selection. The CIF Administrative Unit will circulate the terms of reference and résumé of the proposed reviewer to the MDB Committee for confirmation on a 24 hour, no objection basis. In appointing experts, pilot countries and MDBs should avoid any conflict of interest that may arise from selecting the reviewer.⁶

14. The pilot country and MDBs will develop the terms of reference for the review on the basis of generic terms of reference (see Annex B, Generic Terms of Reference), and will forward these terms of reference to the CIF Administrative Unit to enable it to take the necessary steps to complete a contract with the reviewer.

15. With regards to an approved request for a second review, as described in paragraph 26 below, the procedures identified in paragraphs 13 and 14 above will also be followed.

⁵ See <http://www.forestcarbonpartnership.org/fcp/node/23>

⁶ A potential conflict of interest exists whenever a reviewer, his or her family, or an associated entity of the reviewer possesses or appears to possess a financial or other interest in the outcome of the investment plan.

Responsibilities of the Reviewer

16. Reviewers will be appointed for a period of up to 10 working days with the possibility for an extension of up to five additional days, to be effective during a period to be agreed with the pilot country and the relevant MDBs. The pilot country and the MDBs will decide on the length of the appointment and specify this length and period within the terms of reference.

17. During this time, the responsibilities of the reviewer will include:

- a) conduct a review of the first complete draft version of the investment plan in accordance with the criteria contained in Annex A and using the template contained in Annex C.
- b) Submit the review to the pilot country, the relevant MDBs, and CIF Administrative Unit. This is generally expected to be submitted within 7 to 12 days after receipt of the plan.
- c) Discuss with representatives from the government and MDBs the findings of the review and, if necessary, submit a final version of the review generally within five working days after this discussion has taken place. The purpose of this meeting will be to understand how the findings of the review may be incorporated into the investment plan and to provide an opportunity for the government, MDBs or reviewer to seek clarification. The reviewer may wish to revise his or her report based on these discussions.

18. The independent reviewer will have the following obligations:

- a) to work in his or her personal capacity and perform duties in an objective, neutral and professional manner;
- b) to disclose any potential conflict of interest relating to review activities;
- c) if requested by MDBs, to participate in MDB review meetings;
- d) to protect any confidential information provided in the course of the review both during and after the term of service.

Responsibilities of Pilot Countries and MDBs

19. Pilot countries and MDBs should involve the reviewer as early as feasible in reviewing the investment plan so that the review can be useful in shaping the final plan.

20. After selecting the expert reviewer, pilot countries and MDBs will agree with the reviewer on the terms of reference for the review as well as issues relating to the conduct of the review, including the need for, timing and objectives of a country visit.

21. The country and MDBs will forward the terms of reference to the CIF Administrative Unit so that this unit may proceed with the administrative arrangements to contract the reviewer.

22. Pilot countries and MDBs will share the complete draft investment plan with the reviewer. The MDBs may choose to invite the reviewer to participate in any MDB review meetings.
23. After receiving the review, pilot countries and MDBs will consider its findings and prepare a note that describes how the findings and recommendations have been considered in the final document. They may decide to share this note with the reviewer and, if deemed necessary, they may request a meeting with the reviewer to discuss the review.
24. The country and the MDBs will finalize the investment plan, taking into consideration the findings and recommendations from the review.
25. The review and the country's note responding to the review should be submitted to the Sub-Committee together with the investment plan when it is submitted for endorsement.
26. In the event that the review is considered to be unsatisfactory by the pilot country and/or the MDBs, a second review may be requested, subject to approval by the MDB Committee. To this end:
 - a) Pilot countries, MDBs and the reviewer will make all efforts to ensure a thorough review whose main objective is to support the development of high quality investment plans that meet the objectives, principles and criteria of the relevant program;
 - b) If this is not achieved, the pilot country and MDBs will inform the CIF Administrative Unit that they consider the output of the reviewer to be unsatisfactory, and that they wish a second review to be carried out. The request should specify the reasons why a second review is sought;
 - c) The CIF Administrative Unit will inform the MDB Committee and will add the request for a second review to the agenda of the next meeting of this committee;
 - d) The MDB committee will consider the reasons for the request for a second review and, if agreed, approve it. The second review, to be prepared by a different expert, will be subject to the process referred to in paragraph 7 above;
 - e) The review considered to be unsatisfactory together with an explanation of why it was considered to be so will be submitted the relevant Sub-Committee together with the second review and the proposed investment plan when it is submitted for endorsement.

