



Meeting of the SCF Trust Fund Committee
Washington, D.C. (Virtual)
Friday, June 25, 2021

FIP OPERATIONAL AND RESULTS REPORT



PROPOSED DECISION

The SCF Trust Fund Committee reviewed the document, SCF/TFC15/3.1, *FIP Operational and Results Report*, and welcomes the progress that has been made in advancing the work of FIP in the pilot countries.

The SCF Trust Fund Committee welcomes the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievements and results, resource availability, pipeline review, and portfolio updates.

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1 Introduction

1. The Forest Investment Program (FIP) was 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, Democratic Republic of Congo (DRC), Ghana, Indonesia, Lao People's Democratic Republic (Lao PDR), Mexico, and Peru). In 2015, FIP added six new countries (Congo Republic, Côte d'Ivoire, Ecuador, Guatemala, Mozambique, and Nepal) and nine additional countries with no funding envelope (Bangladesh, Cambodia, Cameroon, Guyana, Honduras, Rwanda, Tunisia, Uganda, and Zambia).
2. The FIP Operations and Results Report (ORR), identifies key strategic issues, highlights decisions taken inter-sessionally by the FIP Technical 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 results achieved by the FIP pilot countries.
3. This report provides an update of the entire FIP portfolio for the period July 1 to December 31, 2020 (with additional updates to March 31, 2021 on resource availability) as well as the disbursements for projects under implementation as of June 2020. Results reporting of projects under implementation covers the period from January 1 to December 31, 2020.

2 Strategic issues

2.1 Resource availability

4. As of March 31, 2021, the FIP trust fund had reached a total of USD 766.3 million¹ in cumulative funding. This amount varies from month to month due to USD 179.8 million in unencashed promissory notes,² which will continue to be exposed to currency exchange fluctuations until encashed.³
5. The FIP trust fund has a total potential surplus of USD 74.1 million. The anticipated pipeline commitments will require USD 17.2 million in grant resources, resulting in a potential surplus of USD 63.9 million in capital funds and of USD 10.2 million in grants.
6. A recent revision of some of the UK's supplemental contribution amendments to reflect the terms of the standard provisions resulted in an allocation of GBP 9.9 million (equivalent to about USD 13 million at current rates) of capital contributions toward grant financing under FIP. This was the remaining amount of capital allowed to be allocated for grant financing under FIP, which will be used to meet the requirements for grants under the endorsed pipeline. Since FIP has a surplus in capital funding, the remainder grant amount will be required to support the generation of a new pipeline in the form of supporting grants and MDB project implementation services (MPIS) costs.

¹ Including contributions, pledges, and investment income earned.

² This amount represents the equivalent of GBP 130.62 million.

³ A total of USD 27.5 million has been reserved by the Trustee to account for currency exchange fluctuations.

7. Table 1 summarizes FIP resources available for commitments, further detailed in Annex 1.

Table 1: FIP resource availability schedule summary (March 2021, USD million)

	TOTAL	Capital	Grant
Unrestricted Fund Balance After Reserves (i)	63.6	39.0	24.6
Anticipated Commitments (ii) Program/project funding and MPIS costs	17.2	-	17.2
Available Resources (i - ii)	46.3	39.0	7.4
Potential Future Resources (iii)	27.8	24.9	2.8
<i>Pledges</i>	0.3	-	0.3
<i>Release of currency risk reserves</i>	27.5	24.9	2.5
Potential Available Resources (i-ii+iii)	74.1	63.9	10.2

2.2 Pipeline management update

8. As of December 31, 2020, the FIP pipeline includes three projects under preparation for FIP Technical Committee and eventual MDB approval⁴:
- Congo Republic: Northern Congo Agroforestry Project
 - Congo Republic: DGM for Indigenous Peoples and Local Communities
 - Nepal: DGM for Indigenous Peoples and Local Communities
9. The CIF Administrative Unit is working with the MDBs to develop a new FIP pipeline for the use of the available resources. The new pipeline proposal will be presented to the FIP Technical Committee for its endorsement via email.

2.3 Impact of COVID-19 on the FIP portfolio

10. The COVID-19 pandemic continued to have an impact on the FIP portfolio, both for projects under implementation and those in the pipeline. Government guidelines, including social distancing, travel restrictions, and limiting large gatherings, slowed down some project activities, which translated into slower disbursements. Delays were experienced in the conduct of procurement, field work, delivery of goods and installation of equipment, stakeholder engagement, and civil works. These challenges also resulted in extended project closing dates and target dates of funding approval.
11. Despite the limitations and challenges, project teams have been able to adapt to continue implementation. Some projects have shifted activities requiring in-person engagement, such as trainings and workshops, to a virtual format. Other projects are using electronic monitoring and data collection tools to follow-up on activity implementation. Other examples of adaptations include the DGM project in Brazil, which established a Resilience Network Committee made up of representatives from the DGM National Steering Committee to respond to the impacts of COVID-19 in communities. The DGM project in Peru

⁴ In January 2021 the FIP Technical Committee approved both projects from the Republic of Congo.

conducted a needs assessment and reallocated funds to provide personal protective equipment, communications equipment, and food to Indigenous communities in need.

12. It is also important to highlight the positive impact that some activities funded by FIP projects have had in reducing the risks of the most vulnerable populations. For example, beneficiaries from the FIP-ADB project in Indonesia, which established a cash advance program to implement labor-intensive agroforestry activities, reported that the income they received was crucial in helping them get through economic hardships caused by the pandemic

2.4 Monitoring and reporting

13. A new [FIP monitoring and reporting online training module](#) was developed throughout 2020 and launched in March 2021 to support developing countries' capacity to carry out vital monitoring and reporting (M&R) on their efforts to boost sustainable forestry and livelihoods. This training program (available in English, French, and Spanish) is intended to introduce the FIP M&R content to client countries reporting for the first time, as well as to enhance the knowledge base of countries that are already experienced in reporting project results, new stakeholders within the FIP community, and climate and forestry practitioners at large.
14. Following the launch of this new online training platform, a series of virtual training workshops was conducted by the CIF Administrative Unit to build FIP countries' understanding and utilization of the FIP M&R system. So far, four virtual trainings have been conducted, with the participation of approximately 67 FIP practitioners from Burkina Faso, Lao PDR, Peru, and Côte d'Ivoire.
15. An initial portfolio analysis of FIP using modeling tools to estimate employment contributions and economic value creation provided first-of-its-kind data on the FIP portfolio (see Section 5.9). Building on this analysis, a broader evaluation of development impacts in CIF, with a focus on all four current CIF programs, began implementation and is poised to deliver early findings by the end of 2021. Undertaken by an independent evaluation firm, this mixed method assessment includes additional modeling and country case studies to analyze more deeply impacts on jobs and economic development while expanding the analysis to other areas, such as environmental, health, market and trade competitiveness, security, and social impacts, including gender and inclusivity.

3 Status of FIP

3.1 Portfolio overview

16. As of December 31, 2020, USD 602.3 million had been endorsed by the FIP Technical Committee as indicative allocations to the participating countries, totaling 50 projects included in investment plans, 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. The portfolio under implementation consists of 42 projects reaching USD 289.4 million in cumulative disbursements.

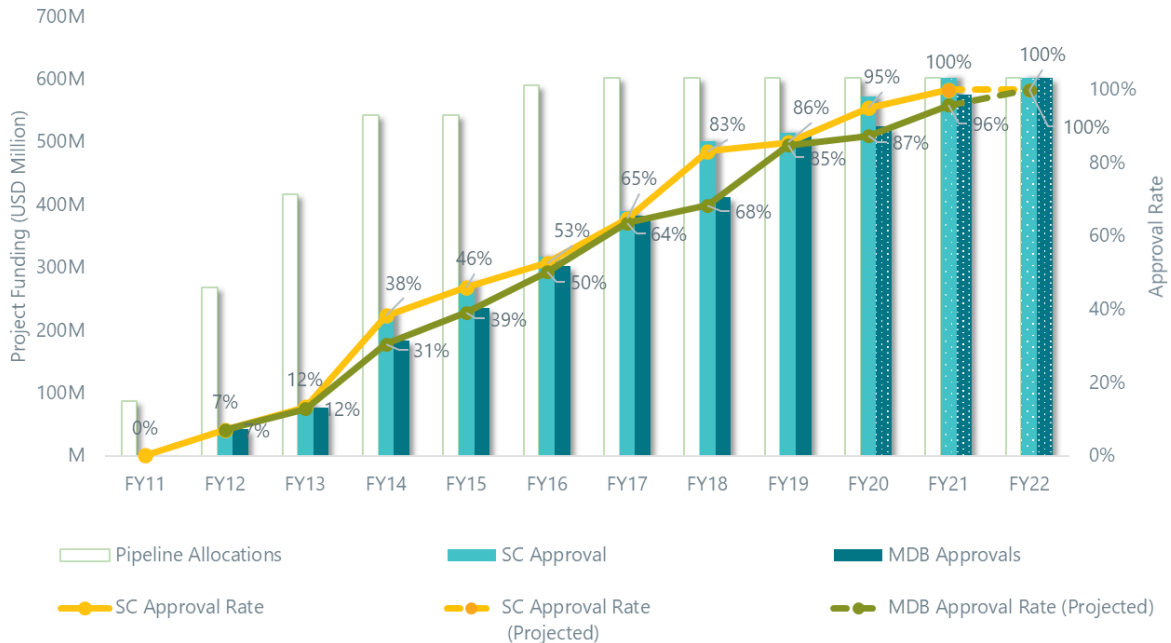
Table 2: Overview of FIP portfolio (USD million, as of December 31, 2020)

Overview of FIP Portfolio (as of December 31, 2020, USD Million)							
	Indicative Pipeline Allocation				Approved Funding		Disbursement
	Total	IP	DGM	PSSA	Committee	MDB	
FIP Funding	602.28	514.69	70.28	17.30	577.70	553.40	289.4
Number of Projects	50	33	14	3	47	44	42

Note: Amounts include Project Preparation Grants (PPGs).

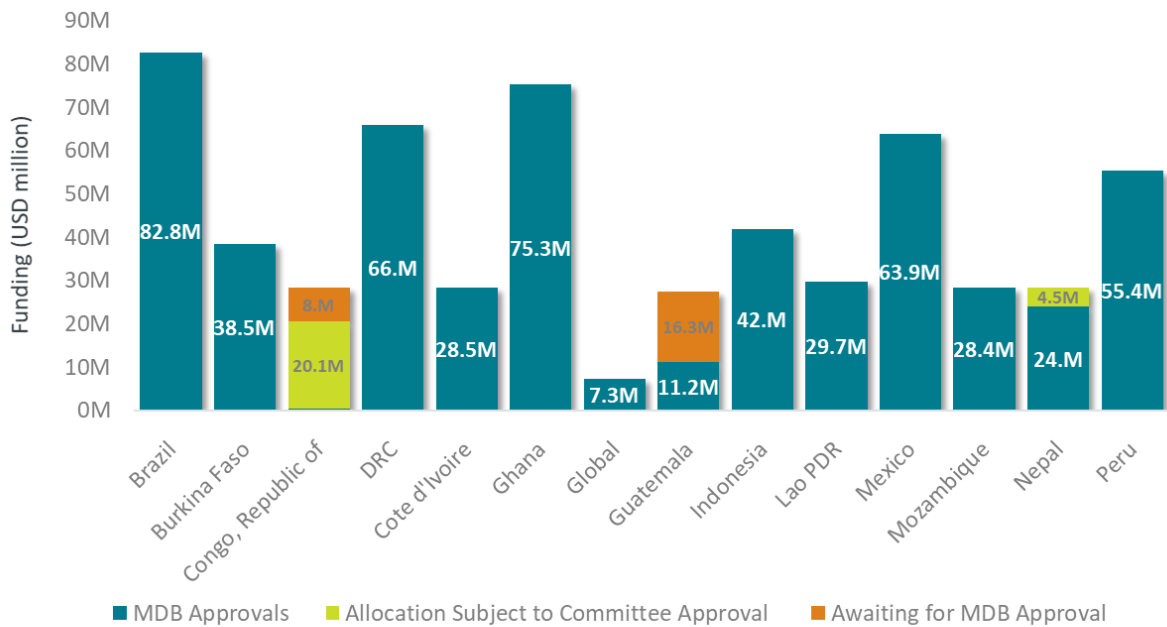
17. Compared to the previous FIP ORR, the total portfolio has reduced by USD 9.7 million, which corresponds to the partial cancellation of the project Forest Information to Support Public and Private Sectors in Management Initiatives in Brazil.
18. Figure 1 shows cumulative funding approvals continuing to increase. The entire endorsed FIP portfolio should be approved by the FIP Technical Committee in FY2021, and by the respective MDB Board by FY2022.

