

# CLIMATE INVESTMENT FUNDS

FIP/SC.17/3/Rev.1  
December 21, 2016

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Meeting of the FIP Sub-Committee  
Washington, DC  
Wednesday, December 7, 2016

Agenda 3

## **FIP SEMI-ANNUAL OPERATIONS AND RESULTS REPORT**

## Proposed Decision

The FIP Sub-Committee reviewed the document, *FIP/SC.17/3/Rev.1, FIP Semi-Annual Operational and Results Report*, and welcomes the progress that has been made in advancing the work of the FIP in the pilot countries.

The Sub-Committee appreciates the analysis conducted by the CIF Administrative Unit, in collaboration with the MDBs, on achievement of results, resource availability, pipeline review, and portfolio updates. The Sub-Committee encourages MDBs and the FIP pilot countries to take all possible measures to expedite the implementation of projects and the disbursement of funds.

The Sub-Committee also welcomes the progress made by new FIP pilot countries in undertaking steps to develop the investment plans. The Sub-Committee recalls its decisions from the May 2015 and June 2016 meeting regarding the submission of investment plans from the new pilot countries and encourages the remaining countries and the MDBs to take all possible measures to submit their plans within the two year period.

## Contents

1	Introduction .....	5
2	Strategic issues.....	6
2.1	Resource availability .....	6
2.2	Pipeline Management.....	7
2.3	Links with other REDD+ and forest funding sources.....	8
2.4	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) .....	8
2.5	The importance of improved results reporting .....	9
3	Status of the FIP portfolio .....	9
3.1	Portfolio at a glance .....	9
3.1.1	Thematic focus .....	10
3.2	Portfolio update .....	12
3.2.1	Investment plans.....	12
3.2.2	Sub-Committee approvals .....	13
3.2.3	MDB approvals.....	14
3.3	Project pipeline tracking .....	15
3.3.1	Analysis of project approval delays.....	18
3.4	Disbursements .....	19
3.4.1	Analysis of deviations on project disbursement .....	20
4	Results reporting.....	22
4.1	Global overview .....	22
4.2	Results comparison .....	24
4.3	Results per reporting theme .....	25
4.3.1	Results: Category 1 ‘Common Themes’ .....	25
4.3.2	Results: Category 2 ‘Other Relevant Co-Benefit Themes’ .....	26
5	Cross-cutting themes .....	32
5.1	Gender .....	32
5.2	Knowledge management .....	32
5.3	Country support .....	33
	Annex 1: Resource availability in the FIP (in USD million as of June 30, 2016) .....	35
	Annex 2: Examples of FIP portfolio thematic focus changes based on reclassification .....	37
	Annex 3: List of expected project submission for FY17 (as of June 2016).....	37

Annex 4: Projects awaiting approval by FIP Sub-Committee for over 24 months (as of June 2016) .....	38
Annex 5: List of projects included in Figure 6 .....	39
Annex 6: List of projects included in Figure 7 .....	40
Annex 7: FIP projects reporting on results (up to December 31, 2015) .....	41
Annex 8: Theme 1.2 Livelihood co-benefits.....	42

# 1 Introduction

1. The Forest Investment Program (FIP), supports developing countries' efforts to reduce deforestation and forest degradation (REDD+) and promotes sustainable forest management. This leads to emission reductions and helps make forests a central component of low-carbon development. It also contributes to other benefits such as biodiversity conservation, poverty reduction, and protection of the rights of indigenous peoples and local communities. The FIP provides grants and low-interest loans, channeled through partner multilateral development banks (MDBs).
2. Following guidance by the FIP Sub-Committee, this Operations and Results Report is the first instance where the previously separate Semi-Annual Report and the Results Report are combined.
3. The 2016 Operations and Results Report identifies key strategic issues for the FIP, highlights key elements of the decisions taken inter-sessionally by the FIP Sub-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 factors contributing to the delay in implementation of investment plans and projects in the country portfolios. This report also provides an update on the results achieved by the FIP pilot countries.
4. This report provides an update of the entire FIP portfolio for the period January 1 to June 30, 2016 and status update on results of projects under implementation for the period January 1 to December 31, 2015.

