

CLIMATE INVESTMENT FUNDS

FIP/SC.1/4/Rev.1
November 11, 2009

Meeting of the FIP Sub-Committee
Washington, D.C.
October 29, 2009

CRITERIA FOR SELECTING EXPERT GROUP MEMBERS UNDER THE FOREST INVESTMENT PROGRAM, TERMS OF REFERENCE AND WORKING MODALITIES

Proposed Sub-Committee Decision

The Sub-Committee reviewed document FIP/SC.1/4Rev.1, *Criteria for Selecting Expert Group Members under the Forest Investment Program, Terms of Reference and Working Modalities*, and approves the proposal for establishing the expert group and the modalities and schedule for the work of the group. The Sub-Committee requests the Administrative Unit to collaborate with the MDB Committee to solicit nominations for the expert group and to prepare a proposal for the composition of the group that is consistent with the selection criteria. The proposal should be submitted to the Sub-Committee for review and approval by mail.

The Sub-Committee further requests the Administrative Unit to inform eligible countries, through the country offices of the MDBs, of the FIP program and to invite interested government to submit a brief expression of interest to be considered as a pilot country. Countries submitting an expression of interest should be given priority consideration by the Expert Group in formulating its recommendations for country and regional pilots.

I. BACKGROUND

1. There is increasing consensus that addressing climate change is central to the sustainable development, economic growth and poverty reduction agenda. Increasing the resilience to climate change needs to combine both mitigation and adaptation measures. A delay in reducing greenhouse gas (GHG) emissions would significantly constrain opportunities to achieve lower stabilization levels and is likely to increase the risk of more severe climate change impacts. Climate change impacts have the potential to reverse hard-earned development gains and progress towards achieving the Millennium Development Goals.

2. Deforestation and forest degradation are the second leading cause of global warming. They account for approximately 18% of global greenhouse gas (GHG) emissions and over a third of emissions from developing countries. Although there remain divergent opinions as to how deforestation and forest degradation should be included in any future climate change regime, there is an emerging consensus that this issue must be effectively addressed. Several reports indicate that tackling forest loss is a critical activity in achieving stabilization of greenhouse gas concentrations in the atmosphere at a level that avoids the worst effects of climate change.

3. The Strategic Climate Fund (SCF) was established to provide financing to pilot new development approaches or to scale-up activities aimed at a specific climate change challenge or sectoral response through targeted programs. A Forest Investment Program (FIP) has been established as a targeted program under the SCF to catalyze policies and measures and mobilize significantly increased funds to facilitate the reduction of deforestation and of forest degradation and promote improved sustainable management of forests, leading to emissions reductions and the protection of forest carbon stocks.¹

II. OBJECTIVES, PURPOSE AND SCOPE OF THE FIP

4. The main purpose of the FIP is to support developing countries' REDD-efforts, providing up-front bridge financing for readiness reforms and public and private investments identified through national REDD readiness strategy building efforts, while taking into account opportunities to help them adapt to the impacts of climate change on forests and to contribute to multiple benefits such as biodiversity conservation, protection of the rights of indigenous peoples and local communities², poverty reduction and rural livelihoods enhancements. The FIP will finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts to do so.

5. The FIP is designed to achieve four specific objectives³:

- a) to initiate and facilitate steps towards transformational change in developing countries forest related policies and practices, through:

¹ Governance Framework for the Strategic Climate Fund, paragraph 10(b).

² For the purpose of the FIP "indigenous peoples and local communities" includes tribal communities and implies equal emphasis on the rights of men and women.

