

September 24, 2010

**Comments received from Norway on the
Co-Chairs Summary for the June 24, 2010 FIP Sub-Committee Meeting**

Dear FIP co-chairs and Admin Unit colleagues,

We thank you for the co-chairs' summary, which we believe accurately reflect the discussions at the meeting. As we get into more "operational mode" of the FIP, and countries embark on drafting their Investment Strategies, we would like to make or reiterate a few points that are important to us as we move forward.

- 1. Country ownership in FIP "program cycle".** While we fully support the important work of the FIP, we would like to raise this issue again early on. We see a risk that FIP could reverse some of the great progress made on country ownership in the REDD readiness process. We are happy to see that the Admin Unit is proposing steps that could mitigate this concern. As the attached (belated) feedback on the joint "Enhancing Cooperation" paper (which we have also shared with the FCPF FMT and UN REDD Secretariat) makes clear, we want the countries fully in the driver's seat also in the FIP process.

 - This has ramifications for the way Investment Strategies are formulated and adopted. We fear (perhaps without reason) that the "joint missions" could haphazardly formulate large investment strategies without the proper foundation in the national REDD+ strategies that are being formulated with broad stakeholder support.
 - We would suggest that the REDD countries themselves select which MDB to work with, rather than this being a negotiation between the World Bank and the RDBs, and seek your clarification on the ongoing process to select "lead" agencies at the country level.
 - To ensure a good link with the FCPF (and UN REDD), we propose to use the same Technical Advisory Panel as in the FCPF, perhaps modified if there is a need for additional expertise relevant for the FIP. We noticed in the co-chairs' summary that the Admin Unit will propose a system for quality review of Investment Strategies for the three funds under the SCF, but due to the REDD-specific nature of the FIP, we find it more natural that the FIP shares expert group with other ongoing REDD initiatives.
- 2. Participation in missions.** We reiterate our interest to be kept informed as early as possible about the dates of Joint Missions, but also of the Scoping Missions. For instance, in countries where we have REDD capacity present on the ground (in particular Jakarta, Brasilia, Kinshasa, Mexico), we hope to be included in these initial discussions. We think the scoping missions will be critical in ensuring that the Joint Missions be set up in the most effective manner.
- 3. Funding levels.** As you will remember, the Sub-Committee has not given specific guidance on the funding envelope available to each pilot country. Norway believes we should not give specific guidance on this issue, and that it should come out of a bottom-up process identified in the ISs. However, we recognize the need to give some broad overall guidance, to avoid a situation where the ISs add up to much more than the available funds. The SC gave a mandate to propose how this could be done, for discussion at the next SC meeting. We were therefore

surprised to hear that already during scoping missions, numbers have been suggested on the overall envelopes of each countries' IS. Norway suggested at the last SC meeting in Washington in June 2010 that if a country asks, the MDB should simply inform about the overall funds available and the number of countries, and note that the funding will vary from country to country. We heard no objections to this, and hope that the Admin Unit can notify the MDBs not to suggest any numbers to countries at this stage. For the Admin Unit's forthcoming paper, Norway would like to provide a proposal (which we are happy to discuss further) on how to give guidance to countries as they formulate their investment strategies:

- ***The approved funding level may vary by several orders of magnitude from one pilot country to another, but should be roughly proportional to the estimated mitigation potential of the Investment Strategy. The funding envelope for each FIP pilot country shall be decided by the Sub-Committee after reviewing the Investment Strategy. The countries are free to propose any funding level they wish in there IS, with a preference for scalable proposals that identify what investments would be implemented with what level of funding.***

These inputs are meant to be constructive as we move ahead, and to provide our views early on in the process. We have very high expectations for the FIP, and hope to be able to contribute to its success.

Kind regards,

Andreas