**Figure 1: FIP pilot countries<sup>1</sup>** (name and indicative endorsed funding in USD million)



<sup>1</sup> Amounts include DGM funding. FIP countries highlighted in green are preparing their investment plans.

## 2 Strategic issues

5. As of June 30, 2016, the FIP Sub-Committee has endorsed investment plans for 10 pilot countries, with total indicative endorsed allocations of USD 502.9 million, fifteen project concepts under the DGM, with an indicative endorsed allocation of USD 80 million, and four project concepts under the PSSA with an indicative endorsed allocation of USD 20.3 million. This for a total FIP endorsed indicative funding of USD 603.2 million.
6. The overarching expected results for projects currently under implementation include an estimated reduction or avoidance of greenhouse gasses (GHG) emission of 11.17 MtCO<sub>2</sub>e, more than 1.1 million people receiving livelihoods co-benefits, and an area coverage of 27.8 million hectares.
7. FIP is making progress in all reporting themes. This year was the first in which actual results were reported in terms of GHG emission reductions. Most FIP projects just started implementing project field activities in 2015, which explains why reporting GHG emission reductions has been modest. There were 6,502 t CO<sub>2</sub>e emission reductions in 2015 reported by DRC. As of December 2015, around 65,000 people have already received livelihood co-benefits from FIP projects. FIP pilot countries' efforts on biodiversity focused on the reduction of forest loss, as the main driver of biodiversity decrease and work conducted by FIP pilot countries on governance focused on strengthening decision making processes, ensuring participation of all stakeholders and enhancing forest law enforcement. Good progress was also noted on tenure access and rights as well as capacity building efforts.
8. Progress in approvals varies among pilot countries. Overall, 56 percent of the funding under the current FIP portfolio has been approved by the Sub-Committee. Information on project approval delays is presented in section 3.3.1.
9. Disbursement rates are continuing to increase, reaching USD 49.7 million or 15 percent of the MDB approved funding, more than double the amount disbursed in the last fiscal year.

### 2.1 Resource availability

10. As of June 30, 2016, the FIP funding envelope stands at USD 757.9 million, down from the previous value of USD 771.0 million on December 31, 2015. This is equivalent to a 1.7 per cent reduction of the overall funding envelope during the reporting period.
11. With net cumulative funding commitments of USD 386.0 million and anticipated commitments of USD 392.8 million for the full complement of investment plans, the FIP currently faces a shortfall in resources of USD 57.2 million. The amount is exclusive of fund reserves, pledges, and projected net income. When these are considered, the potential shortfall in resources may decline to USD 13.1 million (see Table 1). This reflects a change in the funding position of the FIP over the last six months, having reported a projected positive funding position of USD 10.6 million in December 31, 2015<sup>2</sup>.

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<sup>2</sup> Amount included reserves, pledges and projected income.

**Table 1: FIP resource availability schedule (USD million)**

<b>Unrestricted Fund Balance (A)</b>		<b>335.6</b>
<b>Anticipated Commitments (FY17-FY21)</b>	-	
Program/Project Funding and MPIS Costs	-	378.6
Projected Administrative Budget	a/	14.2
<b>Total Anticipated Commitments (B)</b>	-	<b>392.8</b>
	-	
<b>Available Resources (A - B)</b>		<b>(57.2)</b>
<b>Potential Future Resources (FY17-FY21)</b>	-	
Contributions Not Yet Paid	b/	0.4
Release of Currency Risk Reserves	c/	36.3
Projected Investment Income	d/	7.5
<b>Total Potential Future Resources (C)</b>	-	<b>44.2</b>
	-	
<b>Potential Available Resources (A - B + C)</b>		<b>(13.1)</b>

a/ Projected administrative budget includes resources for administrative services provided by the CIF AU, Trustee and MDBs.

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

c/ 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.

d/ Investment income on undisbursed funds across all SCF subprograms as projected by the Trustee, and notionally allocated by the CIF AU to each subprogram according to the proportion of total Projected Administrative Budget associated with the corresponding program/subprogram.

12. As no additional new investment plans or projects have been considered since the selection of new pilot countries by the Sub-Committee in May 2015, the change in circumstance is attributable to the effects of currency exchange rate fluctuations on the value of outstanding non-USD denominated promissory notes. The FIP's currency risk exposure to fluctuations in the value of the GBP has impacted the program's available resources. Between May 31 and June 30, the GBP experienced a decline in value of over 8 percent causing a commensurate decline in the value of the GBP 180 million unencashed promissory notes. During this period, unrealized currency related losses in the value of these promissory notes increased to USD 33.9 million from USD 15.0 million.

