

Forest Investment Program

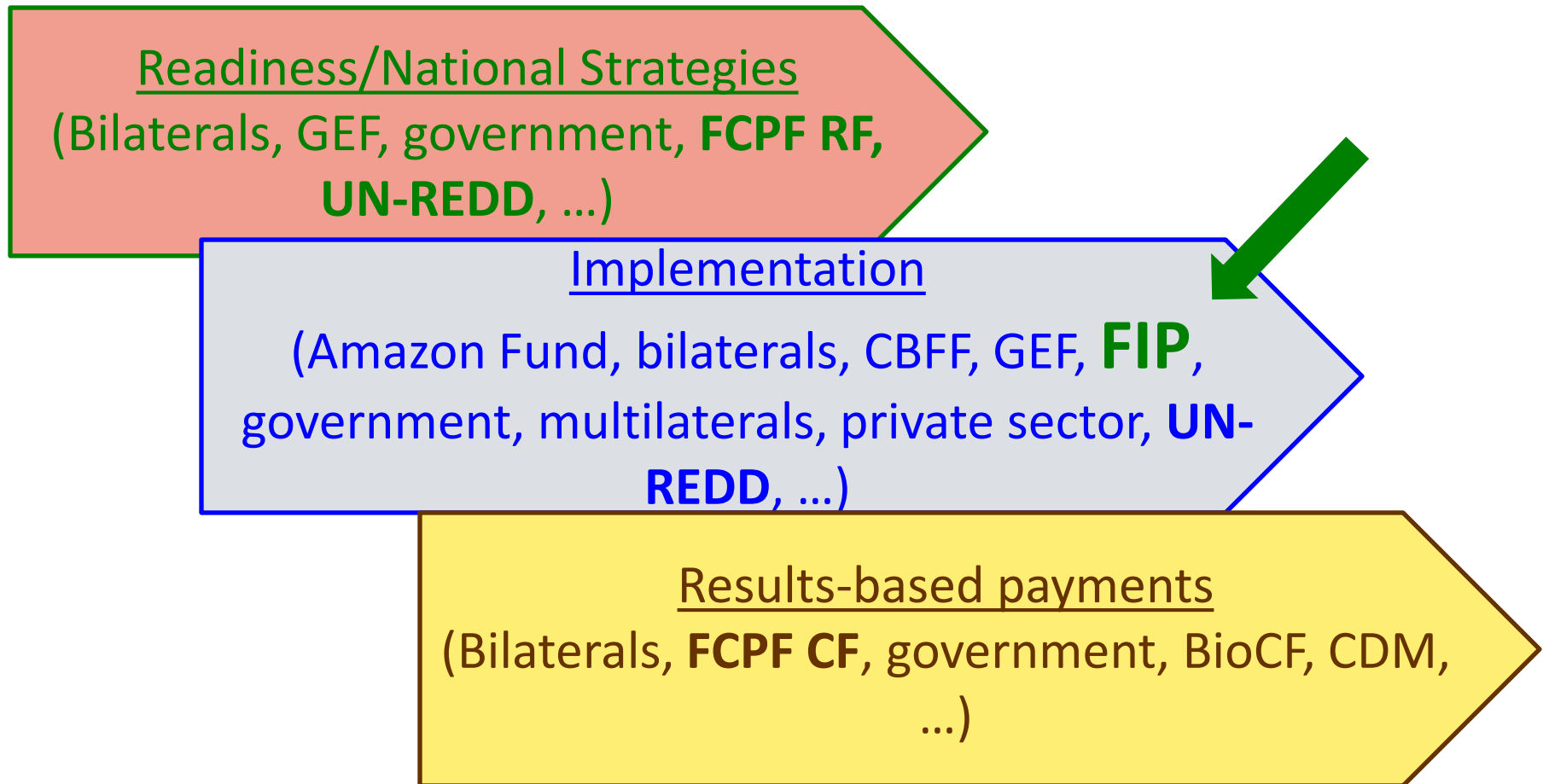
Status of FIP Operations



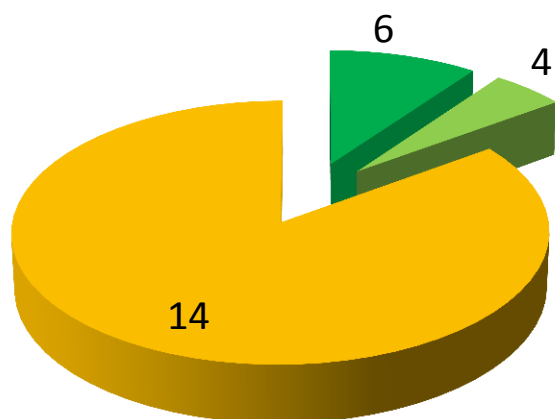
Andrea Kutter
Sr. Program Coordinator
CIF Administrative Unit



FIP in the Context of the Phased Approach



State of Program