Figure 1: Cumulative FIP funding approval rates by fiscal year (projections until FY22)



19. Figure 2 shows the approval levels of FIP pipeline projects by pilot country and the DGM Global project. Ten of the 13 pilot countries with a project pipeline have achieved 100 percent FIP Technical Committee and MDB approval of their indicative funding allocation.

Figure 2: FIP funding approval of project pipeline by country (as of December 31, 2020)



20. Figure 3 presents the distribution of FIP Technical Committee-approved projects by region, MDB, theme, and public or private sector. Africa represents the largest portion of the FIP portfolio (with a total of USD 245.1 million), followed closely by Latin America. The World Bank implements USD 390 million of the FIP Technical Committee-approved portfolio. Private sector projects total only USD 26.8 million.
21. The thematic focus of the portfolio of FIP Technical Committee-approved projects reflects FIP's objective of working to address the drivers of deforestation and forest degradation. Thus, the largest portion of funding focuses on landscape approaches (including agriculture/agroforestry), followed by sustainable forest management and capacity building.
22. Figure 4 shows that the co-financing ratio of FIP Technical Committee-approved projects is 1:1.6, totaling USD 919.5million. MDBs and beneficiary governments are the main sources of co-financing.

Figure 3: FIP portfolio overview
(approved by FIP Technical Committee, as of December 31, 2020)

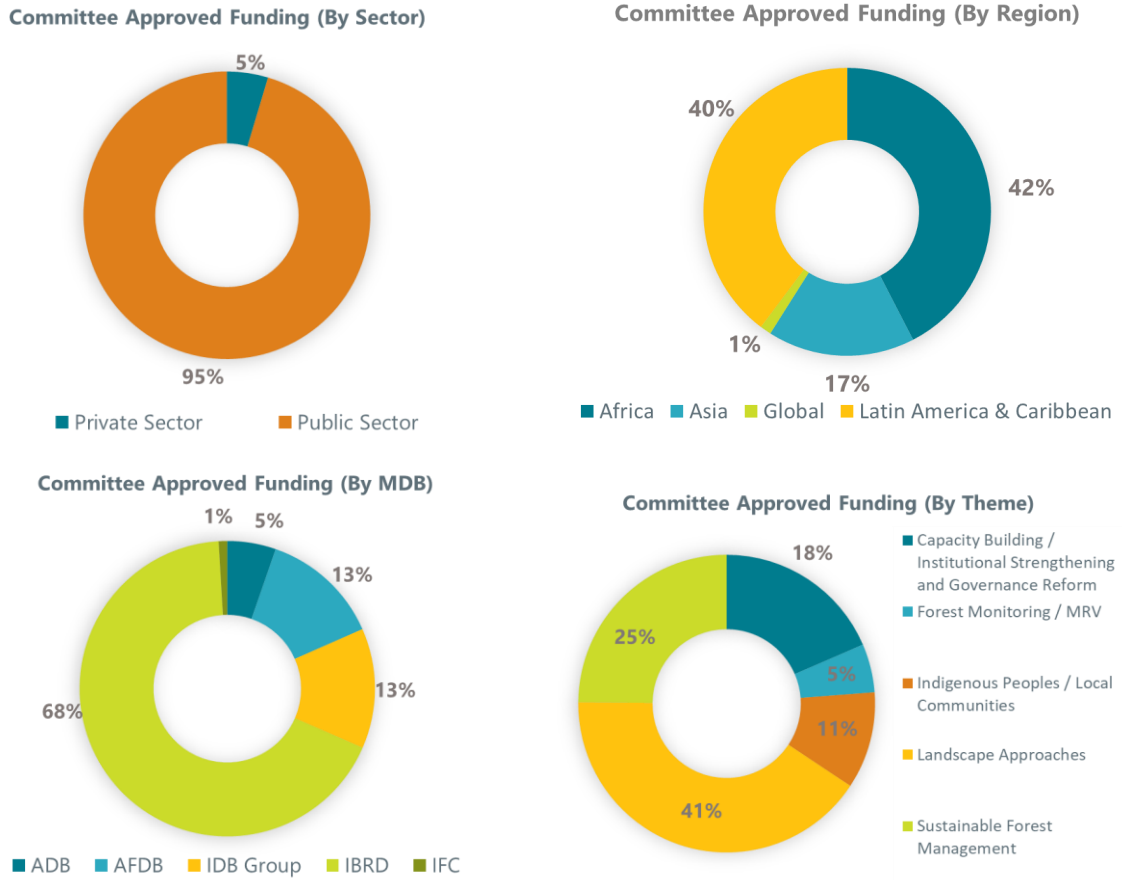
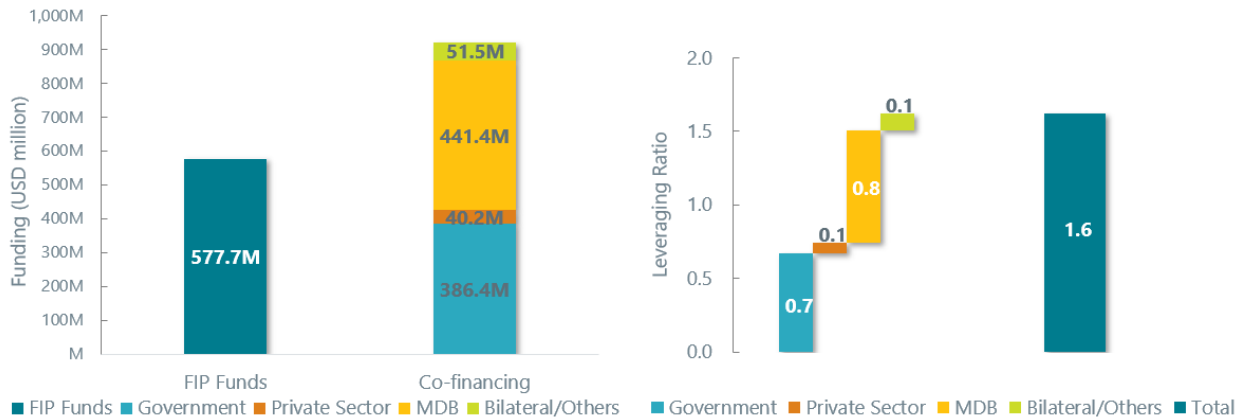


Figure 4: Co-financing total for FIP Technical Committee-approved projects
(in USD million, as of December 31, 2020)



3.2 Portfolio updates

3.2.1 Project approvals

23. As shown in Table 3, during the reporting period, one project was approved by the FIP Technical Committee for a total of USD 4.5 million (see Box 1), and two projects were approved by MDB boards totaling USD 26.3 million.

Table 3: FIP project approvals by FIP Technical Committee and MDB boards
(July 2020–December 2020)

Projects/Program SC Approved					
COUNTRY	PROJECT TITLE	MDB	FINANCIAL PRODUCT	Amounts	Approval Date
Guatemala	DGM for Indigenous Peoples and Local Communities	IBRD	Grant	4,500,000	12/16/2020
Total				4,500,000	

Projects/Program MDB Approved					
COUNTRY	PROJECT TITLE	MDB	FINANCIAL PRODUCT	Amounts	Approval Date
Global	Phase 2 - Dedicated Grant Mechanism Global Project	IBRD	Grant	2,300,000	7/24/2020
Nepal	Forests for Prosperity	IBRD	Grant, Loan	24,000,000	7/8/2020
Total				26,300,000	

24. Both the DGM Global Phase 2 and the Forests for Prosperity projects were approved by the IBRD Board in July 2020, approximately six months after they were approved by the FIP Technical Committee.

25. The second phase of the DGM Global Project, implemented by Conservation International, will build on the platform for capacity building and strengthening partnerships among and between IPLC⁵ organizations, established by the first phase of the global DGM project. It serves as an umbrella for the program as a whole, including the country DGM projects. The global project will be utilizing resources built in its first phase to continue creating and sharing knowledge and learning from the DGM to a wider IPLC community.

⁵ IPLC: Indigenous Peoples and Local Communities

Box 1: Providing direct financing to Indigenous Peoples and Local Communities in Guatemala

The DGM in Guatemala is implemented by the World Bank and has received USD 4.5 million in FIP funding to strengthen the capacity of and benefits gained by IPLCs in their role in sustainable forest and natural resource management.

The project will pilot activities to advance the recognition of culturally based and collective IPLC forest management models through the preparation and implementation of cultural forest management plans (CLMPs). It will also design and implement a pilot compensation mechanism for conservation results achieved under the CLMPs. In addition, investments in new and existing forest-related livelihood activities will provide pre-investments in IPLC-led high-potential forest-related products and strengthen existing activities.

Implementation arrangements reflect a strong commitment to a community-driven development approach, The National Steering Committee (NSC) for the project is comprised of three national level IPLC networks that have demonstrated strong participation and commitment in the forestry and climate change sectors. The selected National Executing Agency (NEA), Asociación Sotz'il is an Indigenous organization from Guatemala with experience working with the World Bank, both as an implementor of the Forest Carbon Partnership Facility (FCPF) and as a long-term partner in the World Bank's Latin American and Caribbean Dialogue with Indigenous Peoples.

3.2.2 Project pipeline tracking and projected submissions

26. There are three projects in the FIP pipeline still pending FIP Technical Committee approval, and they are expected to be approved by May 2021.
27. As indicated in the strategic issues section, FIP has a potential availability of USD 74.1 million that remains unallocated. Once a new pipeline of projects is identified and endorsed by the FIP Technical Committee, the CIF Pipeline Management Policy timelines will be applied for approval of this new portfolio.
28. Table 4 presents the complete list of projects in the FIP pipeline and their expected submission date for FIP Technical Committee approval.

Table 4: List of pipeline projects (USD million, as of December 31, 2020)

IP/ DGM PSSA	Country	Project title	MDB	Public/ Private	Grant	Non- grant	Date project concept / IP endorsed	Expected Committee approval date
IP	Congo Republic	Northern Congo Agroforestry project	IBRD	Public	3.58	12.0	December 2017	Jan 2021
DGM	Congo Republic	DGM for Indigenous Peoples and Local Communities	IBRD	Public	4.5	-	December 2017	Jan 2021
DGM	Nepal	DGM for Indigenous Peoples and Local Communities	IBRD	Public	4.5	-	December 2017	May 2021

29. There are five projects pending MDB approval. Two of those projects have exceeded the nine-month timeline between Committee and MDB board approval. The World Bank requested an extension up to May 2021 for the Forest Governance and Livelihoods Diversification Project in Guatemala due to circumstances related to COVID-19 and hurricanes, which impacted the World Bank and the government’s ability to finalize the appraisal process. As reported previously, the AfDB requested an extension up to March 2021 for the Community Agroforestry and Wood Energy Project (PACBE) in Republic of Congo.

3.2.3 Disbursements and implementation updates

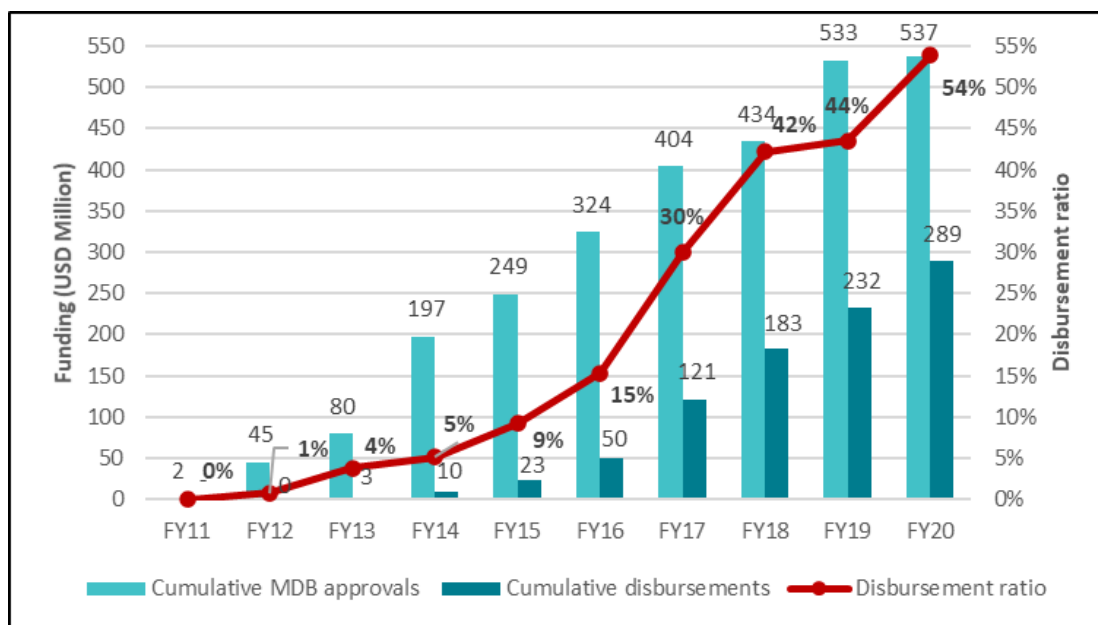
30. The cumulative project disbursements by MDBs totals USD 289.4 million, corresponding to 42 projects under implementation, as of June 2020.⁶ The current rate of portfolio disbursement is 54 percent of funding for MDB-approved projects (see Figure 5).