## 2.2 Pipeline Management

13. While in the short term there is no immediate impact of the shortfall of resources availability on existing programming, as the portfolio matures and projects are submitted for Sub-Committee approval, it will not be possible to service the entire portfolio should the shortfall remain under the current circumstances.
14. Although all programming is subject to sufficient funding being available, using a simple first come, first serve approach could put the remaining new pilot countries at a time disadvantage. At the same time given the grant to capital ratio of funding available to the new pilot countries averaging 1:3 maintaining the grant elements for these would become important for the overall viability of their investment plans. In addition given the profile of the Dedicated Grant Mechanism, and its dependency on grant funds the need for some consideration of prioritization of programming needs becomes apparent.
15. The current funding position and potential future implications point to the need for an enhanced pipeline management. Fifteen projects amounting to over USD 134.6 million of endorsed indicative

allocation have yet to be submitted for Sub-Committee approval after over 24 months. This includes three projects that have taken over 45 months.

16. At its meeting in June 2016, the CIF Strategic Climate Funds (SCF) Program Sub-Committees encouraged the MDBs and the pilot countries to take all possible measures to expedite the implementation of projects and the disbursement of funds. The FIP Sub-Committee requested the CIF Administrative Unit, working with MDBs and the Trustee, to prepare a cancellation policy for the program, taking into account the nature of FIP program and projects. This new policy will explore tools for enhancing the FIP pipeline management, including, for example, the option of over-programming, following lessons learned from the Clean Technology Fund (CTF) and Scaling Up Renewable Energy in Low Income Countries Program (SREP).

### **2.3 Links with other REDD+ and forest funding sources**

17. The Sub-Committee called on the CIF Administrative Unit, pilot countries, and MDBs to make efforts to enhance collaboration with other funding sources, including the Green Climate Fund (GCF) and other REDD+ initiatives. The recently approved investment plans from Cote d'Ivoire and Mozambique include projects currently being developed for geographic and thematic collaboration with the Forest Carbon Partnership Fund (FCPF). Other opportunities are being explored as the remaining 13 investment plans are developed.
18. Development of FIP investment plans is a participatory process that involves all relevant stakeholders depending on the particular characteristics of each country. In Zambia, the WB, AfDB, and IFC are working with UN-REDD+ to develop a joint FIP investment plan and National REDD+ Strategy Investment Plan that will allow the Government to align its priorities and solicit other sources of funding, such as the GCF.
19. Collaboration with the FCPF program is also happening for projects under implementation. For example, in the FIP funded Mexico Forest and Climate Project (IBRD), results have been achieved on the Emission Reduction Program that the National Forestry Commission of Mexico (CONAFOR) is preparing under the FCPF framework.
20. The CIF Administrative Unit has had preliminary dialogue with both the GCF and Global Environment Facility (GEF) on ways to maximize FIP investment plans under development to access resources from a variety of sources. Ongoing conversations will result in greater exchange of information between GCF, GEF, and CIF staff, in addition to concrete proposals on ways to enhance cooperation during investment plan development and missions.

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

21. As of the end of June 2016, out of the USD 80 million DGM portfolio, USD 27.5 million has been approved (Global Component, Brazil, Burkina Faso, DRC, and Peru), and USD 52.5 million was under different stages of project design and approval.
22. DGM Brazil, the first country project to be approved, opened from January to April 2016 its first call for proposals supporting natural resource management, market oriented-projects, and projects that respond to immediate threats in the Brazilian Cerrado biome. From 158 applications received, the Brazil National Steering Committee (NSC) has pre-selected 40 proposals.
23. In Peru, local representatives of 18 regional indigenous organizations and federations within the project intervention areas were invited to submit "master proposals" to the Peru NSC. They received technical assistance from the National Executing Agency (NEA) to prepare them. In May and June, the Peru NSC met to evaluate and approve the 33 sub-projects proposed.