■ Funding approved by FIP Sub-Committee and project approved by MDB

■ Funding approved by FIP Sub-Committee and project being processed for MDB approval

■ Under development for submission to the FIP Sub-Committee

✓ USD 640 million

✓ Five MDBs

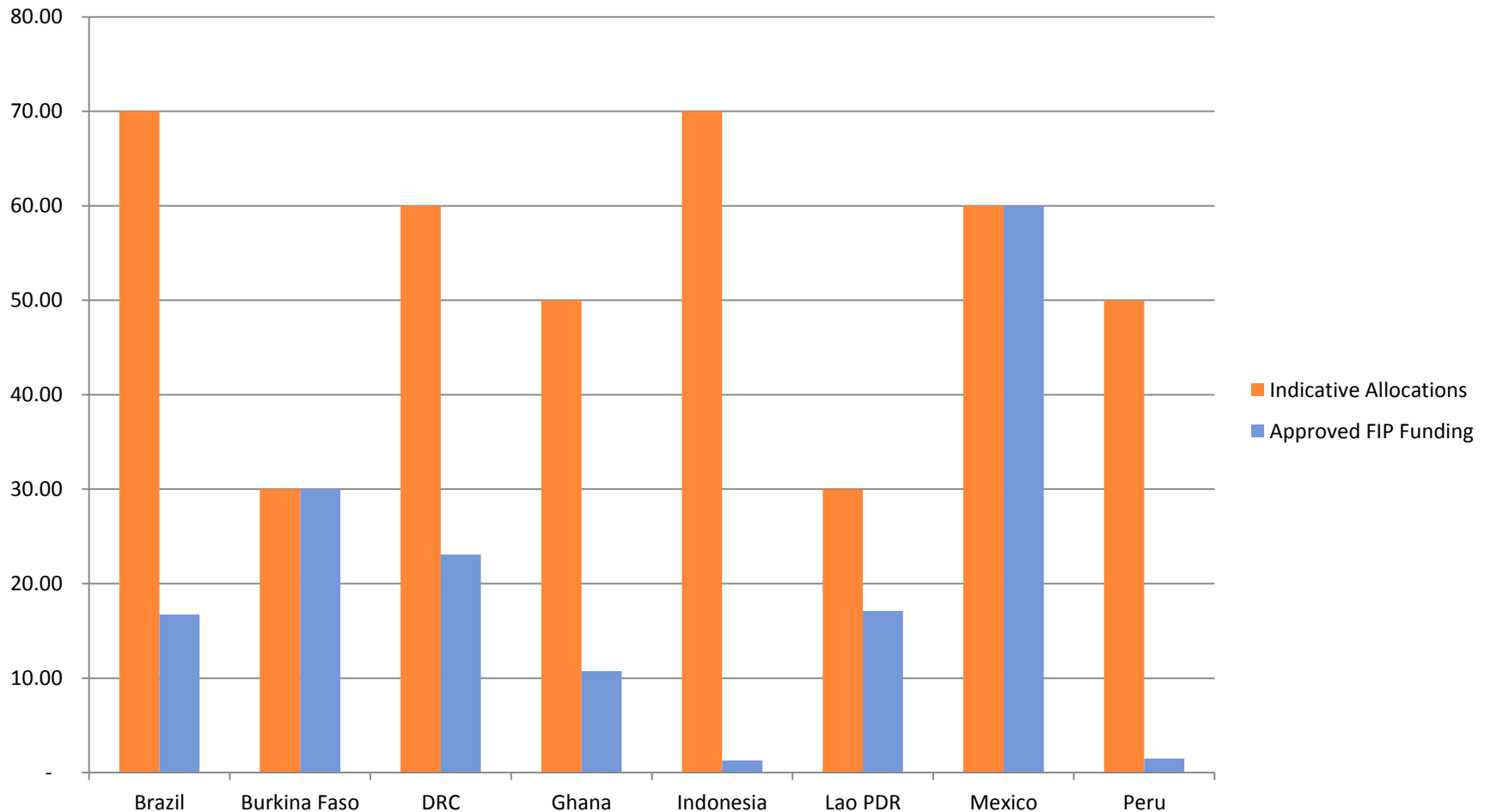
✓ All 8 investment plans endorsed:

Brazil, **Burkina Faso**, **DRC**, **Ghana**, **Indonesia**, **Lao PDR**, **Mexico**, **Peru**

✓ solid and active pipeline with 24 projects and programs

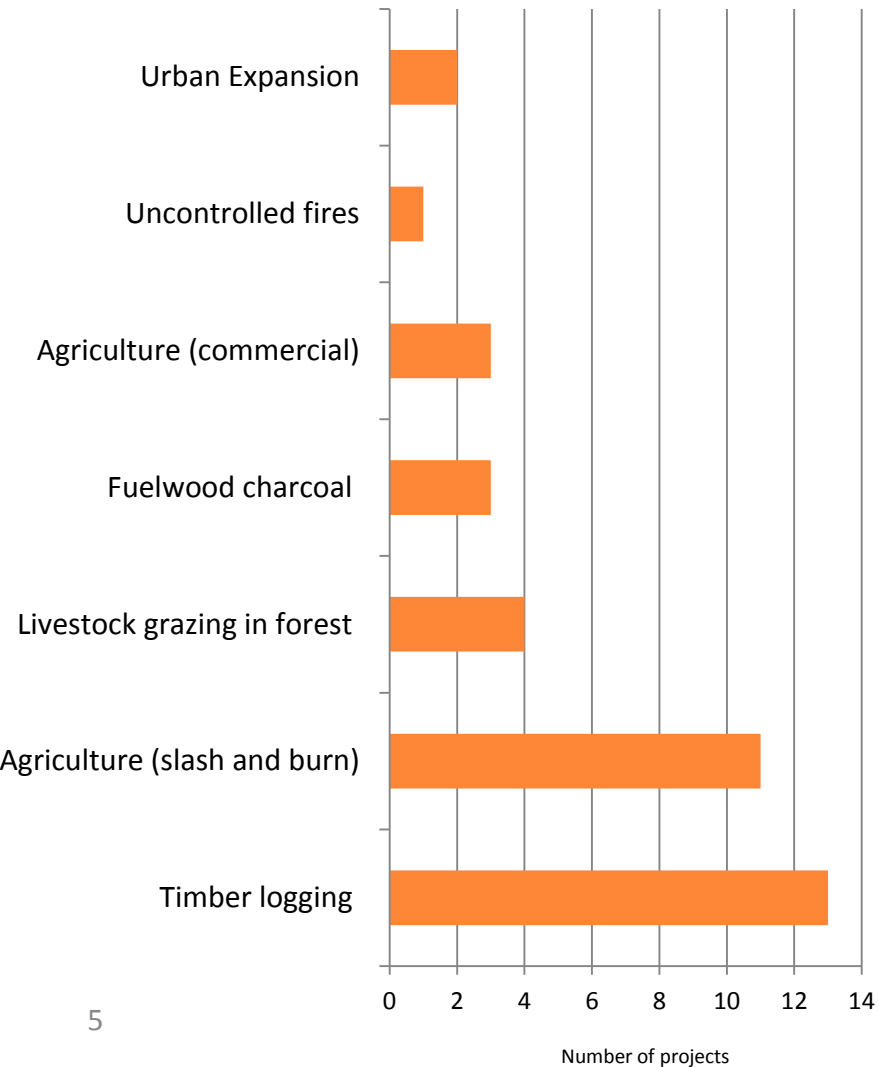
Portfolio Trends

Indicative Allocation and FIP Funding Approvals by FIP Pilot (USD Millions)