31. Detailed disbursement analysis is included as part of the CIF Disbursement Report.

32. The Forest Information to Support Public and Private Sectors in Management Initiatives Project in Brazil supports the Brazilian Forest Service goal to implement the National Forest Inventory and consolidate the National Forest Information System. Due to administrative constraints, the project canceled USD 9.7 million, but 94 percent of the remaining funds were disbursed, achieving most of the planned outcomes and products. The IDB Group will request the re-approval of the canceled resources for a Phase II.

⁶ This amount includes disbursements of Project Preparation Grants (PPGs)

Figure 5: Cumulative FIP project disbursements by reporting period and fiscal year



33. Table 5 shows cumulative disbursements for FIP countries with projects under implementation as of June 2020.
34. Of the initial eight FIP countries (highlighted grey) Mexico is the country with the highest percentage of disbursement (90 percent). Three of its four projects have already completed activities on the ground. It is followed by Lao PDR, which is also in the last stages of implementation of its FIP portfolio. On the other hand, the two projects from Peru’s investment plan were the last to start implementation on the ground and, therefore, have the lowest level of disbursement of these countries.
35. Regarding the second group of countries accepted to FIP, Mozambique was the first one to approve the three projects its FIP portfolio and has already achieved 63 percent disbursement. Congo Republic and Nepal are still in the process of project approval with none under implementation.

Table 5: Disbursement levels by country (in USD million)

Country	Date of IP endorsement	MDB approved portfolio		Cumulative Disbursement as of June 30, 2020
		# of projects	Sum of Funding Amount	
DRC	Jun-11	3	66.0	49.9 (75.7%)
Mexico	Oct-11	4	63.9	57.6 (90.2%)
Lao PDR	Jan-12	3	29.8	24.3 (81.7%)
Brazil	May-12	8	92.5	35.5 (38.3%)
Burkina Faso	Nov-12	4	38.5	24.7 (64.2%)
Ghana	Nov-12	5	75.3	46.3 (61.5%)

Indonesia	Nov-12	3	42.1	18.0 (42.8%)
Peru	Oct-13	3	55.4	6.2 (11.1%)
Global DGM	Oct-15	2	7.3	4.9 (67.3%)
Cote d'Ivoire	Jun-16	2	28.5	3.9 (13.7%)
Mozambique	Jun-16	3	28.4	18.0 (63.4%)
Guatemala	Jun-17	2	10.7	0.1 (1.2%)

36. Implementation of many projects has been impacted by the COVID-19 pandemic, causing delays in expected closing dates. Some projects have had to temporarily put on hold or suspend all face-to-face engagements, including meetings, trainings, project acquisitions, workshops, and any other field activities that could put project staff and beneficiaries at risk.

37. The following projects have extended their closing dates:

- Brazil - Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado: from March 2021 to December 2021
- DRC - Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins: from June 2021 to December 2022
- Brazil – Dedicated Grant Mechanism: from December 2002 to June 2021
- Lao PDR - Smallholder Forestry Program: from December 2020 to June 2021

38. During this reporting period, the following projects have completed implementation:

- Global - DGM Global project - Phase 1
- Brazil - Forest Information to Support Public and Private Sectors in Management Initiatives
- Burkina Faso - Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)
- Mozambique - Emissions Reductions in the Forest Sector through Planted Forests with Major Investors
- Ghana - Engaging Local Communities in REDD+/Enhancement of Carbon Stocks

39. Successful implementation of two projects implemented by the World Bank that would have already closed resulted in approval of additional funding to continue and scale-up activities piloted by the original FIP pilot projects:

- Lao PDR - Scaling-up Participatory Sustainable Forest Management (SUFORD-SU): The FIP grant has achieved 100 percent disbursement and the World Bank has approved an additional funding of USD 5 million
- DRC - Improved Forested Landscape Management Project (IFLMP): The FIP grant closed on June 30, 2020 as planned (100 percent disbursement), and the additional USD 6.21 million from the Global Environment Facility (GEF) will close in 2022

4 Cross-cutting themes

4.1 Knowledge management, evaluation, and learning

40. Due to COVID-19, all FIP knowledge-sharing activities continued to be organized virtually. Since July 2020, seven FIP (or forestry-related) events were organized, reaching over 300 participants. This included six webinars organized by the Transformational Change Learning Partnership (TCLP), as well as an early evidence dissemination webinar on a study related to the Payments for Environmental Services (PES) project in Burkina Faso, undertaken in collaboration with the World Bank's Development Impact Evaluation (DIME) team.
41. Ongoing collaboration with DIME on the impact evaluation of Burkina Faso's Gazetted Forests Participatory Management Project for REDD+ is expected to be completed in 2021, following completion of the project itself during the current reporting period. More information can be found in the early evidence summary briefs: overview ([English/French](#)), Payments for Environmental Services ([English/French](#)), and effects on food security and incomes ([English/French](#)).
42. A total of eight studies focused exclusively on FIP are being supported by the CIF Evaluation and Learning (E&L) Initiative. During this reporting period, the following two FIP studies were completed and published⁷:
- [Welfare and Forests: Lessons from Assessments of the FIP Co-funded Projects in Lao PDR and Mexico](#) (by the World Bank FIP team). The study explored the different pathways through which FIP investments in Lao PDR and Mexico supported the welfare of the respective communities, while protecting forests. It found that FIP projects contributed to improvements in welfare, both at the household and community level, through two pathways: ecosystem services for poverty reduction and investing in institutions. Despite these improvements, the study concluded that developing market access, improving labor productivity, and investing in institutions to change gender norms could have resulted in more sustainable welfare improvements. The study was launched on April 14, 2021 as part of the World Bank's Environment, Natural Resources and Blue Economy (ENB) Global Practice weekly webinar series.
 - [Designing Fiscal Instruments for Sustainable Forests](#) (by the World Bank FIP team). This report identifies fiscal reforms that can positively influence forest conservation and management while freeing up resources to be used for national development. It finds that implementing the right fiscal instruments, including environmental commodity taxation, agricultural subsidy reforms, and fee-and-rebate mechanisms, to name a few, can help to meet climate, development, and COVID-19 recovery goals without diverting large amounts of public funds or increasing public debt. While fiscal policy is not a silver bullet, it should be part of a comprehensive policy package that encourages sustainable land use. The report was launched during a

⁷ Only one study is pending completion, Using Behavioral Science to Improve Communication Outreach and Increase Female Participation in Natural Resource Management in Mexico, which is expected to be published in May 2021.

widely attended World Bank/IMF webinar event (with more than 200 participants) that took place on March 30, 2021.

43. The FIP team continues close collaboration with the E&L Initiative's TCLP, including through a case study and involvement in the TCLP Landscapes interest group. The case study will be published in May 2021 and shares Mexico's story of transformational change toward a low-carbon, climate resilient rural economy, focusing on CIF's FIP investments between 2010 and 2020. Box 2 highlights FIP's deep engagement with both the TCLP's Landscapes and newly created Resilience and Landscapes interest groups.
44. Following the publication of the [Evaluation of Local Stakeholder Engagement in the CIF](#) in FY20, the E&L Initiative supported a subsequent internal study to assist the CIF Observer selection and monitor the outcomes of CIF's multi-level stakeholder engagement efforts on CIF's overall business. This included a draft results framework to help the team identify and track ongoing efforts to strengthen the engagement of non-state actors in CIF activities at the governance, national, and local levels. This follow-on work helped to inform the FY21 CIF Administrative Unit stakeholder engagement team to implement recommendations on observer selection and onboarding processes, including for FIP Observers, as well as draft protocols for local stakeholder engagement in the new CIF programs.

Box 2: Transformational Change Learning Partnership (TCLP) Landscapes Interest Group



The E&L Initiative's [Transformational Change Learning Partnership](#) (TCLP) is a multi-disciplinary, multi-stakeholder learning community established to deepen, advance, and promote transformational change in climate action. In 2020, the TCLP continued global sharing on the topic of transformational change through webinars, interest group meetings, case studies, a repository of resources, and virtual workshops (planned for May 2021).

As part of this work, the TCLP established interest groups, with one focused on landscapes. Since July 2020, the Landscapes Interest Group organized five webinars focusing on themes such as private sector engagement, inclusion of IPLCs, and FIP's transformational potential in Mexico. Over 160 participants from a variety of institutions attended these webinars. Insights from the latest webinar showcasing FIP's journey in Mexico fed into the new TCLP case study on Mexico.

As of March 2021, the Resilience and Landscapes Interest Groups were combined into a single group. Acknowledging that resilience is a cross-cutting topic that affects all TCLP program areas, this merge reflects an initial effort to achieve more concerted integration of resilience concepts and thinking across all interest groups. To consider a more inclusive scope of initiatives at the nexus of land use and resilience, the concept of landscapes will be considered more broadly to include competing land use demands (such as coastal management and urban climate action) in addition to the previous scope of forests, ecosystems, and agriculture.

4.2 Gender

45. As requested by the FIP Technical Committee, the ORR presents gender scorecard reporting on trends over time in the FIP investment plan and project portfolio in gender quality at entry (i.e., plan and project design). As no new investment plans have been approved during the reporting period, only the project portfolio is reported. Table 6 shows an increase in the gender quality at entry in all three scorecard indicator areas, and Box 3 highlights how the

Forests for Prosperity Project in Nepal in focusing on gender issues.

Table 6: Gender scorecard indicators for FIP projects (program inception to December 2020)⁸

Indicators	Gender Action Plan (GAP) baseline ⁹ June 2014 % (n)	GAP through current period (Jul 2014 -Dec 2020) % (n)	Cumulative: (FIP program inception until Dec 2020) % (n)
Sector-specific gender analysis	53% (8 of 15 projects)	78% (25 of 32 projects)	70% (33 of 47 projects)
Women-targeted activities	73% (11 of 15 projects)	84% (27 of 32 projects)	81% (38 of 47 projects)
Sex-disaggregated M&E indicators	73% (11 of 15 projects)	84% (27 of 32 projects)	81% (38 of 47 projects)

46. During the current reporting period, only one project, the DGM Guatemala, was approved by the FIP Technical Committee. This project scored positively across all three gender scorecard indicators. It emphasizes several gender gaps around economic and political participation that are particularly pronounced for Indigenous women in Guatemala. Guatemalan women constitute only 14 percent of the National Congress and Cabinet and only 3 percent of those holding mayoral positions. Women’s representation among the executive boards of the three national Indigenous Peoples’ networks working in land management and climate change, while improving, is low at 22 percent. While there are no legal restrictions barring women’s land ownership, customary practices paired with discriminatory treatment have hindered women’s access to land, resulting in only 8 percent of land in the country being owned by women.
47. The DGM project aims to narrow these gender gaps by encouraging the participation of women in all project activities and targeting women as direct beneficiaries for specific activities. For all subprojects, selection criteria will take into consideration and support the representation of women in beneficiary organizations as well as the number of women each subproject will benefit. Subgrants provided under the project will target women-led organizations to support forest-dependent families and communities whose food security has been impacted by COVID-19, the Eta and Iota storms, or other climate impacts. The project will also include a subgrant window focused on food security to support 20 women-led small-scale food security sub-projects funded at USD 10,000 each, to enable purchase of tools, seeds, small livestock, and materials and activities related to community gardens, post-harvest processing, and storage for community and family consumption.
48. CIF undertook a study entitled [Empowering Indigenous Women to Integrate Traditional Knowledge and Practices in Climate Action](#) to answer two main questions: 1) How can we

⁸ The table reports quality at entry data for FIP Trust Fund Committee-approved projects approved through December 31, 2020.

⁹ All baseline figures are as of June 30, 2014.

learn from Indigenous women for effective, sustainable, and inclusive climate solutions? and 2) How can we support and empower them to integrate their traditional knowledge and practices in climate mitigation and adaptation solutions? For the report, CIF consulted more than 50 stakeholders, including Indigenous women, Indigenous and women's groups, and development professionals in MDBs. The report emphasizes how Indigenous women help their communities to cope with climate and other shocks through the application of Indigenous knowledge and practices, with innovative climate-resilient practices, such as weather forecasting, water management strategies, supplying specific indigenous trees to combat deforestation, and pest management to increase agricultural production. Report recommendations include operationally-focused solutions in the MDB context, such as researching, documenting, and showcasing Indigenous knowledge and practices held by Indigenous women and protecting their intellectual property rights to these; building the capacity of Indigenous women's groups and networks; and supporting Indigenous women to engage in climate projects and decision-making, under a co-design approach that sees Indigenous women as partners.