24. The DGM continues to attract attention as an innovative mechanism for indigenous peoples and local communities. A recognized strength of the DGM, highlighted at the FIP Pilot Country Meeting in Oaxaca, is the potential for mutually supportive impact through the combination of FIP investment resources and DGM support. Without FIP investment funds, expanding the DGM to the nine additional countries will not capture the benefits of such synergies.

## **2.5 The importance of improved results reporting**

25. A robust monitoring system allows the FIP to accurately report to the Sub-Committee and other stakeholders about progress in the achievement of expected results. While pilot countries are making progress in monitoring and reporting through the FIP M&R Toolkit, they are experiencing some challenges that may affect the accuracy and usefulness of the data presented.
26. For example, GHG accounting continues to be a particularly difficult indicator for the countries to monitor and report, and then for these reports to be aggregated into FIP-level results. Pilot countries have consistently given feedback on the difficulties they face and the resources required to collect and report data for projects, which may be incompatible or out of synch with development of national REDD+ measurement, reporting, and verification (MRV) systems.
27. Specifically, FIP pilot countries and MDBs use different methodologies for estimating GHG emission reductions, therefore aggregated data are subject to further refinement as MDBs and FIP pilot countries develop more harmonized methodologies.
28. Another challenge is the attribution of emissions reduced in some countries. For example, the FIP in Mexico is complementary to other REDD+ interventions. Reduced GHG emissions cannot be attributed exclusively to FIP, but rather FIP contributed to the overall emissions reduced in the project area.
29. Additionally, it is clear that GHG emissions results from forest interventions are not immediately realized and generally start slowly and increase gradually over time, in line with biological growth and efforts to avoid deforestation and degradation. Hence, countries are attempting to monitor and report GHG emissions from projects both prematurely and over-frequently. It may be useful to consider discontinuation of annual monitoring and reporting for GHG and move to reporting at project mid-term and project completion.
30. The CIF Administrative Unit will conduct a stock taking review on the FIP M&R Toolkit to assess the design, relevancy, and effectiveness of the FIP monitoring and reporting system, as well as the sustainability of achieved outcomes.

## **3 Status of the FIP portfolio**

### **3.1 Portfolio at a glance**

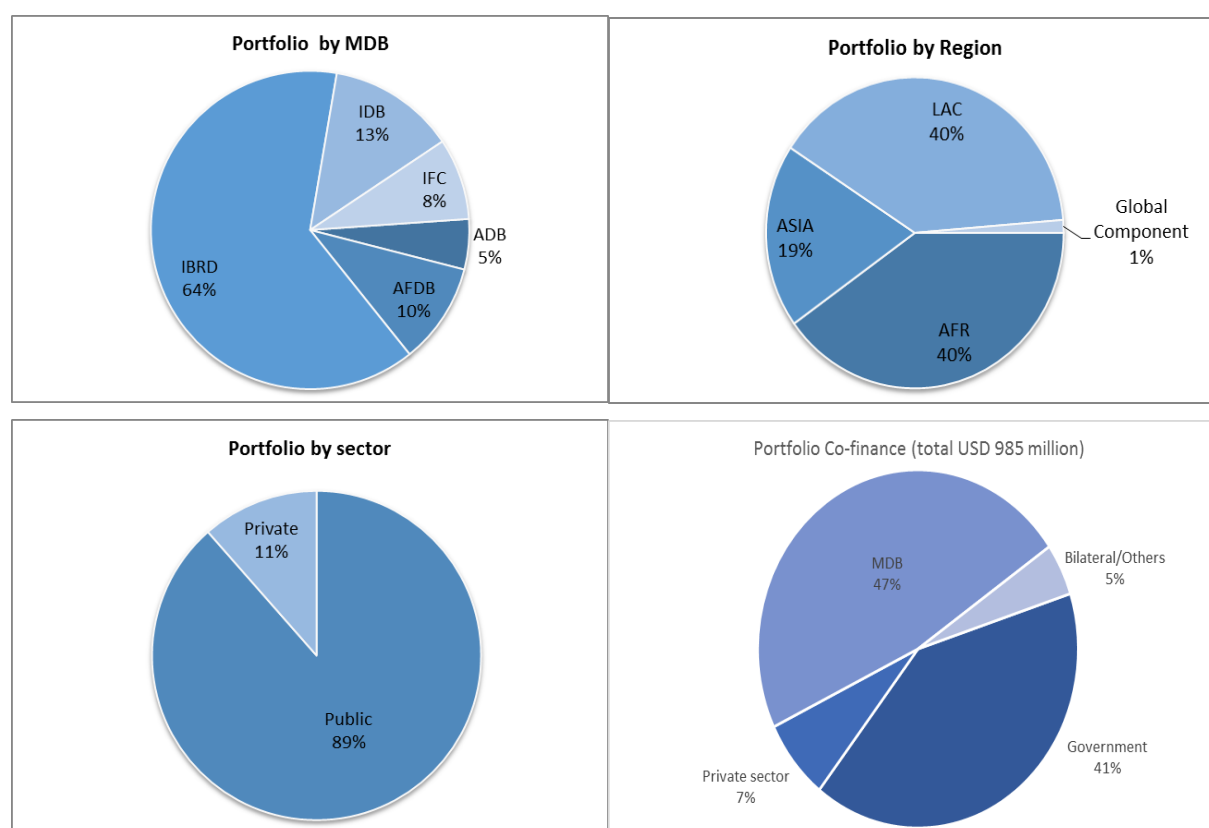
31. The pledge amount to the FIP as of June 30, 2016 is USD 757.9 million, of which USD 603.2 million for 51 projects has been endorsed by the FIP Sub-Committee as indicative allocation to the participating countries (see Table 2). The increase in endorsed amount, compared to the previous report (USD 555.2 million and 47 projects), is due to the endorsement of the investment plans of Mozambique and Cote d'Ivoire.