³ Forest Investment Program Design Document, paragraph 11(a)-(d)

- (i) serving as a vehicle to finance investments and related capacity building necessary for the implementation of policies and measures that emerge from inclusive multi-stakeholder REDD⁴ planning processes at the national level;
 - (ii) strengthening cross-sectoral ownership to scale up implementation of REDD strategies at the national and local levels;
 - (iii) addressing key direct and underlying drivers of deforestation and forest degradation;
 - (iv) supporting change of a nature and scope necessary to help significantly shift national forest and land use development paths;
 - (v) linking the sustainable management of forests and low carbon development;
 - (vi) facilitating scaled-up private investment in alternative livelihoods for forest dependent communities that over time generate their own value;
 - (vii) reinforcing ongoing efforts towards conservation and sustainable use of forests; and
 - (viii) improving forest law enforcement and governance, including forest laws and policy, land tenure administration, monitoring and verification capability, and transparency and accountability.
- b) to pilot replicable models to generate understanding and learning of the links between the implementation of forest-related investments, policies and measures and long-term emission reductions and conservation, sustainable management of forests and the enhancement of forest carbon stocks in developing countries. By committing to apply a priori and ex post impact assessment of programs and projects, the FIP will ensure that the outcomes and effectiveness of FIP-supported interventions in reducing deforestation and forest degradation can be measured;
- c) to facilitate the leveraging of additional financial resources for REDD leading to an effective and sustained reduction of deforestation and forest degradation, thereby enhancing the sustainable management of forests; and
- d) to provide valuable experience and feedback in the context of the UNFCCC deliberations on REDD.

III. EXPERT GROUP TASK AND COMPOSITION

6. An Expert Group is to be established by the FIP Sub-Committee to make recommendations on selection of country or regional pilots for the FIP. The FIP Sub-Committee should provide to the Expert Group elaborated selection criteria and guidance (see, *Criteria for selecting Country and Regional Pilots under the FIP document FIP/SC.1/5*) The Expert Group should make recommendations to the FIP Sub-Committee on a short-list of country or regional pilots based on the following criteria.

⁴ For purposes of the Forest Investment Program, REDD means REDD+ and should be construed to include activities consistent with paragraphs 1 (b) (iii) of the Bali Action Plan and modified, as necessary, to be consistent with the decisions taken by the Conference of the Parties to the UNFCCC.

IV. GENERAL PRINCIPLES FOR SELECTING THE EXPERTS

7. It is important to emphasize that this group is being appointed to serve as an expert advisory group. Therefore, the experts should be internationally recognized senior professionals, acting in their personal capacities, chosen on the basis of their expertise, strategic and operational experience and diversity of perspectives, including knowledge of scientific, economic, environmental and social aspects of conservation and sustainable use of forest ecosystems and climate change, gender and forestry, private sector, governance and institutional and development planning.

8. The Expert Group should be gender balanced, include experts from both developed and developing countries on an equal geographical basis, indigenous peoples and local communities, and should receive support required to fulfill their functions properly.

9. The Expert Group should be an inter-disciplinary team in order to reflect the wealth of knowledge and experience on climate change and a broad range of forest mitigation policies and measures. The terms of reference and modalities for the Expert Group are described in sections VI and VII.

V. SPECIALISTS TO BE INCLUDED IN THE EXPERT GROUP

10. It is proposed that a group of 6-8 professionals is appointed, with expertise in a range of disciplines, consistent with the objectives of the FIP. Expert group members should cover the following fields of expertise (listed in alphabetical order, not in priority order):

- a) **Agricultural Specialist.** This expert should be familiar with cross-sectoral linkages and impacts between agriculture and forest sectors. The expert should understand sustainable rural agricultural production systems and the state of research on food producing systems. The expert should be knowledgeable about large agribusinesses and their potential impact on other land uses, as well as shifting cultivation and their impacts on natural resources.
- b) **Climate Specialist.** This expert should have knowledge of, and experience in, climate change mitigation and adaptation related to forests, at sub-national, national and international levels. The expert should be knowledgeable about national strategies for addressing climate change that involve forests, the role of forests in addressing the challenges of climate change, and REDD+ (including avoided deforestation and forest degradation, forest conservation, sustainable forest management and enhancement of carbon sinks).
- c) **Development Economist.** This expert should have particular expertise in forest finance and should be knowledgeable about the role of forests in economic development and planning. The expert should have a good understanding of development, valuation systems of alternative land uses, and how to enhance the contribution of forests to improving rural livelihoods and alleviating poverty, including enhancement of local communities' income and benefits from forests through improved access to markets, employment creation, and forest product processing.