Role of the CIF Administrative Unit

27. The CIF Administrative Unit will be responsible for the administrative arrangements described in this paper for confirming and contracting the expert agreed upon by the government and MDB to undertake the technical review. This includes, among other things:
 - a) establishing and maintaining a roster of experts;

- b) circulating the terms of reference and résumé of a reviewer proposed by the government and the MDBs to the MDB Committee for confirmation on a 24 hour, no objection basis
- c) circulating the resume and terms of reference for the reviewer to the Sub-Committee for confirmation as described in paragraph 13 and 14;
- d) contacting the expert to confirm he or she accepts the terms of reference;
- e) performing other administrative tasks related to the contracting of the reviewer.

28. Once a reviewer has been confirmed by the Sub-Committee, the CIF Administrative Unit will make publicly available the expert's name on the CIF website.

29. For the first Sub-Committee meeting of each calendar year, the CIF Administrative Unit, in collaboration with the MDB Committee, will submit an overview of the quality reviews that have been submitted in the last 12 month period.

Budgetary issues

Expenses

30. Expenses to undertake the review will include the following:

- a) expert review fee
- b) if required, travel expenses.

31. With a view to decreasing cost, interaction with the reviewer as well as the participation of this reviewer in any MDB led review meeting should be done, whenever possible, by using audio/video conferences.

32. Costs for an individual review will depend on the agreed daily fee of the reviewer taking into account the expert's qualifications, the length of the review and whether any travel will be requested. An estimate is presented in the following table:

<i>Item</i>	<i>Total estimated cost</i>
Expert Fee	\$3,500 - \$7,000*
Travel and subsistence	\$7,500 - \$10,000**
Total	\$11,000 - \$17,000

* This range corresponds to an average fee of \$700 per day for a period of five to ten days.

** Travel and subsistence will only be necessary in case there is a need for a country visit.

Source of Funding

33. It is proposed that resources to finance the expert review be included in the resources available through the CIF Administrative Budget for country programming. The pool of country

programming funds requested through the CIF business plan and associated budget was established to fund the support of the MDBs to country-led preparation of strategic investment frameworks including the participatory processes, capacity building and technical assistance needs associated with these frameworks. These funds could be enhanced to cover the costs of the independent reviews, and the CIF Administrative Unit would need to be authorized to draw upon the funds to finance the independent experts. Resources for this purpose will be proposed in the FY12 CIF Administrative Budget.

Option 2

Process Overview

34. Consistent with the current practice established by the FCPF, this option proposes the use of a panel of 5-8 expert reviewers which will be appointed from the FCPF roster of experts to conduct the quality review of a FIP investment plan. Each FIP quality review panel should offer cross-disciplinary expertise across different areas of focus such as, among other things, forestry and other relevant sector expertise (e.g. agriculture, natural resources management) including expertise on forest-relevant policies and legal frameworks; social development expertise including engagement of local communities and indigenous peoples, gender, and other country-specific REDD issues related to the forest and relevant land use sectors.

35. The review process will consist of the following tasks:

- a) The panel shall elect a lead reviewer who will be responsible for synthesizing the individual reviews performed by each reviewer into a single synthesis review summary to be made public.
- b) Each reviewer will review the investment plan once it has been submitted to the Sub-Committee in accordance with the criteria contained in annex A.
- c) The summary shall be submitted to the CIF Administrative Unit for circulation at least one week prior to the Sub-Committee meeting and posted on the CIF website.
- d) At this time, the review shall be sent to the pilot country so that they may prepare and submit a response to the review. The pilot country or MDBs should submit the response to the CIF Administrative Unit at least one day prior to the meeting to allow time for distribution and printing.

Responsibilities of the Reviewer

36. Reviewers that will form the panel will be appointed for a period of up to 5 working days with the possibility for an extension of up to an additional 5 days for the lead reviewer.

37. During this time, the responsibilities of the reviewers will include:

- a) Elect an expert to serve as lead reviewer for the panel.

- b) Conduct a review of the final version of the investment plan in accordance with the criteria contained in Annex A and using the template contained in Annex C.
- c) Arrange the necessary conference calls with the government and MDB focal points, and if needed under special circumstances, a country visit.
- d) Submit the summary review to the CIF Administrative Unit for circulation to the Sub-Committee at a minimum of one week prior to the Sub-Committee meeting.