49. Dissemination of the [report](#) took place in March 2021 at a World Bank event led by the World Bank's Global Director for Social Sustainability and Inclusion Global Practice, and featuring a panel discussion by Indigenous women leaders, with moderation by an Indigenous youth activist. A representative from the World Intellectual Property Organization (WIPO) talked about the importance of capacity building of Indigenous women and protecting their intellectual property rights. A second dissemination session took place for World Bank staff.

Box 3: Supporting women's pathways to prosperity in forest landscapes in Nepal



The Forests for Prosperity Project in Nepal implemented by the World Bank has received USD 24 million in FIP funding to improve sustainable forest management, increase benefits from forests, and help to address climate change in select landscapes in Nepal.

The project's key beneficiaries will be women and other socially excluded groups, including Dalits and Indigenous Peoples who will benefit from improved forest management activities to increase supply of both timber and non-timber forest products. Special provisions will be made in community-based forest management groups to support women-headed households by allocating land from inside community forests for production of fodder and non-timber forest products and by establishing Public Land Management Groups intended to comprise mainly women's groups. Traditionally in Nepal, women's involvement in commercial forest sector activities has been limited, as they predominate more in the collection and utilization of subsistence forest products. To address this gender gap, the project will provide equal employment opportunities in skilled and entrepreneurial positions for women, Dalits, and Indigenous Peoples. The project will also identify and train small-business advisors who will work closely with women business owners and entrepreneurs in developing business plans and accessing credit for forest-based SMEs on a pilot basis. To support plantations on private land, the project will provide grants, which will incentivize registration of joint land titles for women and men. The project will also ensure that women equally benefit from trainings and it will enhance capacities of women, Dalits, and Indigenous Peoples in close coordination with the DGM Nepal project. As part of its technical support, the project will conduct studies on gender-integrated forest value chains.

4.3 Risk management

50. The FIP Risk Report provides an update on assessments of the more significant risk exposures facing FIP. This is a summary of the projects flagged for implementation risk, based on data from June 30, 2020 and compares them with projects flagged in the previous FIP Risk Report (which was based on data as of December 31, 2019), with certain projects

using more updated information as indicated.

51. Implementation risk is the risk that a project, once effective, is not implemented in a timely manner. The CIF Administrative Unit flags a project for implementation risk if the project meets at least one of the following three criteria.
- The project has been effective for 36 months, but has disbursed less than 20 percent of program funds.
 - The project is within 15 months of the anticipated date of final disbursement, but has disbursed less than 50 percent of program funds.
 - The anticipated date of final disbursement for the project has been extended, and less than 50 percent of program funds have been disbursed.
52. Implementation risk for FIP remained **High**, as four out of 42 projects representing USD 65 million (9 percent) of program funding have been flagged for this risk. The program’s implementation risk score has been **High** for the past three reporting cycles, and **Medium** for the four reporting cycles prior to that.
53. Table 7 illustrates that the same project representing USD 24 million of program funding has been flagged under the first criterion as was flagged during the last seven reporting periods.

Table 7. Projects effective for 36 months with less than 20 percent of approved funds disbursed

PROJECT TITLE	MDB	Funding (USD million)	Cumulative Disb. As of June 30, 2020	Disbursed Ratio	Effectiveness Date	Months After Effectiveness Date	MDB Co-Financing (USD millions)
Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	2.2	9%	3/16/2016	52	0

54. Table 8 illustrates that two projects representing USD 26 million of approved funding have been flagged under the second criterion (versus five projects representing USD 82 million flagged in the previous Risk Report). Two of the projects flagged in the previous report under this criterion remain flagged in the current reporting period.

Table 8. Projects within 15 months of closing with less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	Funding (USD million)	Cumulative Disb. as of June 30, 2020	Disbursement Ratio	Anticipated Date of Financial Closure	Months Before Anticipated Date of Financial Closure
Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AfDB	4.0	1.0	24%	8/28/2020	2
DRC	REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins	AfDB	21.5	8.5	39%	6/30/2021	12

55. Table 9 illustrates that two projects representing USD 40 million of program funding have been flagged under the third criterion (versus three representing USD 70 million flagged in the previous Risk Report).

Table 9. Projects with extended anticipated dates of final disbursement, and less than 50 percent of approved funds disbursed

COUNTRY	PROJECT TITLE	MDB	FIP Funding (USD million)	Cumulative Disb. As of June 30, 2020 (USD million)	Disb. Ratio	Effectiveness Date	Months Since Effectiveness Date	Initial Anticipated Date of Final Disb.	Extended Anticipated Date of Final Disb.
Cote d'Ivoire	Forest Investment Project	IBRD	15.0	3.6	24%	5/16/2018	20	5/31/2021	5/23/2023
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD	24.5	2.2	9%	3/16/2016	52	5/29/2020	12/31/2021

5 Results

5.1 Introduction and approach

56. This section illustrates the results that were achieved in FIP during the period from January 1, 2020 until December 31, 2020 (i.e., RY2020) and cumulatively through December 31, 2020. Due to the ongoing COVID-19 pandemic and limitations on travel and gatherings, FIP M&R stakeholder workshops could not be held, and countries were not required to submit annual FIP results reports this year. RY2020, therefore, marks the second consecutive reporting year

that FIP results are based primarily on data from MDBs.¹⁰

57. Nine FIP countries were still able to submit optional annual results through the normal mechanism, despite COVID-19 barriers.¹¹ These data are incorporated as a supplementary source of information, since they provide useful country-level updates from some FIP countries.

5.2 New reporting cycle for FIP results

58. Following the November 2020 SCF Intersessional Meeting, the SCF Trust Fund Committee reviewed [Options to Improve the Efficiency of SCF Governance](#) and approved Option 2. Consequently, the SCF Committee Meetings moved to an annual schedule with June set as the main annual meeting. To accommodate this new schedule, results reporting to the FIP Technical Committee has also shifted from December to June. This means that all results data are now submitted by FIP countries and MDBs to the CIF Administrative Unit during the first part of each calendar year in the lead up to the June CIF Trust Fund Committee meetings.

59. For RY2020, this adjustment has led to a shorter turnaround period (i.e., six months) since the previous round of results reporting took place.¹² Reporting will return to the typical 12-month turnaround period starting in 2022, since the necessary one-time adjustment to the new reporting timeframe has now been made. Moreover, FIP's M&R system is expected to benefit overall from the new reporting timeline due to the shorter delay between when data are reported (i.e., June) and the year that they cover (i.e., results achieved through December 31 of the previous year).

5.3 COVID-19 and FIP results in RY2020

60. When the global COVID-19 pandemic forced much of the world into lockdown in early 2020, FIP projects were among the many learning to adapt, prioritizing some activities over others, innovating operational modalities, and adjusting to a “new normal” in the context of ongoing social and economic fragility. The challenging year threatened to stunt the trajectory of progress for much of the FIP portfolio, in some cases delaying implementation timelines, limiting opportunities for results data collection, or blunting the realization of outcomes and outputs at ground level. Some projects were able to absorb shocks, refocus their implementation strategy in light of COVID-19, and come up with remote data collection solutions, which ultimately contributed net positive gains for the FIP portfolio during a difficult year. It is important to situate the analysis of FIP results against this unprecedented backdrop. Yet, RY2020 also presents a unique learning opportunity to examine the ongoing effectiveness of sustainable forestry climate investments in the face of compounded shocks, such as those posed by a global pandemic.

¹⁰ Because of the methodological adjustments affecting RY2019 and RY2020, it is not advisable to make *direct* comparisons of these results with previous reporting years. This report provides information from RY2017 to RY2020 to provide a proxy illustration of how results have evolved year-on-year.

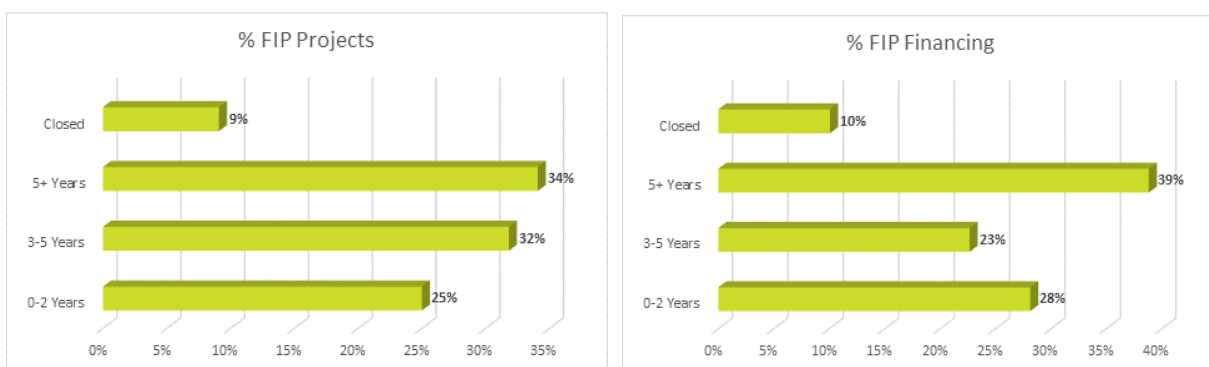
¹¹ Brazil, Burkina Faso, Côte d'Ivoire, DRC, Indonesia, Lao PDR, Mexico, Mozambique, and Peru

¹² For some MDBs, new results data are only available for July-December 2020, since the last results report covered results data available through June 2020. Other MDBs reported previously through December 2019 and, therefore, reported new results data covering all of 2020.

5.4 Scope of reporting and FIP portfolio maturity

61. Out of 44 MDB-approved FIP projects, (30 under FIP investment plans, 11 under DGM, and 3 under FIP PSSA, totaling USD 547.6 million in FIP funding), 37 projects are reporting results as of RY2020.¹³ An additional six projects have reported targets toward FIP’s total expected results, although they have not yet reported non-zero progress toward these targets.¹⁴ Among all MDB-approved FIP projects, approximately 75 percent are at least three years old, including 9 percent (corresponding to four projects) that have been reported as closed.¹⁵ The remaining 25 percent of MDB-approved projects in the portfolio are less than three years old. In terms of total FIP funding, approximately half (49 percent) of the portfolio has either surpassed five years of maturity or closed, whereas the other approximately half (51 percent) falls within the 0-to-5 years range (see Figure 8).

Figure 8: MDB-approved portfolio maturity (by no. of projects and by funding)



¹³ This figure does not include Additional Financing for Ghana Forest Investment Program – Enhancing Natural Forest and Agroforest Landscapes Project (XFIPGH045A), since these results are integrated into reporting on the FIP parent project of the same name. It does include DGM projects, although DGM project results are reported through a separate mechanism and presented separately in this report.

¹⁴ The six projects are from Côte d’Ivoire, Guatemala, Nepal, and Peru.

¹⁵ Projects identified as “closed” reflect their current status as reported in the CCH.

5.5 Overview of RY2020 results

WHERE DO WE STAND?

Total FIP investments of

Note: There are no FIP projects in ECA region.



have mobilized co-financing of

*Global projects operate in more than one region (currently 2 projects)



resulting in...

Tons of CO₂eq. reduced or avoided:



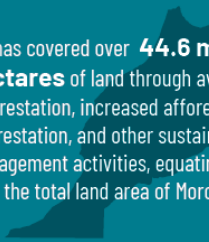
Ha of land covered through avoided deforestation, increased afforestation/reforestation, or other sustainable land management activities:



People receiving livelihood co-benefits:



FIP has covered over **44.6 million hectares** of land through avoided deforestation, increased afforestation / reforestation, and other sustainable land management activities, equating to more than the total land area of Morocco.



Nearly **1.45 million people** have received direct livelihood co-benefits from FIP, which is approximately equal to the populations of Trinidad and Tobago and the Faroe Islands combined.

Biodiversity gains, such as the 80,611 ha monitored for biodiversity in Ghana, and the 53,000 plant species sampled in Brazil, continue to expand.



New community management committees in Côte d'Ivoire, indigenous inclusion in Peruvian technical groups, and support for a REDD+ strategy in Burkina Faso are advancing **forest governance**.