**Table 2 Overview of the FIP portfolio**

	Endorsed Indicative Allocation				Approved funding	
	TOTAL	IP	DGM	PSSA <sup>3</sup>	Committee	MDB
FIP Funding (in USD million)	603.2	502.9	80.0	20.3	338.4	324.6
Number of projects	51	31	15	4	23	21

32. Figure 2 provides an overview of the FIP portfolio by MDB, region, sector, and technology.

**Figure 2: FIP portfolio by MDB, region, sector, and co-financing source (USD 603.2 million)**



### 3.1.1 Thematic focus

33. According to the previous FIP Semi Annual Report, more than 46% of the FIP funding was classified as supporting Capacity Building/ Institutional Strengthening and Governance Reform. Comparing this with activities identified in final project documents, updates from the field and incoming results reports, it became apparent that this may be an over estimate. Therefore the CIF Administrative

<sup>3</sup> PSSA: Private Sector Set Aside

Unit considered it necessary to review the manner in which Thematic Focus was identified for FIP projects.

34. Previously, the classification of thematic focus of the FIP portfolio was carried out based on information provided in the project concepts of investment plans. These do not include detailed information on the project components or budget. Each project was classified under one main theme.
35. To more accurately identify how much funding was allocated to the different types of activities that the FIP finances on the ground, the CIF Administrative Unit analyzed the project documents submitted for Sub-Committee approval to identify and classify the theme of main activities proposed at the component level. As a result, a more detailed analysis can be carried out and a project can now be classified as supporting more than one theme depending on the focus and budget of each of its components<sup>4</sup>. Annex 2 includes examples of how the thematic focus changed based on reclassification for 3 sample projects.
36. In addition, the number of themes used to classify the portfolio was updated to better reflect the investment areas identified in the FIP Design Document (2009)<sup>5</sup>. The themes of agriculture, agroforestry and landscape approaches were combined into a single theme and the indigenous peoples theme was removed because most activities funded under this theme were in fact either focused on capacity building or landscape approaches. The new criteria will be used from now on to classify the portfolio updates (see Table 3).

**Table 3: New FIP portfolio thematic classification**

Previously classified as	Now classified as	Indicative activities included
Capacity Building / Institutional Strengthening and Governance Reform	Capacity Building / Institutional Strengthening and Governance Reform	Strengthening and maintaining the capabilities of institutions and government to set and achieve development objectives over time; e.g., training to government staff, participatory processes and analysis to develop new policies
Forest Monitoring / MRV	Forest Monitoring/ MRV	Producing forest data about the characteristics and health status of forest ecosystems, such as information on forest area and forest area change; e.g., forest inventories, geo-spatial mapping
Sustainable Forest Management	Sustainable Forest Management	Stewardship and sustainable use of forests and forest lands, e.g., reforestation, afforestation, preparing forest management plans
Landscape Approaches	Landscape Approaches	Addressing multiple land uses beyond purely forests, considering both the natural environment and the human systems; e.g., improved agricultural practices, livelihood activities
Agriculture / Food Security		
Agroforestry		