38. The experts forming the panel will have the following obligations:

- a) To work in his or her personal capacity and perform duties in an objective, neutral and professional manner.
- b) To disclose any potential conflict of interest relating to review activities.
- c) If requested by MDBs, to participate in MDB review meetings.
- d) To protect any confidential information provided in the course of the review both during and after the term of service.
- e) To closely work together with the lead reviewer for a timely delivery of the review.

Use of the FCPF Roster of Experts

39. For the FIP, the CIF Administrative Unit and the MDBs will use the roster of experts established by the Forest Carbon Partnership Facility (FCPF) to serve as members of the FIP quality review panel.

Appointment of an Expert to Perform the Review

40. Pilot Countries and MDBs should notify the CIF Administrative Unit as soon as possible if they intend to submit an investment strategy so the CIF Administrative Unit may take the necessary steps to identify and contract the reviewers. The reviewers will be selected from the roster by the CIF Administrative Unit in collaboration with the MDBs and FCPF.

41. If need arises for a second review, as described in paragraph 43 below, the panel will be requested to reconvene to conduct a second review following the same procedures.

Responsibilities of Pilot Countries and MDBs

42. After receiving the review, pilot countries and MDBs will review the report and may prepare a response to be submitted to the Sub-Committee. The pilot country and MDBs will be expected to prepare and submit this response within the one week period between submission of the review and the Sub-Committee meeting.

43. If the pilot countries, MDB Committee, or Sub-Committee find the review to be unsatisfactory, it may request a second review which will follow the same procedures. The request should be sent to the CIF Administrative Unit by the pilot country, reflected in the MDB Meeting minutes, or included in the Co-Chairs Summary of the FIP Sub-Committee. The CIF Administrative Unit will inform the three parties if a second review is requested.

44. If the Sub-Committee decides that based on the review, or for other reasons, that the Investment Strategy needs to be revised, the revised Investment Strategy will not need to be reviewed unless requested by the Sub-Committee.

Role of the CIF Administrative Unit

45. The CIF Administrative will be responsible for identifying and contracting the experts. This includes, among other things:

- a) selecting, in collaboration with the MDBs and FCPF, a panel of reviewers from the FCPF roster to undertake the review of the FIP investment strategy;
- b) contacting the expert to confirm he or she accepts the terms of reference;
- c) performing other administrative tasks related to the contracting of the reviewer;

46. The CIF Administrative Unit will arrange an initial organizational meeting by teleconference for the panel to decide who will serve as the lead reviewer and to agree upon a timeline for the work. The name of the lead reviewer will be made publicly available on the CIF website.

47. Once the summary of the reviews has been submitted to the CIF Administrative Unit, it will be posted on the CIF website and circulated to the Sub-Committee and the pilot country government.

48. Should the government wish to submit a response to the review, the CIF Administrative Unit shall circulate the note to the Sub-Committee prior to its meeting.

49. For the first Sub-Committee meeting of each calendar year, the CIF Administrative Unit, in collaboration with the MDB Committee, will submit an overview of the quality reviews that have been submitted in the last 12 month period.

Timeline for Review Process

50. For this option, the suggested steps will be undertaken according to the following time table:

Time	Activity
No later than 6 weeks prior to the FIP Sub-Committee meeting	Country or MDB inform the CIF Administrative Unit that the investment plan will be submitted in accordance with the <i>FIP Operational Guidelines</i> no later than 4 weeks prior to the meeting
Week 6 and 5	CIF Administrative Unit will contact experts from FCPF roster and contract selected experts to be part of the FIP quality review panel
4 weeks prior to FIP Sub-Committee meeting	Country submits its investment plan to the CIF Administrative Unit for posting
Week 3 and 2	FIP quality review panel reviews investment plan and produces summary review using criteria in Annex#
Week prior to the FIP Sub-Committee meeting	<ul style="list-style-type: none"> - Review will be posted on the FIP website as an information document for the FIP Sub-Committee meeting - Country and MDB prepare response to the review
1 day prior to the FIP Sub-Committee meeting	Response to the review is submitted to the CIF Administrative Unit and posted on the FIP website as an information document for the FIP Sub-Committee meeting

Budgetary issues

Expenses

51. Costs for an individual review will depend on the agreed daily fee of the reviewer taking into account the expert's qualifications, the length of the review and the country where the review will take place. An estimate is presented in the following table:

<i>Item</i>	<i>Total estimated cost</i>
Expert Fee	\$3,500 * for each reviewer
Total	\$17,500 - \$31,5000 for a team of five to eight reviewers

* This range corresponds to a fee of \$700 per day for a period of five days.

