



CLIMATE
INVESTMENT
FUNDS

The Experience of the Forest Investment Program in Channeling Multilateral Funding

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CIF: Empowering Transformation



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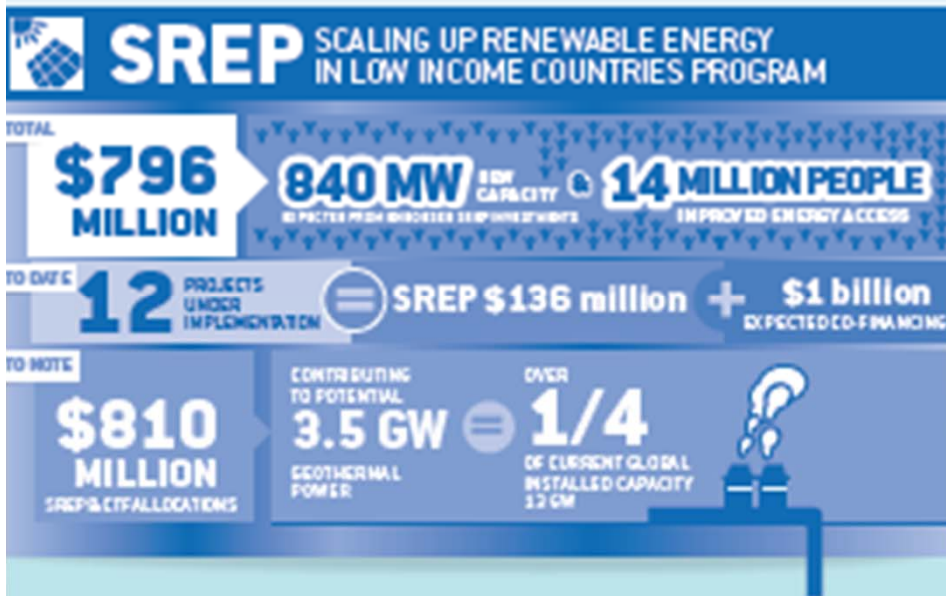
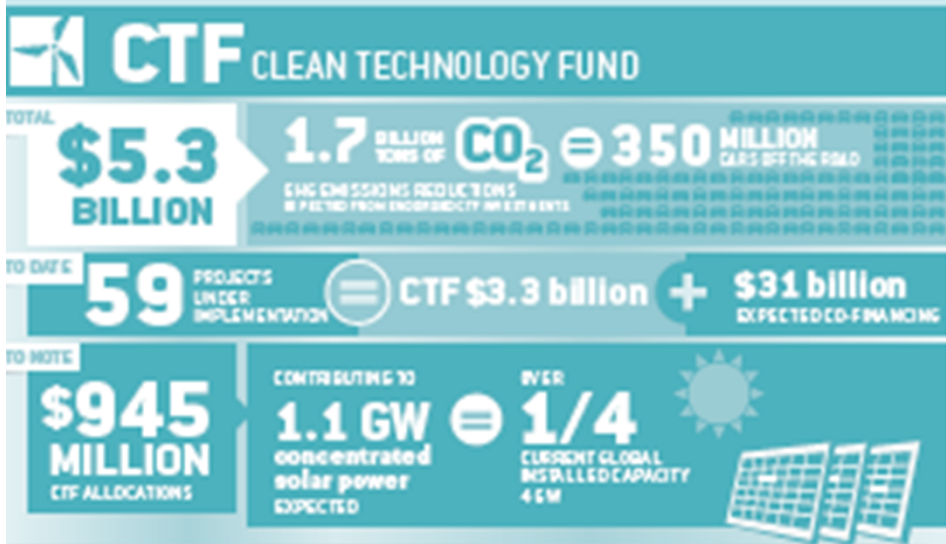
* Project(s) being supported by CIF dedicated private sector funding.

