

CLIMATE INVESTMENT FUNDS

CIF/DMFIP.2/CRP.1

March 3, 2009

Second Design Meeting on the Forest Investment Program

Washington, DC

March 5 - 6, 2009

COMMENTS SUBMITTED BY AUSTRALIA ON THE FIP DESIGN DOCUMENT

1. As Australia is unable to attend the Second Design Meeting in person, we are providing our comments on the latest draft of the design document in writing.

Coordination with other mechanisms

2. We welcome the strengthened language in para 10(d) which states that the FIP will coordinate with, and “build directly on the efforts” of, other initiatives where applicable; likewise the language of para 18(e), on the role of the FIP Sub-Committee in ensuring complementarity between the FIP and related initiatives.

3. However, we remain strongly of the view that the role of the FIP in relation to UN-REDD and the FCPF needs clearer articulation and that, without this, we risk creating inefficiencies and unnecessary burdens on partner countries. For example, the draft design still makes no reference to the possibility of using FIP resources to implement approved FCPF Readiness Plans (R-Plans) and in fact implies that countries with such plans in place would still need to undergo a separate application, program development and program approval process, involving inputs from a separate expert group, in order to access FIP resources.

4. We consider that the design paper should go beyond statements of broad intent to detail how coordination between UN-REDD, the FCPF and the FIP will be managed in practice. This might include, inter alia, proposals relating to the sharing of experts between the FCPF’s TAP and the FIP’s Expert Group, and to the linking of FIP proposals to FCPF Readiness Plans or UN-REDD design documents.

Feeding lessons learned into the UNFCCC

5. We suggest Principle 10 (a) or Principle 10 (n) be amended to state that the FIP will wherever relevant feed lessons learned into UNFCCC discussions (in order to be consistent with para 9(d)).

Measurable outcomes and results-based support

6. Principle 10(e) should include explicit reference to the importance of trialling carbon accounting and monitoring methodologies, which will be fundamental to ensuring that emission reductions are credible.

Sub-Committee Membership

7. Para. 14 (c) (bracketed text) – We suggest that the two representatives each from IPs, NGOs and the private sector have active observer status as in other CIF governing bodies.

Number of countries receiving assistance, and selection process

8. Considering the expected capitalisation level for the FIP will be \$US500 million, and the likely sizeable scale and cost FIP activities, we recommend that a notional cap on the number of participating countries be specified, and this cap be set at approximately 10 countries. This cap could of course be revised by the FIP Sub-Committee if further

contributions beyond the \$US500 million level were received. A stringent selection process will be required, with quantitative and qualitative recommendations from the TAP as to which proposals should be selected. Something akin to the PPCR country selection process, as is suggested in the draft design document, would be preferable to a protracted and/or first-come, first-serve process.