DGM results:

574 subprojects

with a combined value of over **\$17 million**

benefiting over **250,000**

community members across

8 countries



5.6 Analysis of RY2020 key results

5.6.1 FIP Theme 1.1a: GHG Emissions Reduced/Avoided or Enhancement of Carbon Stocks

62. Based on MDB-reported data from 10 FIP projects in seven countries, FIP has achieved a cumulative total of 20.47 million tons of CO₂ eq. reduced, avoided, or from enhanced carbon stocks as of December 31, 2020 (see Table 10). This figure represents a 29 percent achievement against the cumulative target, which was reported as 71.25 million tons of CO₂ eq. reduced, avoided, or from enhanced carbon stocks, based on the expected results from 21 FIP projects in 10 FIP countries. Results are not reported from Brazil or Mozambique, and projects do not report on GHG emissions every year.¹⁶

Table 10: FIP Reporting Theme 1.1a: GHG Emissions Reduced/Avoided/Enhanced Carbon Stocks

Country	Target (1)	Cumulative Achieved by end of RY2020	Percent Achieved (Cumulative)
Brazil	Not reported	Not reported	Not reported
Burkina Faso	11.8	5.7	48%
Côte d'Ivoire	9.6	0.1	1%
DRC	10.6	5.7	54%
Ghana	8.9	0.5	6%
Guatemala	0.6	0.0	0%
Indonesia	3.7	1.1	29%
Lao PDR	2.5	1.8	74%
Mexico ¹⁷	1.2	5.7	472%
Mozambique	Not reported	Not reported	Not reported
Nepal	17.7	0.0	0%
Peru	4.8	0.0	0%
TOTAL	71.25	20.47	29%

63. One of the key factors driving the GHG emissions results reported for RY2020 is the significant number of projects that reported a GHG emissions target for the first time as they either moved into the implementation phase or undertook new GHG accounting activities. In total, seven FIP projects reported a new contribution toward the expected results for this reporting theme, amounting to a collective addition of 30.57 million tons of CO₂ eq.

64. This amount includes the following projects:

- Forest Cover Recovery and Resilience Improvement Project in the Center of Côte d'Ivoire

¹⁶ Timelines for GHG accounting vary among MDBs. Typically, projects report to CIF on GHG emissions reduced/avoided at mid-term review and completion.

¹⁷ 5.1 million tons CO₂ eq. were reported by the Financing Low Carbon Strategies Project (IDB) based on the FAO calculator for AFOLU-related practices. IDB advises to interpret this figure cautiously, as an overestimate may have resulted from using a high-end scenario for land covered and other challenges matching some of the tool's parameters to local conditions.

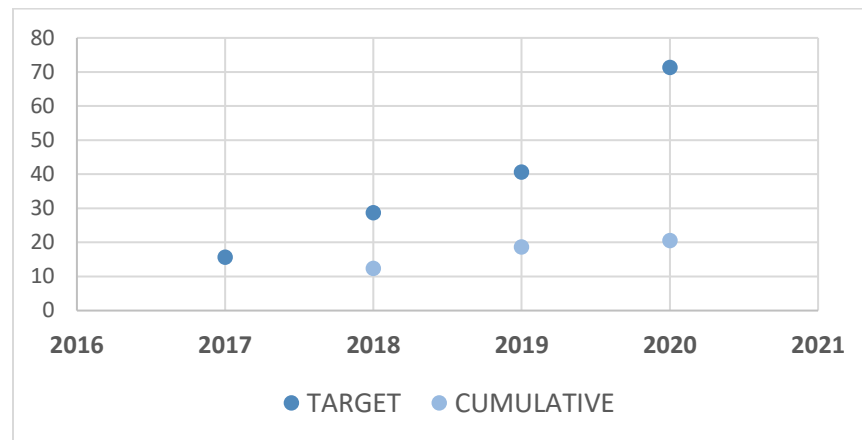
(AfDB), which aims to sequester an additional 7 million tons of CO₂ eq. through ecosystem preservation

- Protecting Forests for Sustainable Ecosystem Services Project (ADB) in Lao PDR, which has added 0.45 million tons of CO₂ eq. to its reported estimates
 - Green Guarantee for Competitive Landscapes Project (IDB) in Guatemala (0.42 million tons of CO₂ eq.)
 - Sustainable Forest Management Project (IDB) in Guatemala (0.16 million tons of CO₂ eq.)
 - Forest Investment Program Peru (IDB) (1.8 million tons of CO₂ eq.)
 - Integrated Land Management in Atalaya, Ucayali Region Project in Peru (World Bank) (3 million tons of CO₂ eq.)
 - Forests for Prosperity Project (World Bank) in Nepal, which estimates that a net 17.74 million tons of CO₂ eq. will be sequestered through improved forest conditions and tree planting on non-forest lands, as well as reduced through reduced forest degradation
65. Leading contributions toward cumulative GHG emissions reduced/avoided and enhanced carbon stocks came from Burkina Faso (5.7 million t. CO₂ eq.), DRC (5.7 million t. CO₂ eq.), and Mexico (5.7 million t. CO₂ eq.), which all reported comparable national totals. Whereas the FIP investment plan projects in Mexico have all either closed or are currently reaching completion, and the cumulative achievement has surpassed 472 percent of these projects' collective target (see Footnote 18), Burkina Faso and the DRC have achieved approximately half of what they expect to reach (48 percent and 54 percent respectively) over the life of their projects. In Southeast Asia, cumulative emissions from FIP projects in Indonesia and Laos have now exceeded 2.9 million tons of CO₂ eq.
66. At the project level, the Sustainable Production in Areas Previously Converted to Agricultural Use Project (World Bank) in Brazil has alone reported a total of 6.6 million tons of CO₂ eq. reduced/avoided at the time of its completion in 2020. FIP projects in Burkina Faso drove a significant proportion of newly reported results, namely the additional 3.2 million t. CO₂ eq. of reduced deforestation and forest degradation that the Decentralized Forest and Woodland Management Project (World Bank) reported based on an updated measurement with the Ex-ACT tool, and an additional 0.24 million tons of CO₂ eq. reduced/avoided through the Gazetted Forests Participatory Management Project for REDD+.
67. Other significant updates came from Ghana, which saw a first-time contribution reported from the Public-Private Partnership for Restoration of Degraded Forest Reserve through VCS and FCS Certified Plantations (AfDB) to the tune of 0.025 million t. CO₂ eq. from its reforested tracts of commercial teak plantations, and an adjusted cumulative reduction/carbon sequestration figure of 0.48 million t. CO₂ eq. reported from the Enhancing Natural Forests and Agroforest Landscapes Project (World Bank) based on an improved methodology.
68. As shown in Figure 9, both GHG emissions targets and cumulative achievements reported have continued to increase year-on-year from RY2017 to RY2020.¹⁸ From RY2019 to RY2020 alone, cumulative emissions reductions reported increased by 10 percent (18.57 to 20.47 m.

¹⁸ Cumulative results were not reported for RY2017.

t. CO₂ eq.) against the backdrop of targeted emissions climbing even more sharply by over 75 percent (40.59 to 71.25 m. t. CO₂ eq.). This has resulted in a lower percentage of achievement against the target, even though net outcomes related to GHG emissions reduced/avoided and enhanced carbon stocks have continued to improve. Likewise, this trend appears to reflect the portfolio's continued growth and level of ambition as newer FIP projects reach the MDB approval phase and begin to report GHG targets (i.e., projects in Côte d'Ivoire, Guatemala, Nepal, and Peru). Cumulative results accrue more gradually as projects reach mid-term and completion over time.¹⁹

Figure 9: RY2017– RY2020 GHG reductions reported (million tons of CO₂ eq.)



5.6.2 FIP Theme 1.1b: Area Covered by Sustainable Land Management Practices

69. In RY2020, FIP projects' ability to cover additional land area through reduced deforestation, new reforestation, afforestation, and other sustainable land management activities proved somewhat constrained. According to information provided by MDBs, this was partly a result of the pandemic's effects on physical implementation timelines due to factors, such as restrictions on mobility, shift of government priorities during crisis response, and social distancing guidelines. Yet, new and additional area covered by sustainable land management practices in RY2020 still reached 468,489 hectares, an area to which nine FIP projects contributed results. The cumulative target for area covered also moved upward slightly to 41,346,320 hectares from 26 projects (see Table 11).

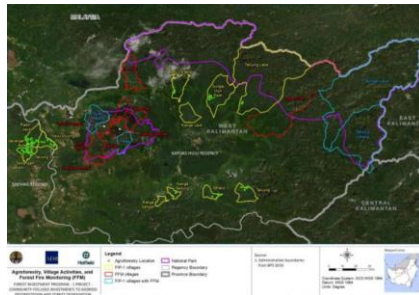
70. The largest annual contributor toward land area covered was Burkina Faso, which reported 318,178 additional hectares covered in RY2020. The Decentralized Forest and Woodland Management Project (World Bank) was responsible for the largest single increase among Burkina Faso's FIP projects, owing to its 289,778 hectares covered by sustainable land and forest management activities supported within communes' local development plans.²⁰ Also

¹⁹ It should be further noted that, due to constraints from COVID-19 reporting years and the changing role of FIP MDB data in results reporting over time, methodologies have shifted somewhat across reporting years. Caution is therefore recommended when interpreting longitudinal trends.

²⁰ The project reports that this indicator was hard to measure, since most project investments were localized (e.g., borehole, garden, etc.), involved improved pasture areas that would reduce overgrazing, or involved clean energy investments that would reduce wood fire collection around villages. The project therefore used a proxy zone of 3km of length per local development

in Burkina Faso, the Climate Change Mitigation and Poverty Reduction through the Development of the Cashew Sector Project (AfDB) contributed an additional 28,400 hectares to the national total by supporting 24,000 hectares with the establishment of new agroforestry plantations and 4,400 hectares with rehabilitation of existing agroforestry plantations. Box 4 sheds light on new carbon assessments in Lao PDR and Indonesia.

Box 4: Carbon assessments in Lao PDR and Indonesia



Two FIP countries, Lao PDR and Indonesia, reported new carbon assessments based on improved methodologies in 2020.

In Lao PDR, a service provider conducted an in-depth analysis of historical levels of forest cover in Sekong and Attapeu from 2005-2019 to recalibrate GHG emissions projections of the Protecting Forests for Sustainable Ecosystem Services Project (ADB). The project's expansion of forest area is now expected to reduce emissions from 206,455 tCO₂eq to 43,880 tCO₂eq; forest management and protection is expected to reduce emissions from 516,088 tCO₂eq to 404,269 tCO₂eq; and sequestration from sustainable livelihoods/agroforestry activities are expected to reduce emissions from 191,036 tCO₂eq to 30,411 tCO₂eq.

In Indonesia, a stock difference approach was employed to measure emissions from land use changes based on spatial analysis, activity data, and emissions factors related to deforestation, forest degradation, and the decomposition of peat. The approach draws from secondary data collected by Indonesia's Ministry of Environment and Forestry and estimates lifetime emissions reductions at 3.7 million tCO₂eq.

71. At the project level, some of the other leading contributors toward annual FIP results on area covered include the Protecting Forests for Sustainable Ecosystem Services Project in Lao PDR (ADB), which reached 26,300 hectares of land with effective patrolling and 351 hectares of

plan supported to measure area of influence. Nonetheless, this has led to a somewhat conservative estimate, and considering that 41 percent of villages have been affected by FIP investments (if an estimate based on 41 percent of the surface area of communes is used) the figure covered would reach approximately 1.1 million hectares in total.

natural forestland rehabilitated (contributing 26,651 hectares in total at the national level), and the Mozambique Forest Investment Project (World Bank), which increased the land area covered under sustainable landscape management practices from 910 hectares in RY2019 to 10,164 new hectares covered in RY2020 alone.

Table 11: FIP Reporting Theme 1.1b: Area Covered

Country	Target	Actual RY2020	Cumulative	Percent Achieved (Cumulative)
Brazil	30,474,825	66,258	36,020,320	118%
Burkina Faso	761,600	318,178	638,805	84%
Côte d'Ivoire	115,000	0	0	0%
DRC	378,400	0	39,271	10%
Ghana	303,833	42,212	345,566	114%
Guatemala	88,600	0	0	0%
Indonesia	29,880	5,027	32,279	108%
Lao PDR	5,112,831	26,651	5,106,382	100%
Mexico	2,568,401	0	2,505,665	98%
Mozambique	906,500	10,164	11,075	1%
Nepal	22,250	0	0	0%
Peru	584,200	0	0	0%
TOTAL	41,346,320	468,489	44,699,363	108%

72. Despite some of the challenges faced in RY2020, the cumulative land area covered by 16 FIP projects as of December 31, 2020 has now crested 44,699,363 hectares,²¹ which is approximately equivalent to the 2010 tree cover extent of Tanzania and Thailand combined.²² This achievement already represents over 100 percent of the expected results (i.e., targets) from 26 projects, even though only 16 projects have contributed measurable results on this reporting sub-theme to date.