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CIF Programs





FOREST INVESTMENT PROGRAM

- **FIP in the wider REDD+ architecture: FIP is considered the “REDD+ Missing Middle”**

Phase 1 READINESS	Phase 2 IMPLEMENTATION	Phase 3 RESULTS-BASED PAYMENTS
<ul style="list-style-type: none">• Policy and strategy• Capacity building• Consultations• Social inclusion	<ul style="list-style-type: none">• Investments in low carbon development• Sustainable forest management• Smart agriculture• Green value chains	<ul style="list-style-type: none">• Poverty alleviation and shared prosperity• Mitigation outcomes• Adaptation measures

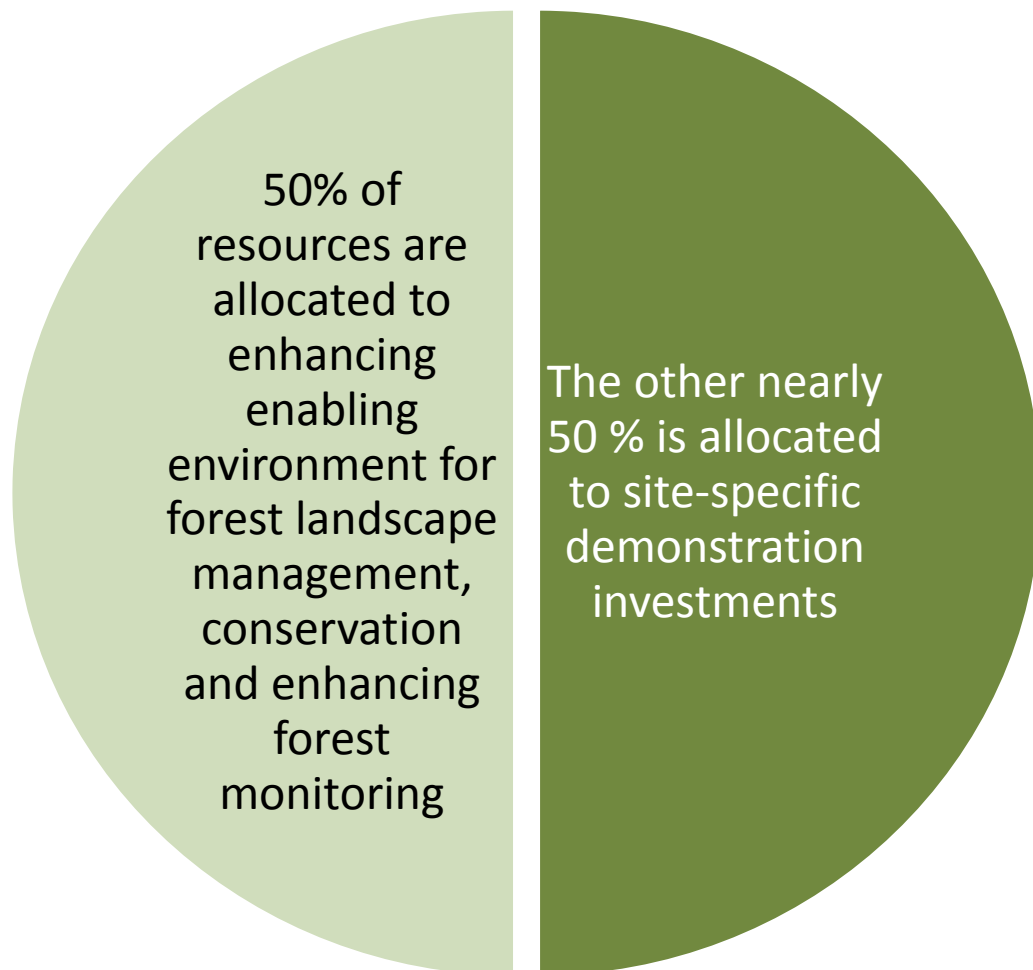
2 studies to better understand the FIP’s relationship and position within REDD+:

- (1) Linkages between REDD+ Readiness and the Forest Investment Program*
- (2) Linkages between the FIP and Performance based mechanisms*