Source of Funding

52. It is proposed that resources to finance the expert review be included in the resources available through the CIF Administrative Budget for country programming. The pool of country

programming funds requested through the CIF business plan and associated budget was established to fund the support of the MDBs to country-led preparation of strategic investment frameworks including the participatory processes, capacity building and technical assistance needs associated with these frameworks. These funds could be enhanced to cover the costs of the independent reviews, and the CIF Administrative Unit would need to be authorized to draw upon the funds to finance the independent experts. Resources for this purpose will be proposed in the FY12 CIF Administrative Budget.

Criteria for Undertaking the Review

In undertaking the review of an investment plan, expert reviewers will assess whether the investment plan:

General

- a) complies with the principles, objectives and criteria of the relevant program as specified in the design documents and programming modalities
- b) takes into account the country capacity to implement the plan
- c) has been developed on the basis of sound technical assessments
- d) demonstrates how it will initiate transformative impact
- e) provides for prioritization of investments, adequate capturing and dissemination of lessons learned, and monitoring and evaluation and links to the results framework
- f) has been proposed with sufficient stakeholder consultation and provides for appropriate stakeholder engagement
- g) adequately addresses social and environmental issues, including gender
- h) supports new investments or funding additional to on-going/planned MDB investments
- i) takes into account institutional arrangements and coordination
- j) promotes poverty reduction
- k) considers cost effectiveness of investments.

Specific to each Program

SREP

- Catalyze increased investments in renewable energy in total investment: The investment plan describes how SREP investments will attract other public and private finance and lead to replication through demonstration effects, institutional learning, and increased investor confidence. The investment plan should leverage of additional resources from non-SREP sources, including lending operations of MDBs, complementary funds from other developmental partners such as bilateral, public sector resource allocations, and private sector commercial investments.
- Enabling environment: The investment plan presents the country's long term commitment to promoting renewable energy as part of its energy sector plans and energy access goals. The investment plans also demonstrates how SREP support would assist pilot countries in strengthening their policies and institutions with a view towards enhancing the enabling environment for renewable energy investments.
- Increase energy access: Proposals for SREP funding result in increased energy access through the use of renewable energy by addressing in a programmatic manner the main barriers to expanding access.

- Implementation capacity: Programs will be executed through government and sub-sovereign agencies, financial intermediaries, private sector or civil society organizations. Programs will build local and national implementation capacity and institutions. Programs should address the viability of the proposed implementation model, including models to engage the private sector.
- Improve the long-term economic viability of the renewable energy sector: Funding should help provide reasonable return on investment so that renewable energy technology deployment is sufficiently attractive to bring in private sector participation, where feasible. The investment plan presents the country's strategy for private sector development in the renewable energy sector, particularly in terms of growth in enterprises in renewable energy generation, installation, and operation and maintenance services.
- Transformative impact: The investment plan demonstrates how it will initiate transformative change in achieving national-scale outcomes and the delivery of SREP aims and objectives.

PPCR

- Climate risk assessment: The SPCR has been developed on the basis of available information on the assessment of the key climate impacts in the country; the vulnerabilities in all relevant sectors, populations and ecosystems; and the economic, social and ecological implications of climate change impacts.
- Institutions/ co-ordination: The SPCR specifies the coordination arrangements to address climate change: cross-sectoral; between levels of government; and including other relevant actors (e.g., private sector, civil society, academia, donors, etc).
- Prioritization: The SPCR has adequately prioritized activities taking into account relevant climate/risks and vulnerabilities and development priorities, sectoral policies; ongoing policy reform processes and existing, relevant activities and plans.
- Stakeholder engagement/ participation: The SPCR has identified and addressed the needs of highly vulnerable groups.

FIP

- Climate change mitigation potential: The investment plan should provide an estimate of the direct GHG savings.
- Demonstration potential at scale: The investment plan should support replicable pilot programs in order to demonstrate how to scale up public, private and other resources and activities so as to achieve transformational change. FIP investments should address REDD+ priorities as presented in national REDD+ plans or action plans (or equivalents).