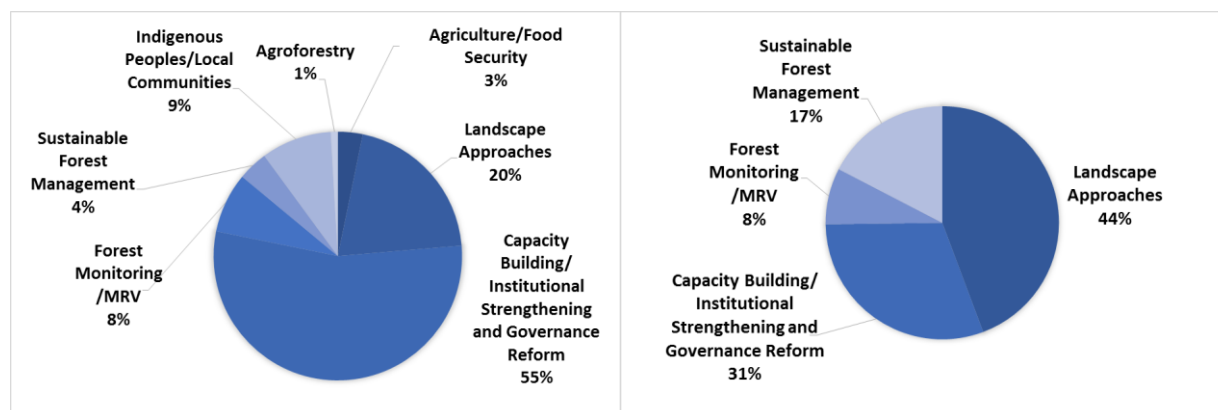
<sup>4</sup> In the case of projects that have a separate component for 'Project Management,' the budget for that component was distributed proportionally among the other components.

<sup>5</sup> These areas are: Institutional Capacity, Forest Governance and Information; Investments in Forest Mitigation Measures including Forest Ecosystem Services; and Investments Outside the Forest Sector Necessary to Reduce the Pressure on Forests.

Indigenous Peoples / Local Communities	NA	No longer included as a theme since the actual activities funded under these projects can be classified under one of the other options. For example, all DGM projects fund activities related to capacity development or landscape approach (particularly livelihood activities).
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37. After reviewing in detail all 23 Sub-Committee approved project documents, and based in the re-classification, the thematic focus of the FIP portfolio has shifted from being mostly focused on Capacity Development, to majorly focused on Landscape Approaches. This would appear to give a more accurate reflection of the demand for on-the-ground investments that address the main drivers of deforestation within a wider landscape and, at the same time, support sustainable forest management (see Figure 3).

**Figure 3: Thematic focus of Sub-Committee approved projects, in relation to funding, based on the previous classification (left) and new classification (right)**



## 3.2 Portfolio update

### 3.2.1 Investment plans

38. Since the previous reporting period, two new investment plans (Mozambique and Cote d'Ivoire) were endorsed by the Sub-Committee in June 2016. As a result, an additional four projects have been introduced to the portfolio, increasing the endorsed indicative allocation by USD 48 million.

39. The remaining four investment plans from Ecuador, Guatemala, Nepal, and Republic of Congo totaling USD 96 million are at different stages of development:

- Ecuador: A first scoping mission took place in September to clarify interest and determine feasibility of producing the investment plan in time for the June 2017 Sub-Committee Meeting. Ecuador will request an extension for presenting the investment plan due to exceptional national circumstances<sup>6</sup>.

<sup>6</sup> Referred to in the June 2016 FIP Sub-Committee Co-Chairs Summary

- Guatemala: The first scoping mission was carried out in February 2016, and a joint mission for September 2016. Investment plan development has experienced some delays, but should be finalized for submission for the June 2017 Sub-Committee Meeting.
- Nepal: The country requested its IPPG<sup>7</sup> in May 2016 and had a first scoping mission in October. The timeline of submission for the 2017 June Sub-Committee Meeting is being considered.
- The Republic of Congo: After substantial delays, the country is now commencing recruitment of a firm to help it design the investment plan. Contingent upon successful completion of that recruitment process, the timeline of submission for the 2017 June Sub-Committee Meeting is still realistic.