FOREST INVESTMENT PROGRAM

FIP in REDD+



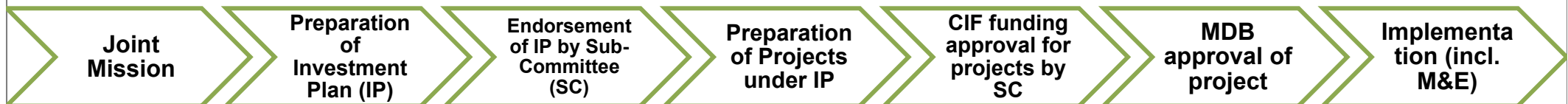
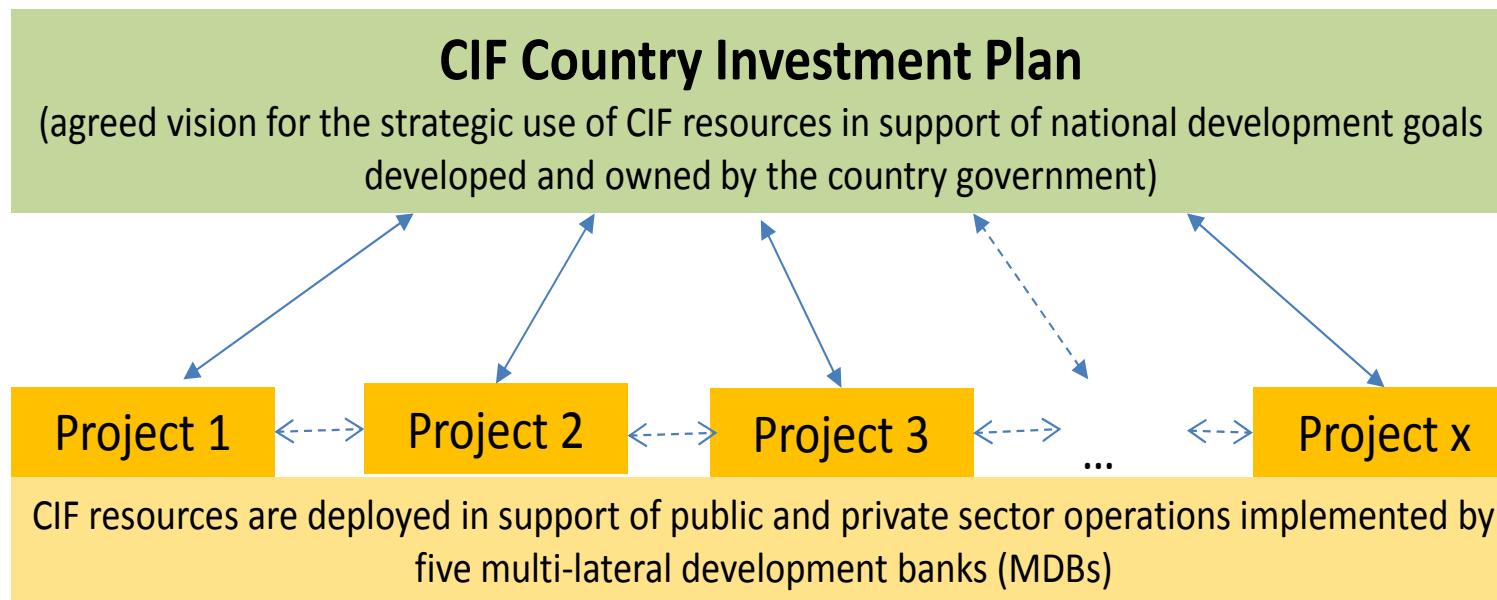
This divide is in line with country advancement in readiness: countries facing challenges in terms of enabling environment use FIP resources for capacity building activities (e.g. Burkina Faso and Indonesia), whereas those with robust country systems use FIP resources to invest in site-specific activities (e.g. Brazil, Mexico).