73. Interestingly, the percentage of cumulative results achieved per country reflects an evenly polarized distribution between two distinct groups: countries that have achieved over 80 percent of their targets (Brazil, Burkina Faso, Ghana, Indonesia, Lao PDR, and Mexico) and countries that have achieved 10 percent or less of their targets (Côte d'Ivoire, DRC, Guatemala, Mozambique, Nepal, and Peru). This divide is mostly representative of the split between the first phase of FIP countries, which are relatively advanced in implementation, and the second phase of FIP countries, which remain early in implementation, although some key exceptions to this characterization apply. For example, even though DRC projects

²¹ The cumulative value of FIP area covered (as reported by MDB data) was subject to a minor decrease as compared to the RY2019 FIP results reported value (45,624,109 hectares). This decrease was primarily due to more precise measurements reported for the Enhancing Natural Forest and Agroforest Landscapes Project (Ghana) and the Forests and Climate Change Project (Mexico), which together led to a 1.9 million hectares decrease. The remainder of the FIP portfolio contributed modest positive results toward the RY2020 cumulative value, which nonetheless failed to close the gap of the recalibrated decrease.

²² Global Forest Watch. "Location of forest in" from www.globalforestwatch.org

belong to the first phase of FIP investments, only 10 percent of the total targeted area has been reached to date. This is partly due to the Improved Forested Landscape Management Project's (World Bank) expanded target from 105,000 hectares to 350,000 hectares upon receiving additional financing to support a new geographic area, and partly due to the Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins (AfDB), which is expected to start reporting data on degraded forests covered by management plans, plantations established, and agroforestry areas sown following its upcoming Mid-Term Review.

74. The Environmental Regularization of Rural Lands in the Cerrado of Brazil Project (World Bank) continues to play a role as an extreme positive outlier for FIP's cumulative results with respect to area covered, having contributed 35,553,005 hectares from its "land area under landscape management practices" indicator. More modestly, eight FIP projects from Brazil, Burkina Faso, Côte d'Ivoire, Ghana, Guatemala (2), Nepal, and Peru reported new expected results for area covered in RY2021, collectively contributing an additional 472,850 hectares to the cumulative target.

5.6.3 FIP Theme 1.2: Livelihood Co-Benefits

75. FIP investments provide a range of monetary and non-monetary benefits to communities residing in and around forest areas, such as improved sources of income, employment opportunities, entrepreneurship, access to finance, education, health, and other benefits. In RY2020, FIP projects further expanded the number of people receiving such livelihood co-benefits by an additional 215,356 people, bringing the program to a cumulative 1,449,453 beneficiaries, against a target that ballooned to 2,404,451 expected beneficiaries of livelihood co-benefits, leading to a 60 percent cumulative achievement against the new target (see Table 12). These results mark a 23 percent annual increase from RY2019, a 51 percent cumulative increase from RY2019, and a 110 percent increase in the target from RY2019. For RY2020, a total of 16 projects reported non-zero annual results, 24 projects reported cumulative results, and 30 projects reported targets.

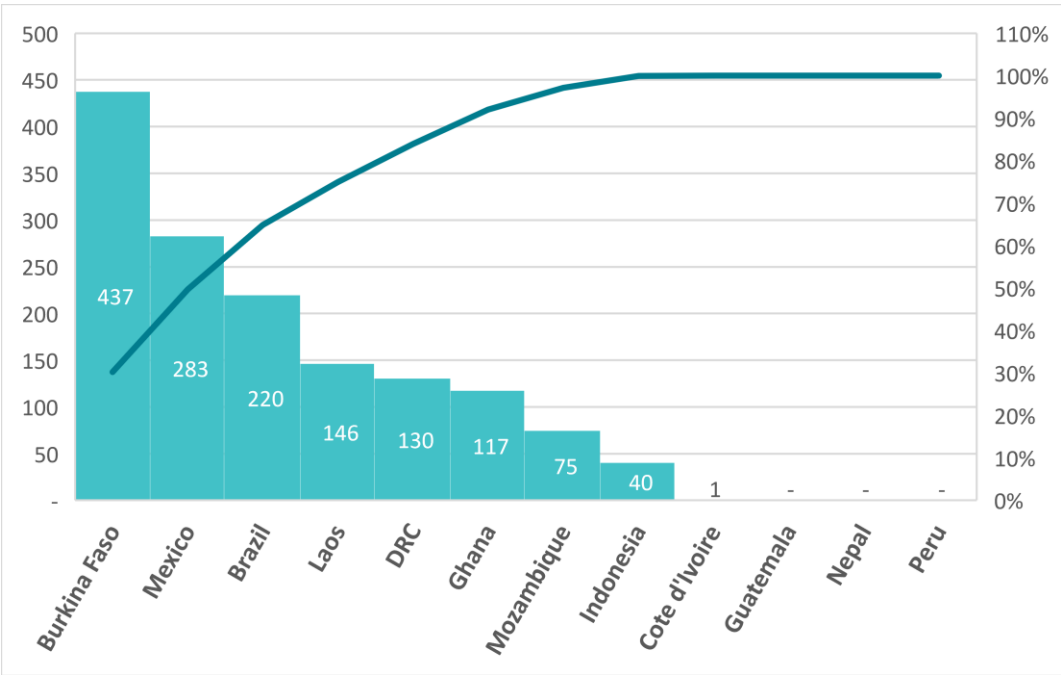
Table 12: FIP Reporting Theme 1.2: Livelihood Co-Benefits

Country	Target	Actual RY2020	Cumulative	Percent Achieved (Cumulative)
Brazil	92,736	112	219,608	237%
Burkina Faso	341,716	91,414	437,475	128%
Cote d'Ivoire	793,200	520	520	0%
DRC	277,500	3,428	130,368	47%
Ghana	137,411	18,927	117,485	85%
Guatemala	1,000	0	0	0%
Indonesia	121,678	15,045	40,303	33%
Laos	163,325	12,367	146,288	90%
Mexico	281,777	264	282,742	100%

Mozambique	75,123	73,279	74,664	99%
Nepal	110,000	0	0	0%
Peru	8,985	0	0	0%
TOTAL	2,404,451	215,356	1,449,453	60%

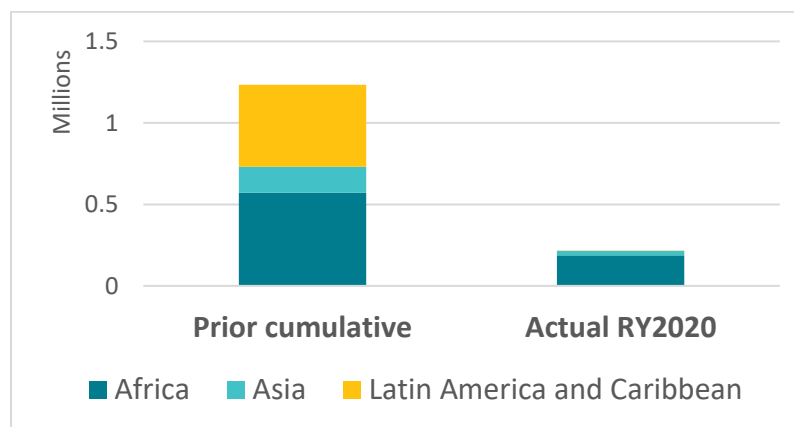
76. As shown in Figure 10, Burkina Faso again contributed the highest number of results on this reporting sub-theme—both annually (91,414 people) and cumulatively (437,475 people)—thanks to the additional farmers trained and families receiving cookstoves (46,211), the cashew producers newly trained on organic practices (45,203), and the community members who are already benefitting from an increased source of revenue from forest-based livelihoods (288,960). Brazil has reported the highest cumulative percentage achieved against its target (237 percent) despite having only supported 112 additional persons in RY2020, which is primarily due to prior cumulative beneficiaries reached through the Environmental Regularization of Rural Lands in the Cerrado of Brazil (World Bank; 190,523 people) and the Sustainable Production in Areas Converted to Agricultural Use Project (World Bank; 28,869 people). In Mexico, many of the newly reported cumulative beneficiaries reflect livelihood opportunities generated through the Financing Low Carbon Strategies in Forest Landscapes Project (IDB), which reached 9,821 people (6,471 of whom are Indigenous) with lines of credit for coffee and castor beans, beekeeping, nurseries, wooden furnishings, and livestock. The relatively more recent FIP countries of Nepal and Guatemala, as well as Peru, all contributed increased results targets this year to the FIP-wide total (together amounting to 120,635 people) but have not yet reported any beneficiaries reached (excluding DGM).

Figure 10: FIP country contributions toward cumulative livelihood co-benefits (thousands of persons)



77. By region, most of the additional beneficiaries receiving livelihood co-benefits came from FIP projects in Africa, which collectively contributed 187,568 people (84 percent) to the annual results (see Figure 11). For example, the Enhancing Natural Forests and Agroforest Landscapes project (World Bank) in Ghana reported 14,299 new people in forest and adjacent communities benefitting from climate-smart agriculture activities, 2,302 forest users trained, 201 government official/extension agents and service providers trained, and 1,693 other beneficiaries supported. FIP projects in Asia contributed approximately 27,412 new beneficiaries (13 percent) to the annual results. This included 13,605 new individuals benefitting from the Forest Investment Promoting Sustainable Community-Based Natural Resource Management and Institutional Development project (World Bank) in Indonesia and 11,690 beneficiary family members from the Protecting Forests for Sustainable Ecosystem Services project (ADB) in Lao PDR, among others.

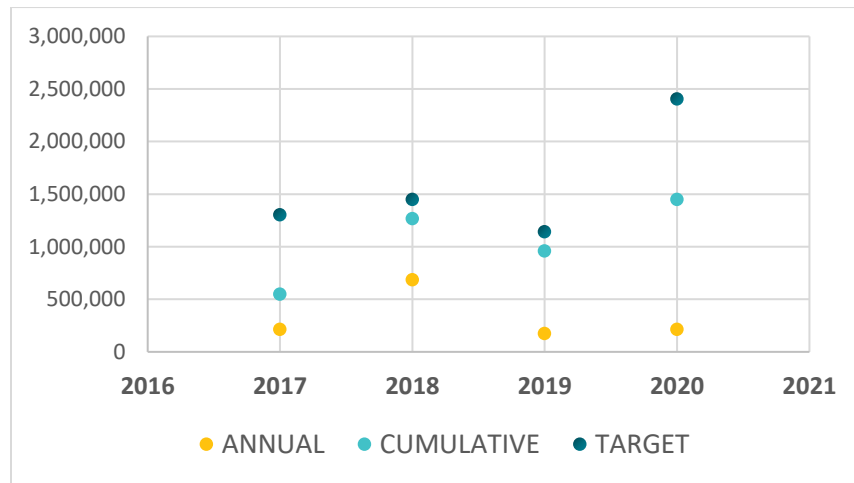
Figure 11: Livelihood co-benefit results by region (millions of persons)



78. While FIP projects in Latin America and the Caribbean had contributed at least 501,974 beneficiaries toward cumulative results prior to RY2020—over 40 percent—the region represented less than 1 percent of new beneficiaries reached in RY2020 alone. This is largely due to the fact that most FIP projects in Mexico have reached completion phase and are no longer reaching new beneficiaries each year, whereas newer FIP investments in Peru and Guatemala have not yet begun to generate results on the ground. Some FIP projects in Brazil delivered a limited number of new beneficiaries, such as the Macauba Palm Oil in Silvicultural System project (IDB) (34 farmers), the Integrated Landscape Management in the Cerrado Biome project (World Bank) (63 agricultural services employees), and the Brazil Investment Plan Coordination Project (World Bank) (15 direct beneficiaries).

79. While it is not advisable to directly compare all results reported from RY2017 to RY2020 (due to temporary methodological constraints on M&R from COVID-19), comparisons of RY2017–RY2018 and RY2019–RY2020 are more feasible respectively. A cautious consideration of all four years can also provide a rough approximation of how the portfolio’s results have shifted over time (see Figure 12).

Figure 12: RY2017– RY2020 livelihood co-benefits reported (no. of persons)



80. From RY2019 to RY2020, the number of annual livelihood co-benefits increased slightly from 174,824 to 215,356 (23 percent); the number of cumulative livelihood co-benefits increased substantially from 960,852 to 1,449,453 (51 percent); and the cumulative target climbed much more steeply from 1,142,789 to 2,404,451 (110 percent) over the same period.²³ The cumulative percentage of target achieved decreased from approximately 84 percent in RY2019 to 60 percent in RY2020. However, given the sustained net increases in both annual and cumulative beneficiaries supported, this was due to the 1,261,662-person increase in the overall target year-on-year, which largely eclipsed the net gains realized in terms of results achieved.
81. The steep increase in RY2020’s target for livelihood co-benefits was primarily driven by ambitious new expected results reported by the Forest Cover Recovery and Resilience Improvement Project in the Center of Côte d’Ivoire (AfDB), which aims to support 765,000 people in adopting climate-smart agricultural practices and 25,000 rural youths with new green jobs, as well as the Forests for Prosperity project in Nepal (World Bank), which aims to reach at least 110,000 people in forest and adjacent communities with livelihood benefits. Other FIP projects contributing expected results for the first time included the Forest Investment Program Peru (IDB), which intends to support 4,095 beneficiaries from native communities and 2,590 small forest users, and the Green Guarantee for Competitive Landscapes (IDB) in Guatemala, which plans to support 1,000 small producers to adopt sustainable production practices. Finally, some of the more mature FIP projects impacted the livelihood co-benefits target by revising their own project targets upwards following additional co-financing opportunities (e.g., DRC and Indonesia) or by sharing new data on beneficiaries reached following project completion (e.g., Mexico).