40. Development of investment plans for the additional nine additional countries that have no expected FIP allocation is also advancing:

- Bangladesh: The country requested its IPPG in February 2016 and plans to submit its investment plan for the June 2017 Sub-Committee Meeting.
- Cambodia: The country requested its IPPG in April 2016 and had a joint mission for October 2016.
- Cameroon: The investment plan is expected to be ready for the June 2017 Sub-Committee Meeting.
- Honduras: Investment plan preparation is delayed, but the submission deadline for the June 2017 Sub-Committee Meeting is still the target.
- Rwanda: The country requested its IPPG in April 2016. Consultants have not yet been recruited to start the development of the investment plan.
- Tunisia: The country organized a scoping mission in March 2016, a first joint mission in June, and a second Joint Mission for September. The investment plan will be submitted for the Sub-Committee meeting in December 2016.
- Uganda: The country organized a scoping mission in March 2016, a first joint mission in June, and a second joint mission for October 2016. The investment plan is progressing well and will be submitted for the June 2017 Sub-Committee meeting.
- Zambia: The country requested its IPPG in February 2016. A scoping mission took place at the end of June 2016, and the government is planning to submit the investment plan in time for June 2017 Sub-Committee Meeting.

### 3.2.2 *Sub-Committee approvals*

41. During the reporting period (January to June 2016), one project was approved by the FIP Sub-Committee for a total of USD 13.34 million (see Table 4). MDB information provided for the last report identified seven projects to be approved during this period. A detailed analysis of project approval delay is presented in Section 3.3.

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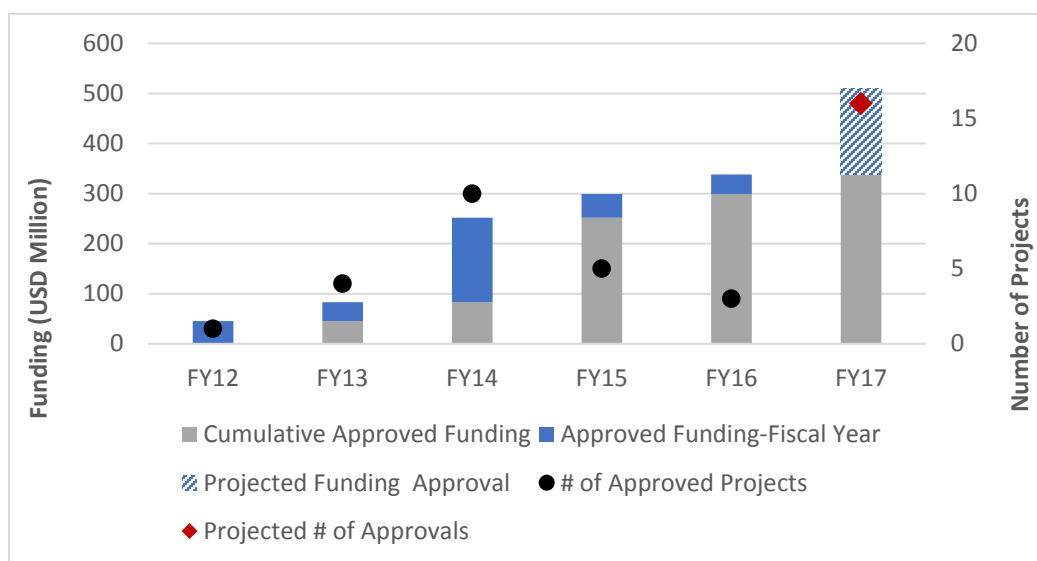
<sup>7</sup> IPPG: Investment Plan Preparation Grant (USD 0.25 million)

**Table 4: Sub-Committee approved projects and programs (January 1 to June 30, 2016)<sup>8</sup>**

COUNTRY	PROJECT TITLE	MDB	SC APPROVAL	FIP FUNDING (USD million)
Lao PDR	Protecting Forests for Sustainable Ecosystem Services	ADB	May-16	13.34 <sup>9</sup>

42. As of June 30, 2016, 23 projects have been approved by the FIP Sub-Committee for a total of USD 338.4 million. Figure 4 shows actual and cumulative funding approvals. Sixteen projects are expected to be submitted for Sub-Committee approval by the end of FY 2017, which would be the second largest amount approved in a year in FIP history. The complete list is presented in Annex 3.