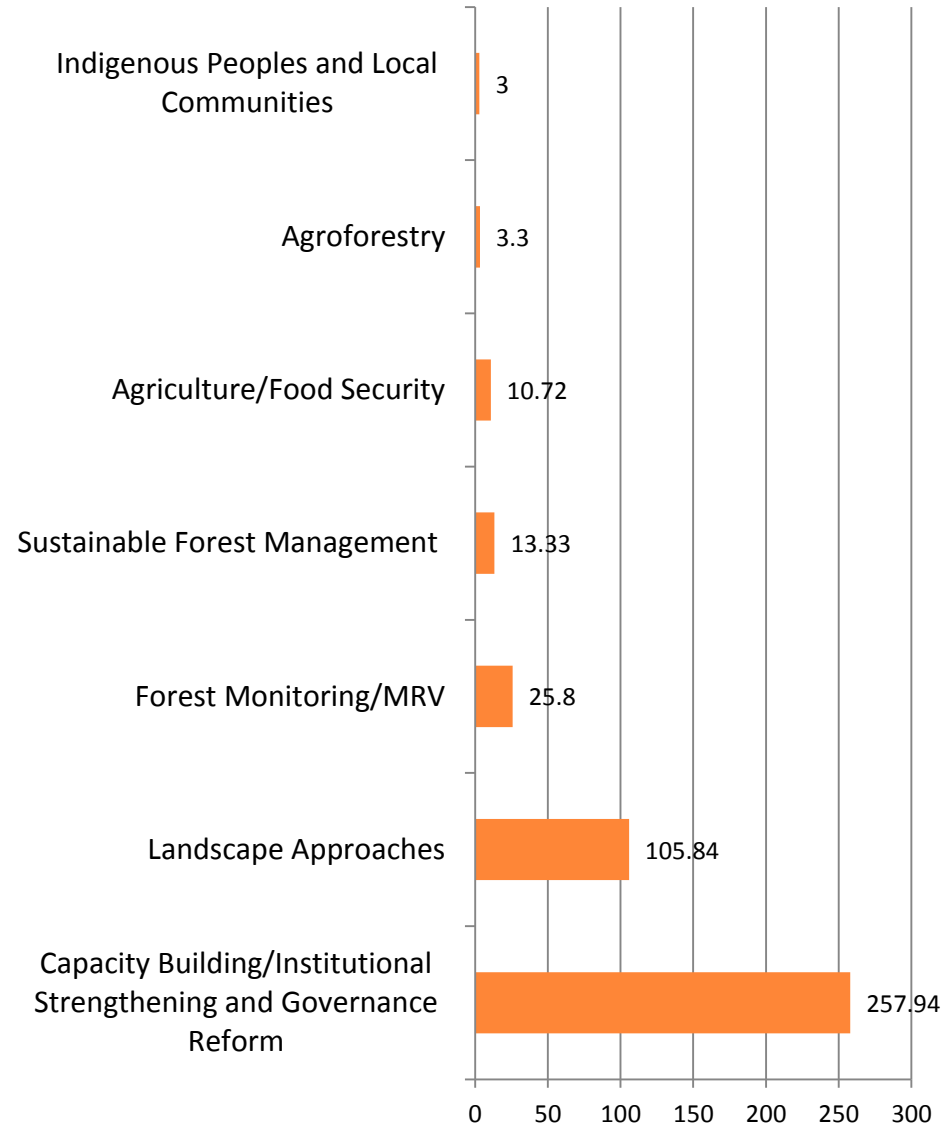


Drivers and Sectoral Focus

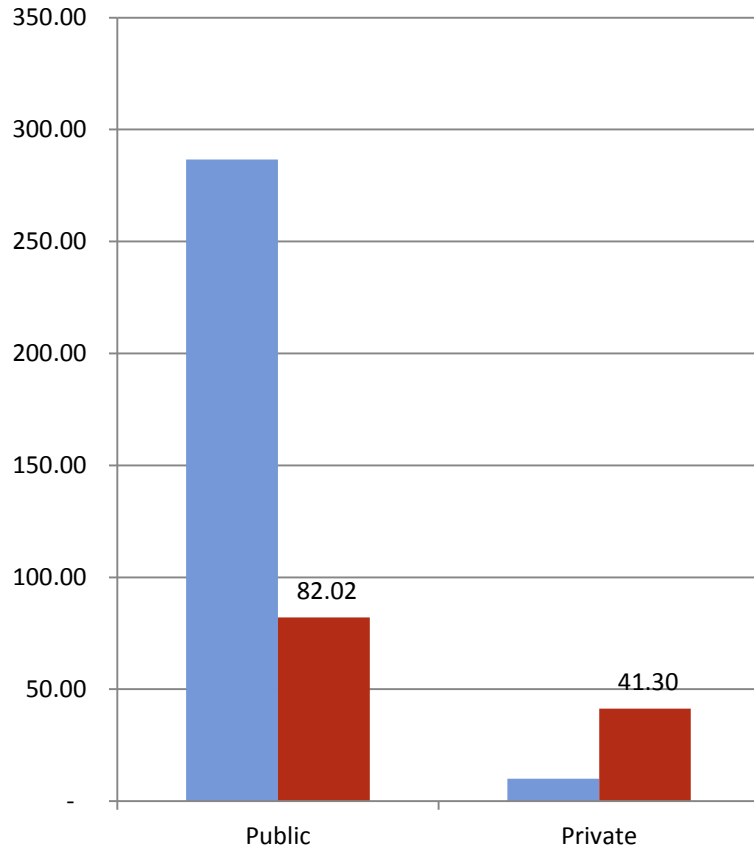
Drivers of Deforestation



FIP Funding by Sector



Private Sector in the FIP



- Set-Aside: USD 56 million in near-zero interest credits to engage the private sector in REDD+
- 11 proposals received from Burkina Faso, Brazil, Ghana, Mexico and one regional proposal (Africa)

Endorsed concepts:

- **Brazil:** Macauba palm oil in silvicultural system, (IDB) – USD 3M;
- **Brazil:** Commercial reforestation of modified lands in *Cerrado*, (IFC) – USD 15M;
- **Burkina Faso:** Climate change mitigation and poverty reduction through the development of the cashew sector, (AfDB) – USD 4M;
- **Ghana:** Public-private partnership for restoration of degraded forest reserve through VCS and FSC certified plantations, (AfDB) – USD 10.3M; and
- **Mexico:** Guaranteed fund for financing low carbon forestry investments, (IDB) – USD 3M.

FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities

- Framework Operational Guidelines for the DGM finalized
- Competitive process for selection the Global Executing Agency initiated in June 2013: Announcement of the GEA soon to follow
- 7 of 8 pilots have selected WB to lead DGM and Mexico is undergoing consultations to determine lead MDB
- Much progress in countries in terms of consultations;
- Expected submission date for global component and two country components: 01/2014
- Enhance web space for DGM



FIP Annual Monitoring and Reporting

- **Common themes:**
 - GHG emissions reductions/enhancement of carbon stocks
 - livelihood co-benefits
- **Relevant co-benefit themes:**
 - Biodiversity and other environmental services
 - Governance
 - Tenure, rights, and access
 - Capacity development
- **Narrative:**
 - Theory of change
 - Contribution to national REDD+ strategies and equivalents
 - Bilateral and other support
 - Government's perspective on link with DGM
 - Highlights and showcases

CIF Knowledge Product: Linking REDD+ Readiness and FIP Investments

- Review and analyze the different barriers and opportunities for countries participating in the FIP as they relate to readiness
- Clarify the elements needed for transitioning from readiness to implementation of REDD+ in FIP countries;
- provides evidence on link between readiness and implementation in the eight FIP pilot countries;
- Case studies: Burkina Faso, Lao PDR and Mexico

Draft: January 2014; final report: February 2014

CIF Administrative Unit has recruited Climate Focus B.V.; literature review and preliminary analyses has been concluded and interviews are ongoing

Forest Investment Program



www.climateinvestmentfunds.org