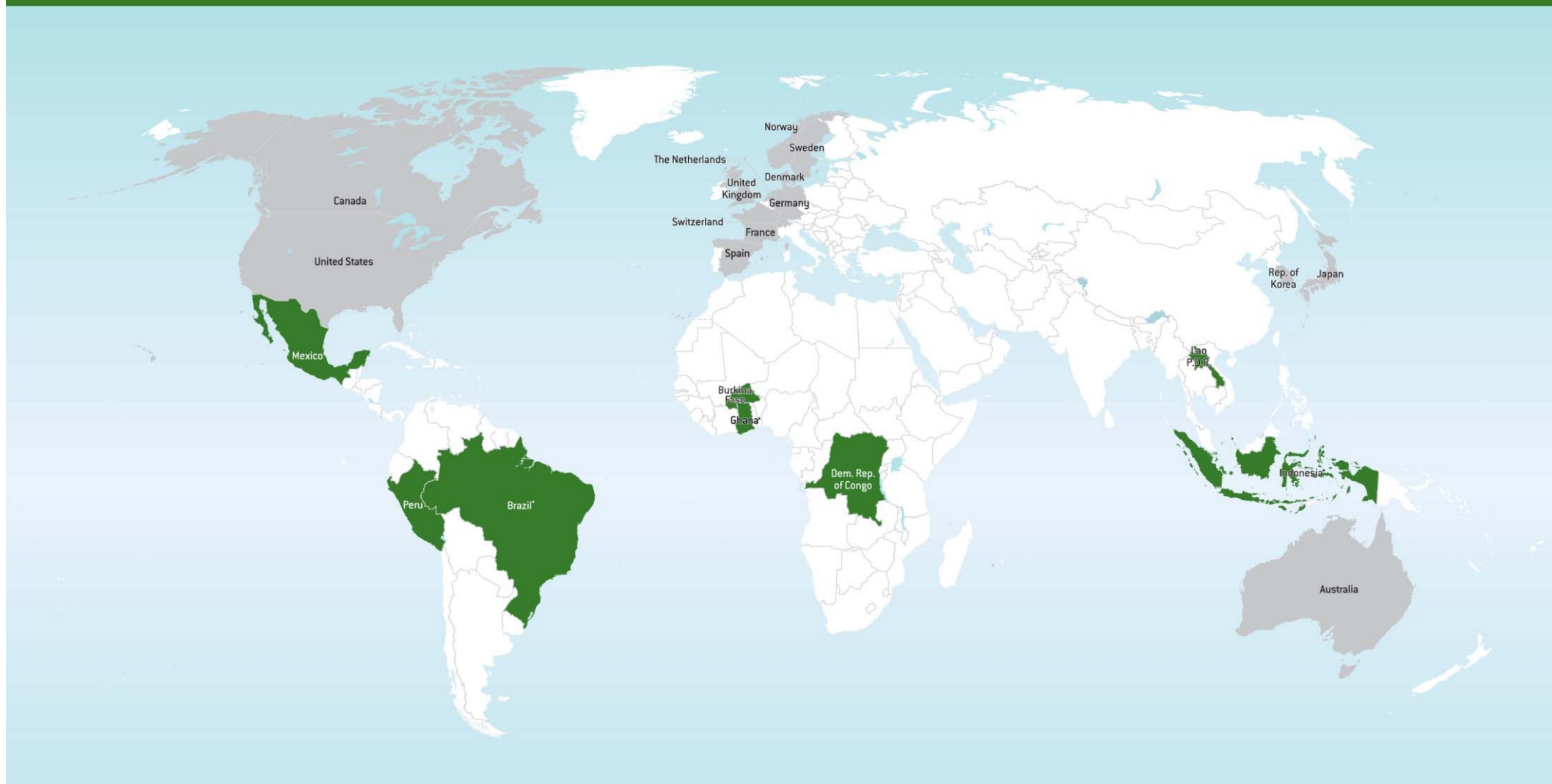
FIP Programmatic Approach

Objective: to initiate transformational change in sectors of the economy related to forestry and REDD+; and to enhance the ability of all actors to participate effectively in all issues related to REDD+

The CIF programmatic approach is composed of two-levels, forming a country program:



FIP IN ACTION



MDB PARTNERS



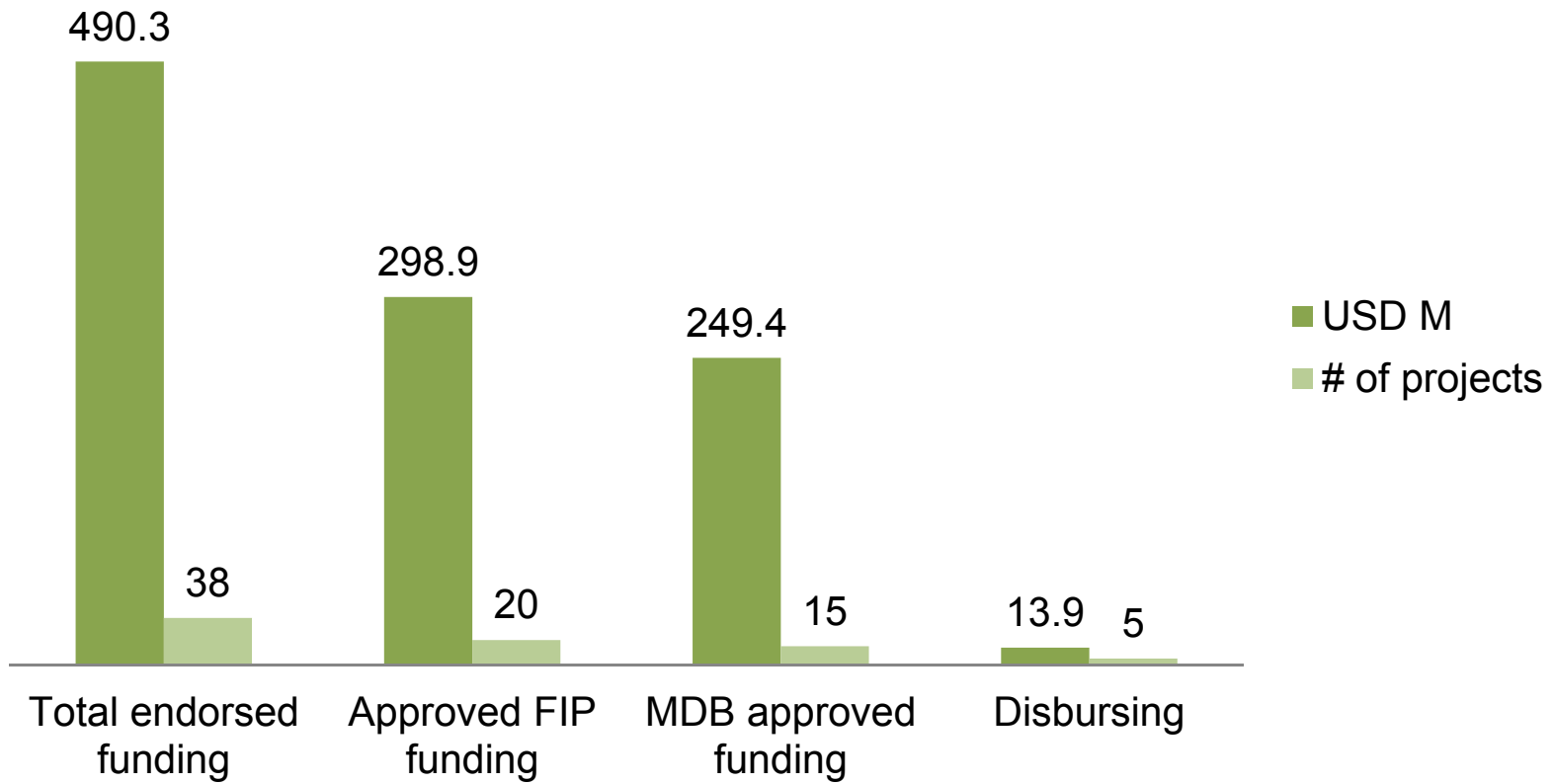
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† Fund pledges are based on exchange rates in September 2014.