- Cost-effectiveness: The investment plan should leverage additional financial resources, including from the private sector where feasible. It should catalyze self-sustaining economically viable models for REDD+ at scale without the need for continuing subsidies and promotes coordination among relevant institutions at the country-level with respect to implementing and financing proposed investments.
- Co-benefits: The investment plan should consider the potential to contribute to the livelihoods and human development of forest dependent populations, including indigenous peoples and local communities, and to sustain biodiversity and ecosystem services and enhance the adaptive capacity of forest ecosystems and forest dependent communities to the impacts of climate change.
- Implementation potential: The investment plan should have a high potential for successful implementation.
- Natural forests: The investment plan should safeguard natural forests and should not support the conversion, deforestation or degradation of such forests, *inter alia*, through industrial logging, conversion of natural forests to tree plantations or other large-scale agricultural conversion.

This annex contains a terms of reference for option 1 and terms of reference for option 2.

OPTION 1: GENERIC TERMS OF REFERENCE

INDEPENDENT TECHNICAL REVIEW OF THE INVESTMENT STRATEGY FOR [COUNTRY]

Background and introduction

The Climate Investment Funds (CIF) are comprised of two new funds, the Clean Technology Fund and the Strategic Climate Fund. The CIF are an important new source of funding through which five Multilateral Development Banks (MDBs) will provide additional grants and concessional financing to developing countries to address urgent climate change challenges. The five MDBs are the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group.

The Strategic Climate Fund (SCF) funds the piloting of new development approaches or scale-up of activities aimed at a specific climate change challenge or sectoral response in the areas of sustainable management of forests to reduce deforestation and forest degradation management (the Forest Investment Program or FIP), climate resilience (the Pilot Program for Climate Resilience or PPCR), and scaling up renewable energy in low income countries (the Program for Scaling up Renewable Energy in Low Income Countries or SREP). MDB units and staff work with institutions in recipient countries to identify and prepare CIF opportunities in each of the above areas.

The SCF Trust Fund Committee has agreed that an independent quality review will be undertaken for each individual investment plan (hereinafter referred to as “investment plans”) under the FIP, PPCR and SREP. Such a review should be independent and part of the process of developing these plans. The review should:

- a) add value to the design process of the investment plan;
- b) be part of the country-led preparation process of an investment plan;
- c) reflect the objectives and investment criteria of the relevant program under the SCF;
- d) provide knowledge and experience for interested stakeholders, including the members and observers to the SCF governing bodies.

The main objective of the quality review is to support the development of high quality investment plans. The review should assist pilot countries in ensuring that their investment plans meet the requirements of the relevant program, and in facilitating the process of endorsement.

Duties and responsibilities of the reviewer

1. Conduct a review of the first complete version of the [Investment Strategy] of [country] in accordance with the procedures adopted by the Sub-Committee (see *Proposal for the Preparation of Independent Technical Review of FIP Investment Plans*). The reviewer should familiarize him- or herself with the programming modalities, investment criteria, design document and other documents provided by the MDBs prior to undertaking this work.
2. Submit the review to the government, [MDBs], and CIF Administrative Unit 7 to 12 days after receipt of the Investment Strategy using the template contained in the Annex C.
3. Discuss upon request with representatives from [country] and [MDB] the findings and recommendations of the review and, if necessary, submit a revised version of the review generally within five (5) working days after this discussion has taken place. Representatives from [MDBs] will indicate the date when they are expected to receive the final version of the review.
4. Participate in the following meetings:
 - [...]
5. The reviewer shall:
 - make all efforts to ensure a successful review whose main objective is to support the development of high quality investment plans.
 - work in his or her personal capacity and perform duties in an objective, neutral and professional manner.
 - protect any confidential information provided in the course of the review both during and after the term of service.
 - disclose any potential conflict of interest relating to review activities.

Appointment of a reviewer

The reviewers are to be selected from the FCPF roster of experts.

Timeframe:

The reviewer will be hired for a total of [X] days, between [starting date of contract] to [end date of contract]

Reporting:

The reviewer will report to the CIF Administrative Unit.

Country visit (*only if required*)

The consultant will be required to travel to [country] on [date]. Estimated costs of such visit are USD [X].

Rate:

[To be determined depending on the experience/qualifications of the reviewer.]