- d) **Forest Industry and Investment Specialist.** This expert should be knowledgeable about the private sector and sustainable management of forests, forest industry value chain, forest products trade, internationally recognized independent forest certification systems and standards, corporate social responsibility standards, community-company partnerships, and investment opportunities in diverse countries.
- e) **Forest Specialist.** This expert should have a broad background in forestry as well as specific knowledge of, and experience with, biodiversity conservation, sustainable management of forests, forest ecology and forest dynamics, agro-forestry, reforestation, landscape restoration, desertification and landslides resulting from forest degradation and forest ecosystem services.
- f) **Indigenous Peoples Specialist.** This expert should be familiar with indigenous peoples and forest-dependent communities' issues and rights, including land tenure issues.
- g) **Multidisciplinary Natural Resource Management Specialist.** This expert should have multidisciplinary skills and a good understanding of the social, economic, environmental and governance/institutional/policy aspects of natural resource management. The expert should be familiar with forest and land institutions, land management and administration, including issues related to land tenure, and environmental, economic and social aspects of forest and land use policies, legislation and enforcement.
- h) **Social Development and Gender Specialist.** This expert should be familiar with poverty alleviation, social, community and gender issues, particularly as they relate to forest management.

VI. TERMS OF REFERENCE

11. Once the Expert Group has been appointed by the FIP Sub-Committee, it is to prepare, for consideration by the FIP Sub-Committee a list of recommended country or regional pilots to be developed under the FIP. Consistent with the criteria for the selection of country and regional pilots, and following the working modalities described below, the Expert Group is invited to recommend five country or regional pilots that meet the criteria and other considerations agreed by the Sub-Committee. The Expert Group is also invited to propose a list of up to three additional countries to be considered by the Sub-Committee should funds become available to finance additional pilots or should some of the selected pilots prove not to be feasible.

12. The Expert Group is to submit to the Sub-Committee, together with its recommendations, a report on the methodology and analysis that led to its recommendations.

VII. WORKING MODALITIES FOR COMPLETION OF THE WORK OF THE EXPERT GROUP

13. The following steps and working modalities are to be followed.

14. The first step in the process is for the FIP Sub-Committee to agree upon the criteria for selecting the Expert Group as well as the terms of reference and working modalities proposed in

this paper. The FIP Sub-Committee is also to agree upon *Criteria for Selecting Country and Regional Pilots under the FIP* (FIP/SC.1/5).

15. Once the criteria and terms of reference are approved, the CIF Administrative Unit will issue a call for nominations of experts. This call will be posted on the CIF website and direct outreach inviting nominations will be made to:

- a) FIP Sub-Committee members,
- b) SCF Trust Fund Committee members,
- c) Active observers to the SCF Trust Fund Committee and the FIP Sub-Committee,
- d) MDBs, and
- e) Organizations participating in the Collaborative Partnership on Forests

16. Nominations for experts should include an expression of interest, the expert's name, contact information, area of expertise (taking into account the areas of discipline outlined in paragraph 10) and a resume.

17. The CIF Administrative Unit and the MDB Committee will review all the nominations and prepare a proposal, using the criteria as guidance, to present to the FIP Sub-Committee for review and approval. The MDB Committee is encouraged to do its best to satisfy the requirements of the criteria. The CIF Administrative Unit will confirm, prior to including an expert in the final proposal, that the expert would be available to work with the Expert Group as foreseen in the schedule below (paragraph 25).

18. Once the composition of the Expert Group is approved by the Sub-Committee, the CIF Administrative Unit will contract the experts and organize the first meeting of the expert group.

19. Once the *Criteria for Selecting Pilot and Regional Pilots* (FIP/SC.1/5) has been approved, the CIF Administrative Unit will inform eligible countries, through the country offices of the MDBs, of the FIP program and invite interested governments to submit a brief expression of interest to be considered as a pilot country. Countries will be invited to submit any expression of interest in advance of the working meeting of the Expert Group. All expressions of interest received by the Administrative Unit will be submitted to the Expert Group for its consideration. Countries submitting an expression of interest should be given priority consideration by the Expert Group in formulating their recommendations for country and regional pilots.