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FIP Overview

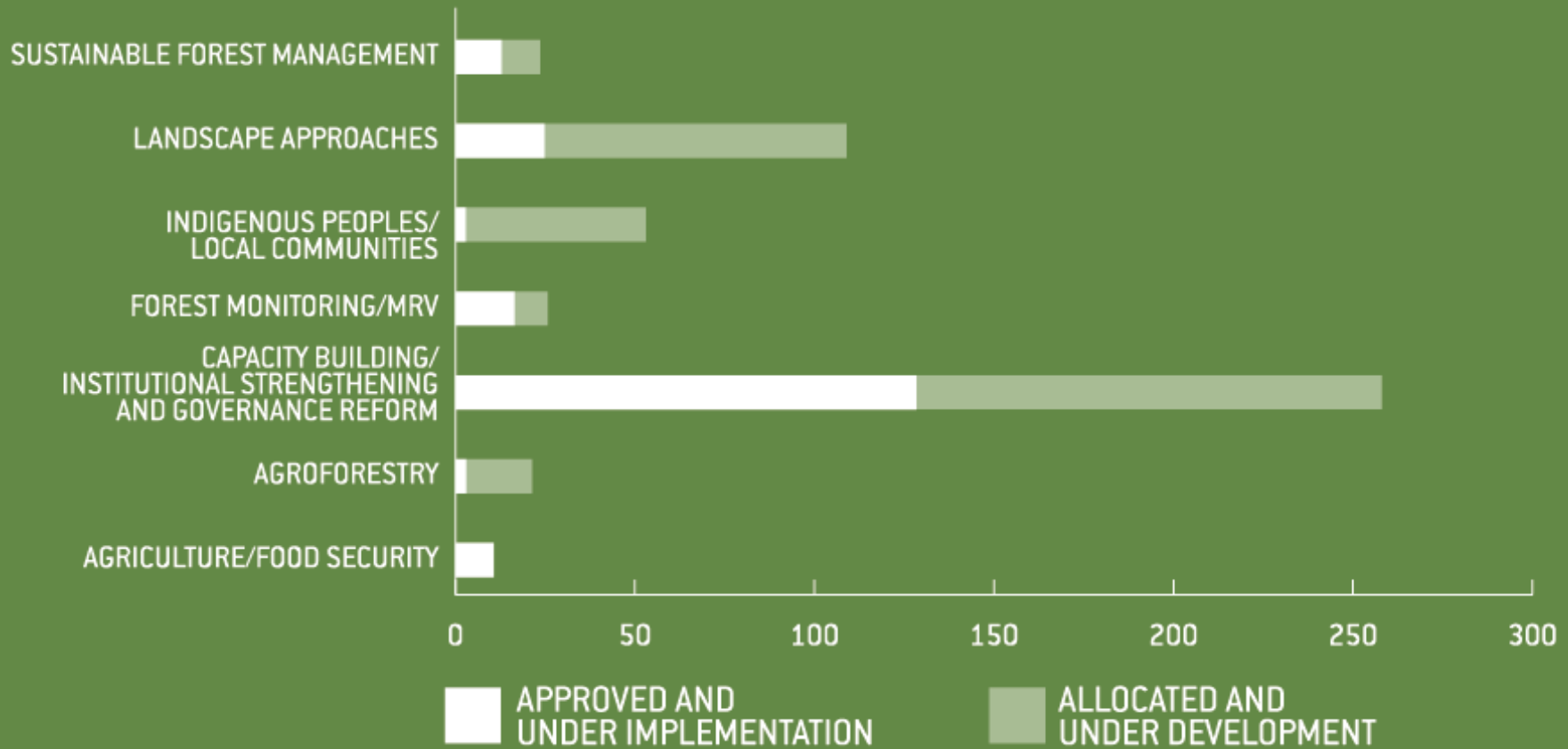


	Total endorsed	Endorsed Investment Plans (8)	Endorsed DGM concepts	Endorsed Private Sector Set-Aside Concepts
Funding (USD M)	490.3	420	50	20.3
Projects	38	25	9	4