²³ While it may seem counterintuitive that cumulative beneficiaries could increase by a value greater than the value of new annual beneficiaries reported, this is because FIP projects have differing measurement approaches, timelines, and data availability related to annual vs. cumulative reporting. For example, some projects may only be able to provide a cumulative value in a given reporting year, whereas others may provide new figures annually. Likewise, some projects may revise their cumulative or annual values reported from one year to the next based on technical corrections or newly available access to more precise measurement approaches.

5.7 FIP Category 2 results

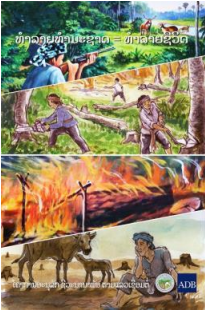
82. FIP Category 2 reporting covers Biodiversity and Other Environmental Services (Theme 2.1); Governance (Theme 2.2.); Tenure, Rights, and Access (Theme 2.3); and Capacity Development (Theme 2.4) and is primarily based on FIP countries’ annual narrative reporting. For this reason, no reporting on Category 2 took place for RY2019. The FIP Category 2 results for RY2020 are based on the optional country reports that were submitted and are presented as in Table 13.

Table 13: FIP Category 2 highlights from optional country reports

BIODIVERSITY	FOREST GOVERNANCE
<p>In Ghana, at least 80,661 additional hectares of land beyond core protection areas are now being managed as biodiversity-friendly.</p> <p>In Indonesia, it is recognized that forest fire will not only reduce forest cover but also cause habitat loss. FIP has conducted forest fire management training and distributed forest fire equipment to a community forest fire brigade, covering approximately 38,229 ha.</p> <p>In Brazil, the FIP/IFN²⁴ project has sampled approximately 53,000 plants to expand knowledge on species in the Cerrado, of which 36,000 have already been identified. Meanwhile, the FIP/CAR²⁵ project contributes to the reduction of habitat loss and biodiversity conservation through its registration of rural properties’ land cover and the environmental liabilities that come with this status.</p>	<p>In Côte d’Ivoire, participatory management committees composed of local stakeholders have been newly established around gazetted forests to deliberate, surveil, and make shared decisions on the usage of forest resources.</p> <p>In Peru, FIP is helping to broker relations between local municipal authorities, regional authorities, and indigenous organizations through its multisectoral working groups in three regions, thematic technical groups, and mainstreamed spokespersons representing two national Indigenous organizations.</p> <p>In Burkina Faso, FIP has supported a draft national REDD+ strategy, as well as local integrated development investment plans incorporating REDD+ and natural resource management in 32 communes.</p>

²⁴ Forest Information to Support Public and Private Sectors in Management Initiatives Focused on Conservation and Valorization of Forest Resources (IDB)

²⁵ Environmental Regularization of Rural Lands in the Cerrado (World Bank)

LAND TENURE, RIGHTS, AND ACCESS	CAPACITY DEVELOPMENT
<p>In Indonesia, FIP is leveraging a Social Forestry Scheme that supports local communities within and adjacent to forests in accessing one of five modalities for utilizing forest resources: customary law forest, village forest, community forest, community planted forest, or forestry cooperation permits.</p> <p>In Mozambique, FIP has assisted a total of 29,503 land parcels with regularization and emitted 22,428 land right titles, of which 9,710 went to women, in Cabo Delgado and Zambézia Provinces.</p> <p>In DRC, FIP has helped create 105 simplified land management plans with communities, 48 contractual space management plans with private landholders, and 110 natural resource management plans, which are an important first step toward ensuring the land tenure rights of multiple stakeholders in cases of future conflict.</p>	<p>In Lao PDR, an awareness-raising campaign has supported posters illustrating the negative effects of forest destruction and positive impacts of forest restoration. Additional trainings have been carried out on the development of a provincial REDD+ Action Plan and in village schools.</p>  <p>Brazil's FIP Cerrado Monitoring Project has rolled out an annual deforestation mapping tool, a deforestation polygon assessment tool, a fire risk information system, and a new GHG Emissions Estimation System for the Cerrado, and others.</p> <p>In Mexico, FIP is providing business management, tax, and accounting support to community forest enterprises and women-led forestry businesses.</p>

5.8 Results from completed FIP projects

83. A growing number of FIP projects are now reaching completion and/or closure, providing the opportunity to extract lessons from FIP’s first generation of sustainable forestry investments for the benefit of current and future FIP stakeholders (see Table 14).

Table 14: Closed projects that have submitted a completion report

Project	MDB	Country	Completion Date	Completion Report Date
Forests and Climate Change Project	World Bank	Mexico	Feb 2018	Aug 2018
Support for Forest-Related Micro, Small, and Medium-Sized Enterprises (MSMEs) in Ejidos	IDB	Mexico	Oct 2019	Jan 2020
Sustainable Production in Areas Previously Converted to Agricultural Use Project under the Low Carbon Emission Agriculture Plan	World Bank	Brazil	Nov 2019	May 2020

84. An additional five projects finalized implementation on the ground during the RY2020 period but have not yet issued completion reports to the CIF Administrative Unit: Emissions

Reductions in the Forest Sector through Planted Forests with Major Investors project in Mozambique (IFC), Gazetted Forests Participatory Management Project in Burkina Faso (AfDB), Engaging Local Communities in REDD+/Enhancement of Carbon Stocks in Ghana (AfDB), Forest Information to Support Public and Private Sectors in Management Initiatives in Brazil (IDB), and DGM Global Project - Phase 1 (World Bank). This is to be expected, as there is often a lag between the point when implementation is completed and the point when completion reports have been fully undertaken, validated, and made available. Some MDBs have also reported an increased lag for issuing completion reports due to the COVID-19 context. Because no new completion reports have been submitted for RY2020's completed projects, a fuller analysis of the results from completed FIP projects will only take place during the next reporting period.

5.9 FIP SEDICI modeling results

85. In 2019, CIF launched a dedicated learning workstream to understand and quantify the social and economic development impacts of climate investments (SEDICI). This workstream is aimed at increasing the knowledge base on development impacts of climate finance, strengthening the investment case for climate programs, and giving decision makers improved ways of analyzing climate investments for both climate and other development outcomes.
86. Within the first of its two phases, the workstream analyzed potential impacts via economic modeling tools. After extensive desk research, the team chose three models best suited for estimating the non-climate impacts of the CIF portfolio: the Employment Factors Approach (EFA), focused on renewable energy technologies; the International Jobs and Economic Development Impacts (I-JEDI) Model, with the publicly available version currently only carrying country-specific data for five countries; and the Joint Impact Model (JIM), utilizing gross input-output (IO) modeling.
87. The JIM was best suited to analyze the impacts of the FIP portfolio, given its applicability and capture of a broad set of economic sectors and countries. The underlying IO model, or Social Accounting Matrix (or SAM), maps how output from one industrial sector may become an input into another sector, quantifying how much each sector spends, on average, on other sectors in the local economy, on imports, and on salaries, taxes, and profits. Based on this and on labor productivity multipliers, the JIM provides estimates of employment effects in terms of indirect or supply chain jobs (those supported at the project's suppliers and their suppliers) and induced jobs (supported by the onward spending of wages of employees of the project, its suppliers, and their suppliers). Using country- and sector-specific data, the model can also estimate the share of women's employment in the total employment results. For economic value added, the JIM measures the gross domestic product equivalent generated by salaries, taxes and profits of operations, both direct and supply chain.
88. Preliminary results indicate that, applied to the FIP portfolio, the JIM model yields that, via a total portfolio of USD 1.4 billion, CIF projects contribute cumulatively to 58,910 person-years of supply chain jobs (of which 45 percent represents female employment), and 39,70 person-years of induced jobs, totaling 98,780 person years. The portfolio is also expected to generate economic value added of USD 1.25 billion, including USD 904 million of direct value

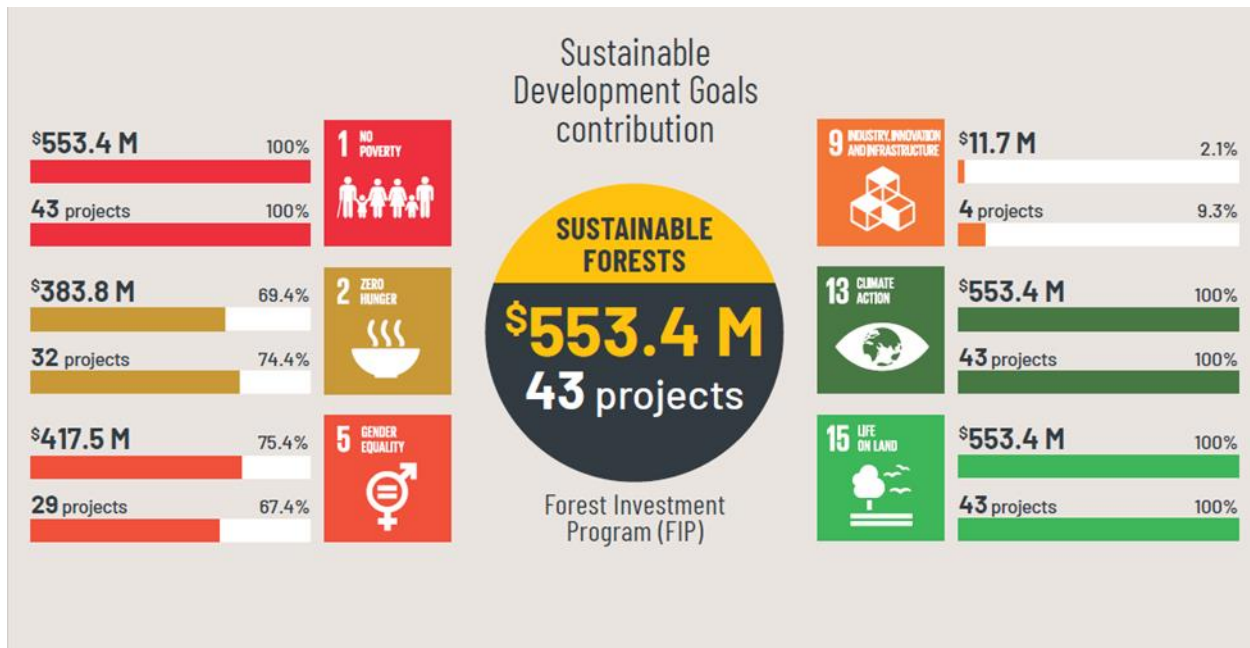
added and USD 349 million of supply chain value added.

89. These impacts are driven primarily by agro-forestry and agriculture components within projects, where carbon enhancement approaches (reforestation, sustainable forest management, cadastre systems, land-tenure) are coupled with income-generation activities for forest adjacent communities.
90. Overall, results should be interpreted as directionally indicative estimates at a portfolio level, as outcomes become more accurate over larger numbers of companies or projects. As with other economic models, because they are based on macroeconomic country and sector averages as well as project assumptions and conversions, results may differ from actual practices due to unique company and project characteristics that cannot be observed at an aggregate level. In the subsequent months the workstream will engage with MDB partners and relevant stakeholders to determine how best the modelling fits expectations, and how to refine methodologies for estimation.
91. The impact pathways of these sectors and their broader effects will be fully delineated in Phase 2 of the learning stream. A development impact evaluation, awarded in March 2021 to Industrial Economics, Incorporated (IEc), is currently being executed and will aid in refining the accuracy of modelling findings, while fleshing out the relevance and rationales of the results. The evaluation will also explore other categories of development impact (including social impacts such as livelihoods and health outcomes or market-level impacts on strengthening industries and systems) while also conducting a deeper analysis of qualitative outcomes, such as job type and quality or community engagement that cannot be captured by quantitative analyses. At the portfolio level the evaluation will look to refine modeling attributes. At the CIF program and project levels, it will deploy a combination of comparative case studies, both light-touch and deep-dive, distributed among key sectoral themes and development impact categories (e.g., social, economic, environmental, and markets impacts). Findings are expected to be finalized by December 2021. Along with building the knowledge base of CIF's learning stream, the findings from the evaluation will also allow CIF and its partners to customize and test the models that will be utilized for regular portfolio-level development impact estimations hereon.