20. The first organizational meeting of the Expert Group will be virtual. At the first meeting, the group will be requested to:

- a) select two co-chairs: one co-chair of the Expert Group should be from an eligible recipient country and one co-chair should be from a contributor country. In addition, it is recommended that consideration be given to identifying one co-chair with a broad background in climate change and another co-chair with multidisciplinary skills in forestry;
- b) confirm arrangements for the Expert Group to meet for a week to undertake its analysis and work; and

- c) agree on the preparatory work, including collection of relevant information, to be undertaken by Expert Group members, MDBs or the CIF Administrative Unit in advance of the meeting.

21. Following the organizational meeting, the Expert Group will meet for five days to carry out its technical analysis and review of countries that have expressed an interest to participate in the program and other countries that the experts believe should be considered as participants in the FIP, review and take note of the country and regional portfolios of the MDBs and to formulate its recommendations to the FIP Sub-Committee on the selection of country or regional pilots. Countries submitting an expression of interest should be given priority consideration by the Expert Group in formulating their recommendations for country and regional pilots.

22. The Expert Group meeting will be assisted by the CIF Administrative Unit during the course of its work. Arrangements will be made for the Expert Group to meet with the MDBs to discuss, on a regional basis, countries and their potential to be included in the FIP. In particular, the MDBs will be expected to share their experience and knowledge with respect to the criteria for “country preparedness and ability – institutional or otherwise – to undertake REDD plus activities and to address key direct and underlying drivers of deforestations and forest degradation, taking into account government efforts to date and government willingness to move to a strategic approach to REDD plus and to integrate the role of forests into national sustainable development.”

23. At the end of its meeting, the Expert Group will agree on a consultative process for reviewing and reaching agreement on its report and recommendations to be submitted to the FIP Sub-Committee. The Expert Group should agree upon one of its members to serve as the lead author of its report. The report and recommendations should be prepared and agreed within two weeks of the conclusion of the meeting.

24. The report and recommendations of the Expert Group will be submitted to the CIF Administrative Unit for transmittal to the FIP Sub-Committee. The Co-Chairs of the Expert Group will be invited to present the report to the Sub-Committee and to respond to questions from Sub-Committee members. The report and recommendations should be made publicly available at the same time as the report is submitted to the FIP Sub Committee for consideration.

VIII. TIMELINE

25. The following timeline for the work of the Expert Group is proposed:

- a) October 29:
FIP Sub-Committee approval of criteria for selecting Expert Group members, terms of reference and working modalities.
- b) November 30- January22:
CIF Administrative Unit will invite expression of interest from countries.
- c) November 2 – 20:
Period for submissions of nominations of experts.

- d) November 23 – December 18:
Preparation of proposal for composition of Expert Group by MDB Committee and confirmation of availability of proposed experts.
- e) December 18 – January 11, 2010:
Circulation of proposal for approval by FIP Sub-Committee. Such approval will be by mail in accordance with the rules of procedure for the Sub-Committee.
- f) January 11 – 25:
Recruitment of Expert Group members.
- g) January 18:
Organizational meeting of Expert Group (virtual).
- h) February 8-12:
Meeting of Expert Group (in person).
- i) March 1:
Recommendations and report to be submitted to FIP Sub-Committee to assist its selection of country and regional pilots.
- j) Week of March 15:
FIP Sub-Committee meeting to select country and regional pilots.

IX. EXPECTED OUTPUTS

- 26. In reporting to the FIP Sub-Committee, the Expert Group should include information on:
 - a) methodology and analysis leading to the group's recommendations regarding proposed country and regional pilots;
 - b) an assessment of key issues and challenges for the recommended pilots; and
 - c) Conclusions and recommended list of five country or regional pilots that meet the criteria and other considerations agreed by the Sub-Committee. The Expert Group is also invited to propose a list of up to three additional countries to be considered by the FIP Sub-Committee should funds become available to finance additional pilots or should some of the selected pilots prove not to be feasible.
- 27. The recommendations and the report of the Expert Group will be submitted to the FIP Sub-Committee for consideration in advance of its meeting in March 2010.