FIP Activities

SUPPORTING MANY DIMENSIONS OF REDD+

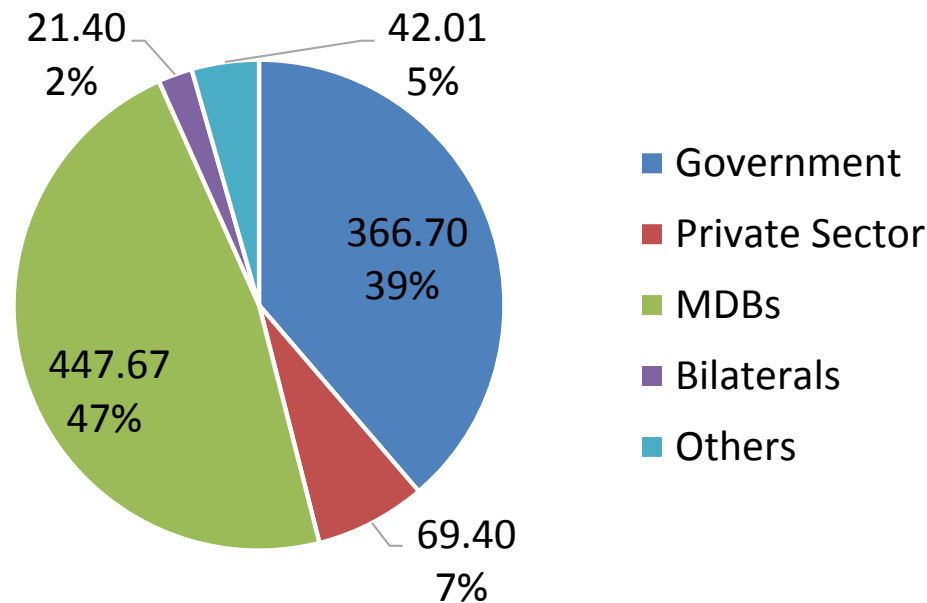




FOREST INVESTMENT PROGRAM (FIP)

Co-financing in FIP

In entire FIP pipeline



Co-financing Partners:

- Governments
- MDBs
- European Commission
- Agence Francaise de Development
- GEF
- JICA
- FCPF
- KFW
- Moore Foundation

Leverage Ratios

Based on projections (IP stage)	1:2.2
Based on approved projects	1:2:8



FOREST INVESTMENT PROGRAM (FIP)

Linkages with other REDD+ mechanisms

FIP pilot country	Readiness	Results/Performance-based payments	Comments
Brazil	-	-	-
Burkina Faso	FCPF RF, UN REDD	PES ¹⁵	-
DRC	FCPF RF, UN-REDD National Programme	FCPF CF; PES ¹⁶	ER-PIN ¹⁷ presented; LOI ¹⁸ signed
Ghana	FCPF RF, UN-REDD	FCPF CF	ER-PIN presented; LOI signed
Indonesia	FCPF RF, UN-REDD National Programme	-	ER-PIN being resubmitted; BioCF ISFL program under consideration
Lao PDR	FCPF RF, UN-REDD	FCPF CF	ER-PIN presented
Mexico	FCPF RF, UN-REDD	FCPF CF	ER-PIN presented; LOI signed
Peru	FCPF RF, UN-REDD	FCPF CF	ER-PIN presented



Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities



- One-of-a-kind program, unique to the FIP
- \$50 million in grants to enhance for indigenous peoples and local communities' participation in the REDD+ agenda
 - 8 country programs (for each FIP country)
 - Global component for knowledge exchange, capacity building, and networking
- Designed and led by representatives of indigenous peoples groups and local communities in FIP countries
- The largest global REDD+ initiative created solely for and by indigenous peoples and local communities
- DGM is operational
 - ✓ Funding approved for global component (\$5 million) and Brazil DGM program (\$6.5 million)



Preliminary results and lessons learned

- Total emissions reductions: 139.76 million tCO₂e (absolute targets)
- Total project area: 31,565,813 ha
- Total direct beneficiaries: 638,418

Emerging on-site results

- **Mexico**: Sustainable Forest Management techniques promoted by the FIP translates to better productive use. Techniques such as thinning & pruning have allowed forest harvests to double
- **Mexico**: Forest communities are able to receive credits for sustainable forest management
- **Lao PDR**: forest inventories of almost 0.5 million ha have been undertaken; forest management plans for 25 production forests (not covered under previous projects) have been developed; village development plans for an additional 350 villages have been created



Expansion of the FIP

Six new pilot countries: Congo Republic, Côte d'Ivoire, Mozambique, Nepal, Ecuador, Guatemala

- Up to USD 24 million per new pilot country in mix of grants and concessional loans

DGM in the new pilot countries

- USD 30 million for DGM for new national components and Global component

9 more countries that will be provided with support for investment plan preparation: Tunisia, Bangladesh, Zambia, Cambodia, Cameroon, Guyana, Honduras, Rwanda, and Uganda

- USD 250,000 provided for the investment plan preparation



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