5.10 FIP contribution to Sustainable Development Goals

92. An analysis of the FIP portfolio's contribution to the Sustainable Development Goals (SDGs) was undertaken in 2019. As the Figure 13 illustrates, FIP projects contribute to a wide range of SDGs. The investments are fully aligned with SDG 1 (No Poverty), SDG 13 (Climate Action), and SDG 15 (Life on Land), for example, while a sub-set of FIP projects also contribute toward SDG 2 (Zero Hunger), SDG 5 (Gender Equality), and SDG 9 (Industry, Innovation, and Infrastructure).

Figure 13: FIP contribution to SDGs



5.11 CCH updates for FIP results reporting

93. RY2020 has marked the second consecutive year that MDBs have reported results data directly into the CIF Collaboration Hub (CCH). Training was provided in 2020 on how to carry out this function, in response to CIF’s continued drive to update and automate more business processes using the CCH platform. While some MDBs continue to communicate some challenges related to their CCH reporting process, the improved automation of results reporting and consolidated information management systems hosted via the CCH have demonstrated strengthened quality assurance and data management capacities year-on-year with respect to FIP results reporting.

5.12 FIP M&R online training

94. A new [FIP M&R online training module](#) was developed throughout 2020 and launched in March 2021 to support developing countries’ capacity to carry out vital monitoring and reporting on their efforts to boost sustainable forestry and livelihoods. This training program (available in English, French, and Spanish) is intended to introduce the FIP M&R content to client countries reporting for the first time, as well as to enhance the knowledge base of countries that are already experienced in reporting the results of their projects, new stakeholders within the FIP community, and climate and forestry practitioners at large.

95. Following the launch of this new online training platform, a series of virtual training workshops was conducted by the CIF Administrative Unit to build FIP countries’ understanding and utilization of the FIP M&R System. So far, four virtual trainings have been conducted, with the participation of approximately 67 FIP practitioners from Burkina Faso, Côte d’Ivoire, Lao PDR, and Peru.

5.13 Progress on DGM²⁶

96. Project implementation by Indigenous People and Local Communities (IPLCs) in nine countries (Burkina Faso, Brazil, Côte d’Ivoire, DRC, Ghana, Indonesia, Mexico, Mozambique, and Peru) have made significant progress in obtaining land tenure and recognition, economic improvement, food sovereignty, cultural restoration, Indigenous Peoples inclusion in national policy, and sustainable agroforestry, among other major successes. Box 5 highlights work being done in the DRC.
97. As of December 31, 2020, USD 56.8 million have been approved, the latest being the DGM in Côte d’Ivoire (approved by the World Bank Board in January 2020) and the Phase 2 of the DGM Global project (approved by the World Bank Board in July 2020).
98. Six DGM country projects are expected to close during 2021, including Brazil, Burkina Faso, DRC, Ghana, Indonesia, and Peru.
99. Through DGM, IPLCs in eight countries are directly managing 574 subprojects with a combined value of over USD 17 million (see Table 15) toward community-led initiatives supporting more than 250,000 IPLCs. These subprojects range from support for land tenure and sustainable natural resource management to support for sustainable livelihoods. Many of the initiatives in Brazil, Burkina Faso, and Peru have completed their activities and have closed. For example, in Burkina Faso, 46 micro-projects and 20 subprojects have been completed (66 out of 85 approved initiatives).
100. Each National Steering Committee of the DGM country projects have identified and prioritized which type of subprojects are funded. In Ghana the DGM is providing grants to individuals (up to USD 3,500), Community-based-organizations (up to USD 30,000), or community initiatives (up to USD 40,000). DGM Mexico has two types of subprojects: the social inclusion window, which provides full funding to small proposals with priority given to proposals by vulnerable social groups, such as Indigenous women and youth; and the market-oriented/financial inclusion window, which is intended for producer organizations and community enterprises. DGM Peru subprojects focus on legal recognition and titling and on natural resource management, all implemented by community federations.

Table 15: DGM subproject numbers and amounts approved by country

Country	Quantity	Total (USD)
Brazil	64	2,480,904.91
Burkina Faso ²⁷	85	2,342,382.33
DRC	6	380,720
Ghana	219	2,650,055
Indonesia	49	3,266,555
Mexico	43	2,047,517.60

²⁶ Information based on the 11th Semi-Annual Report of DGM prepared by Conservation International. More detailed information of DGM implementation and results can be found in the [DGM website](#), including annual reports and semi-annual implementation reports.

²⁷ In Burkina Faso there are subprojects for Natural Resource Management and micro-projects for livelihoods.

Mozambique	10	541,540.95
Peru	98	3,945,268.87
TOTAL	574	17,465,873.76

101. The DGM Global Executing Agency kicked off DGM Phase 2 activities in July 2020, which address all lessons learned from the first phase, particularly improved clarity of the Project Development Objective, strengthened project components, clear indicators, and respective targets.

Box 5: Promoting the law and the struggle against discrimination of Indigenous Pygmy peoples in the DRC

The DGM DRC project has a strong advocacy focus, funded under the *Strengthen the participation of IPLCs in forest and land management processes linked to REDD+* component. Advocacy, capacity building, and trainings have been funded on territorial management, land use reforms, and REDD+.

Between July and December 2020, DGM DRC continued to monitor Indigenous Peoples’ law with the Congolese Parliament and other political institutions and partners committed to defending the rights of marginalized people. At the end of this process, the following results were achieved:

- Organized a task force made up of 15 people, including Pygmy leaders, professors from the University of Kinshasa, civil society, and international organization experts involved in defending and promoting Indigenous Peoples’ lives
- Conducted consultations with 50 Indigenous representatives in the city of Kinshasa on specific issues relevant to the lives of Pygmy Indigenous Peoples
- Coordinated 30 working sessions held with the mixed commission group (130 people), including national deputies, members of the National Assembly, and Indigenous Pygmy representatives to finalize the report and amendment text to present to the Plenary Assembly
- Saw the law on the promotion and protection of the rights of Indigenous Pygmy peoples approved on June 5, 2020 by the National Assembly and referred to a Mixed Commission of more than 90 national deputies composed of Social and Cultural Commission, Human Rights Commission, and Administrative and Legal Commission

Annex 1: FIP resource availability

FIP TRUST FUND - RESOURCES AVAILABLE for COMMITMENTS				
<i>Inception through March 31, 2021</i>				
<i>(USD millions)</i>				
		Total	Capital	Grant
Donor Pledges and Contributions				
Contributions		751.8	260.4	491.3
Pledges	a/	0.3	-	0.3
Total Pledges and Contributions		752.1	260.4	491.7
Cumulative Funding Received				
Contributions Received				
Cash Contributions		569.0	80.7	488.3
Unencashed promissory notes	b/	179.8	179.8	
Unencashed promissory notes- TAF		3.0		3.0
Allocation of Capital to Grants from Unencashed Promissory Notes	k/	-	(13.6)	13.6
Total Contributions Received		751.8	246.8	505.0
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)		766.3	246.8	519.5
Cumulative Funding Commitments				
Projects/Programs		649.1	207.6	441.5
MDB Project Implementation and Supervision services (MPIS) Costs		33.6	-	33.6
Administrative Expenses-Cumulative to 1st Feb 2016	c/	25.6	-	25.6
Country Programming Budget from 1st Jan 2018	c/	0.5		0.5
Technical Assistance Facility	h/	3.0		3.0
Total Cumulative Funding Commitments		711.8	207.6	504.2
Project/Program, MPIS and Admin Budget Cancellations	d/	(48.4)	(24.6)	(23.8)
Net Cumulative Funding Commitments (B)		663.4	182.9	480.5
Fund Balance (A - B)		102.9	63.9	39.0
Currency Risk Reserves	e/	(27.0)	(24.9)	(2.0)
Currency Risk Reserves-TAF		(0.5)		(0.5)
Unrestricted Fund Balance (C)		75.5	39.0	36.5
Future Programming Reserves:				
Admin Expenses-Reserve (includes Country Programing budget/Learning and Knowledge exchange reserve) and for FY 20-28 (net of estimated investment income and reflows). Breakup of various components are provided below. (Model Updated as of December 31,2017)	f/	(11.1)		(11.1)
subtract				
Administration Expense reserve for CIFAU, MDB & Trustee		USD 20.9 Million		
Country Programming Budget Reserve		USD 1.1 Million		
Learning and Knowledge Exchange Reserve		USD 1.1 Million		
add				
Estimated Investment Income Share for FIP		USD 5.4 Million		
Projected Reflows		USD 6.6 Million		
Technical Assistance Facility	h/ i/	(0.9)		(0.9)
Unrestricted Fund Balance (C) after reserves		63.6	39.0	24.6
Anticipated Commitments (FY21-22)				
Program/Project Funding and MPIS Costs		14.7	-	14.7
Technical Assistance Facility		2.57		2.6
Total Anticipated Commitments (D)	j/	17.2	-	17.2
Available Resources (C - D)		46.3	39.0	7.4
Potential Future Resources (FY21-22)				
Pledges	a/	0.3		0.3
Contributions Receivable		-		-
Release of Currency Risk Reserves	e/	27.0	24.9	2.0
Release of Currency Risk Reserves-TAF	e/	0.45		0.5
Total Potential Future Resources (E)		27.8	24.9	2.8
Potential Available Resources (C - D + E)		74.1	63.9	10.2
Reflows from MDBs	g/	1.9		1.9

a/ The balance of the pledge amount from the U.S

b/ This amount represents USD equivalent of GBP 130.62 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. The Country Programming budgets are recorded under individual programs.

d/ This refers to cancellation of program and project commitments approved by the SCF TFC

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 SCF TFC 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 project's. This reserve amount has been reduced by USD 0.5 million approved for country engagement from January 2018.

g/ Any payments of principal, interest from loans, which are due to be returned to the Trust Fund pursuant to the Financial Procedures Agreements consistent with the pertinent SCF funding approved by the SCF Trust Fund Committee. For the avoidance of doubt, the Reflow does not include any return of funds from SCF grants or Administrative Costs, including cancelled or unused funds, or any investment income earned on SCF resources held by any MDB. The usage of reflow from MDBs are approved by the SCF TFC on March 8, 2018 to cover the shortfall in administrative expenses net of the SCF investment income. The reflows includes the commitment fee, front end fee and late payment fee.

h/ The CTF and SCF Trust Fund Committees agreed on July 20, 2018 to establish the Technical Assistance Facility for Clean Energy Investment Mobilization under the terms of the SCF.

i/ Commitments for the Technical Assistance Facility, as estimated by the CIFAU.

j/ Anticipated commitments as estimated by the CIFAU.

k/ Promissory Notes amounting to GBP 9.9 million received as capital contributions are available to finance grants (including administrative costs) according to the terms of the contribution agreements/arrangements. The Promissory Notes are valued as of January 31, 2021 exchange rate.

Annex 2: FIP projects reporting targets and/or results

COUNTRY	TITLE
Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil
	Sustainable production in areas previously converted to agricultural use project (under the low carbon emission agriculture plan)
	Forest Information to Support Public and Private Sectors in Management Initiatives
	Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado
	DGM Brazil
	Integrated Landscape Management in the Cerrado Biome
	Investment Coordination Project
	Macauba Palm Oil Project
Burkina Faso	Decentralized Forest and Woodland Management
	Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)
	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)
	DGM Burkina Faso
DRC	Forest Dependent Community Support Project
	DGM DRC (Improved Forested Landscape Management Project)
	Integrated REDD+ Project in the Mbuji-Mayi/Kanangani Basins
Ghana	Enhancing Natural Forest and Agroforest Landscapes Project
	Engaging Local Communities in REDD+/Enhancement of Carbon Stocks
	Public-Private Partnership for restoration of degraded forest reserve through VCS and FSC certified plantations
	DGM Ghana
Global	DGM Global Phase 1
	DGM Global Phase 2
Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation (CFI-ADD+)
	Promoting Sustainable Community-Based Natural Resource Management and Institutional Development
	Strengthening Rights and Economies of Adat and Local Communities Project – DGM Indonesia
Lao PDR	Protecting Forests for Sustainable Ecosystem Services
	Scaling-up Participatory Sustainable Forest Management
	Smallholder Forestry Program
Mexico	Forests and Climate Change Project
	Financing Low Carbon Strategies in Forest Landscapes
	Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejidos
	DGM Mexico
Mozambique	Mozambique Forest Investment Project (MozFIP)
	DGM Mozambique

	Emissions Reductions in the Forest Sector Through Planted Forests with Major Investors
Peru	DGM Peru
	Forest Investment Project
	Integrated Land management in Atalaya, Ucayali Region
Cote d'Ivoire	Forest Investment Project
	Forest Cover Recovery and Resilience Improvement Project in the Center of Côte d'Ivoire
	DGM Cote d'Ivoire
Guatemala	Sustainable Forest Management
	Green Guarantee for Competitive Landscapes
Nepal	Forests for Prosperity