OPTION 2: GENERIC TERMS OF REFERENCE

INDEPENDENT TECHNICAL REVIEW OF THE INVESTMENT STRATEGY OF [COUNTRY]

Background and Introduction

The Climate Investment Funds (CIF) are comprised of two new funds, the Clean Technology Fund and the Strategic Climate Fund. The CIF are an important new source of funding through which five Multilateral Development Banks (MDBs) will provide additional grants and concessional financing to developing countries to address urgent climate change challenges. The five MDBs are the African Development Bank, the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, and the World Bank Group.

The Strategic Climate Fund (SCF) funds the piloting of new development approaches or scale-up of activities aimed at a specific climate change challenge or sectoral response in the areas of sustainable management of forests to reduce deforestation and forest degradation management (the Forest Investment Program or FIP), climate resilience (the Pilot Program for Climate Resilience or PPCR), and scaling up renewable energy in low income countries (the Program for Scaling up Renewable Energy in Low Income Countries or SREP). MDB units and staff work with institutions in recipient countries to identify and prepare CIF opportunities in each of the above areas.

The SCF Trust Fund Committee has agreed that an independent quality review will be undertaken for each individual investment plan (hereinafter referred to as “investment plans”) under the FIP, PPCR and SREP. Such a review should be independent and part of the process of developing these plans. The review should:

- a) add value to the design process of the investment plan;
- b) be part of the country-led preparation process of an investment plan;
- c) reflect the objectives and investment criteria of the relevant program under the SCF;
- d) provide knowledge and experience for interested stakeholders, including the members and observers to the SCF governing bodies.

The main objective of the quality review is to support the development of high quality investment plans. The review should assist pilot countries in ensuring that their investment plans meet the requirements of the relevant program, and in facilitating the process of endorsement.

Duties and responsibilities for independent reviewer

Each reviewer will individually review the investment plan once it has been submitted to the Sub-Committee in accordance with the criteria contained in annex A and using the template contained in Annex C.

The panel shall elect a lead reviewer during a teleconference prior to undertaking the review. The lead reviewer will be responsible for synthesizing the individual reviews performed by each reviewer into a single synthesis review summary. The summary will be made publicly available.

Submit the summary to the CIF Administrative Unit at least one week prior to the FIP Sub-Committee meeting or at a time provided by the hiring manager of the CIF Administrative Unit, so that it may be circulated to the Sub-Committee, Pilot Country and the MDBs.

The panel should work with the CIF Administrative Unit to organize and arrange meetings as necessary. The first meeting should be held prior to undertaking the review and as needed during the process. The panel may need to meet with the government and MDBs. The review of Investment plans will usually be performed via desk reviews, country conference calls and some meetings. Occasionally a country visit may be desirable under special circumstances.

The Independent reviewer shall:

- Make all efforts to ensure a successful review whose main objective is to support the development of high quality investment plans.
- Work in his or her personal capacity and perform duties in an objective, neutral and professional manner.
- Protect any confidential information provided in the course of the review both during and after the term of service.
- Disclose any potential conflict of interest relating to review activities.
- Work closely together with the lead reviewer for a timely delivery of the review.

Appointment of a reviewer:

The reviewers are to be selected from the FCPF roster of experts.

Timeframe:

The Independent Reviewer will be hired for a total of *up to five* days, between [*starting date of contract*] to [*end date of contract*]. It is expected that the individual reviews should generally require 3-5 days. The lead reviewer may be hired for up to an additional five days if necessary.

Reporting:

The reviewer will report to the CIF Administrative Unit.

Country visit (*only if required*):

The consultant(s) will be required to travel to [country] on [date]. Estimated costs of such visit are USD [X].

Rate:

[To be determined depending on the experience of the reviewer.]

Outline of the Review

The review should normally be a maximum of five (5) pages.

1. Title of the investment plan.
2. Program under the SCF.
3. Name of the reviewer.
4. Date of submission.
5. Part I: General criteria.

Please comment on whether the investment plan complies with the general criteria indicated in Annex A of the “Proposal for the preparation of independent technical reviews of FIP Investment Plans”.

6. Part II: Compliance with the investment criteria or business model of the relevant program.

Please comment on whether the investment plan complies with the criteria specific for the relevant program, as indicated in Annex A of the “Proposal for the preparation of independent technical reviews of FIP Investment Plans”.

7. Part III: Recommendations.

Please provide any recommendations that could enhance the quality of the investment plan.