**Figure 4: Project approvals by FIP Sub-Committee**



### 3.2.3 MDB approvals

43. During the first semester of 2016, three projects were approved by the MDBs for a total of USD 32.6 million (see Table 5).

<sup>8</sup> Since June 2016, three new projects have been approved by the FIP Sub-Committee: Indonesia – Community-focused Investments to Address Deforestation and Forest Degradation, Ghana – DGM projects, and Ghana Public-private Partnership for Restoration of Degraded Forest Reserve through VCS and FSC Certified Plantations.

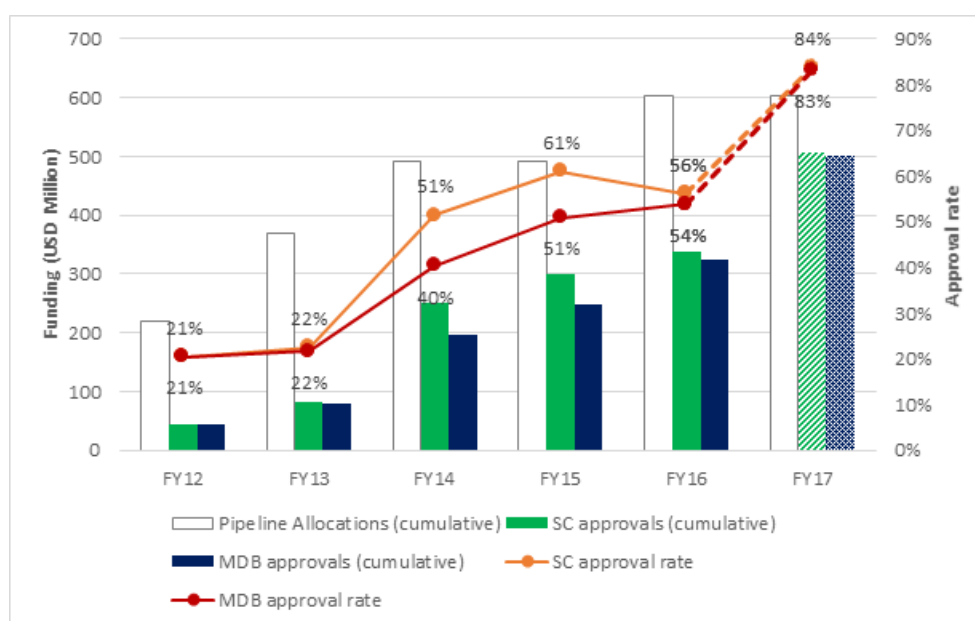
<sup>9</sup> Amount includes USD 0.5 million of PPG.

**Table 5: MDB approved projects and programs (January 1 to June 30, 2016)<sup>10</sup>**

COUNTRY	PROJECT TITLE	MDB	MDB APPROVAL	FIP FUNDING (USD million)
Brazil	Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado	IBRD	May-16	9.25
Indonesia	Promoting Sustainable Community-Based Natural Resource Management and Institutional Development <sup>11</sup>	IBRD	Apr-16	17.35
DRC	Forest-Dependent Community Support Project	IBRD	Mar-16	6.00
<b>TOTAL APPROVAL</b>				<b>32.60</b>

44. Figure 5 shows that cumulative funding approvals have risen steadily since endorsement of FIP investment plans, Private Sector Set-Aside (PSSA) concepts, and the DGM. By the end of FY 2016, the FIP portfolio achieved a Sub-Committee approval rate of 56 percent, with a slightly lower percentage for MDB approval (54 percent). The Sub-Committee approval rate has decreased compared to the previous fiscal year due to the increase in pipeline allocation (approval of two new investment plans). This number is expected to rise significantly by the end of FY 2017 to 84 percent.

**Figure 5: FIP funding approval rates by fiscal year (July to June)**



### 3.3 Project pipeline tracking

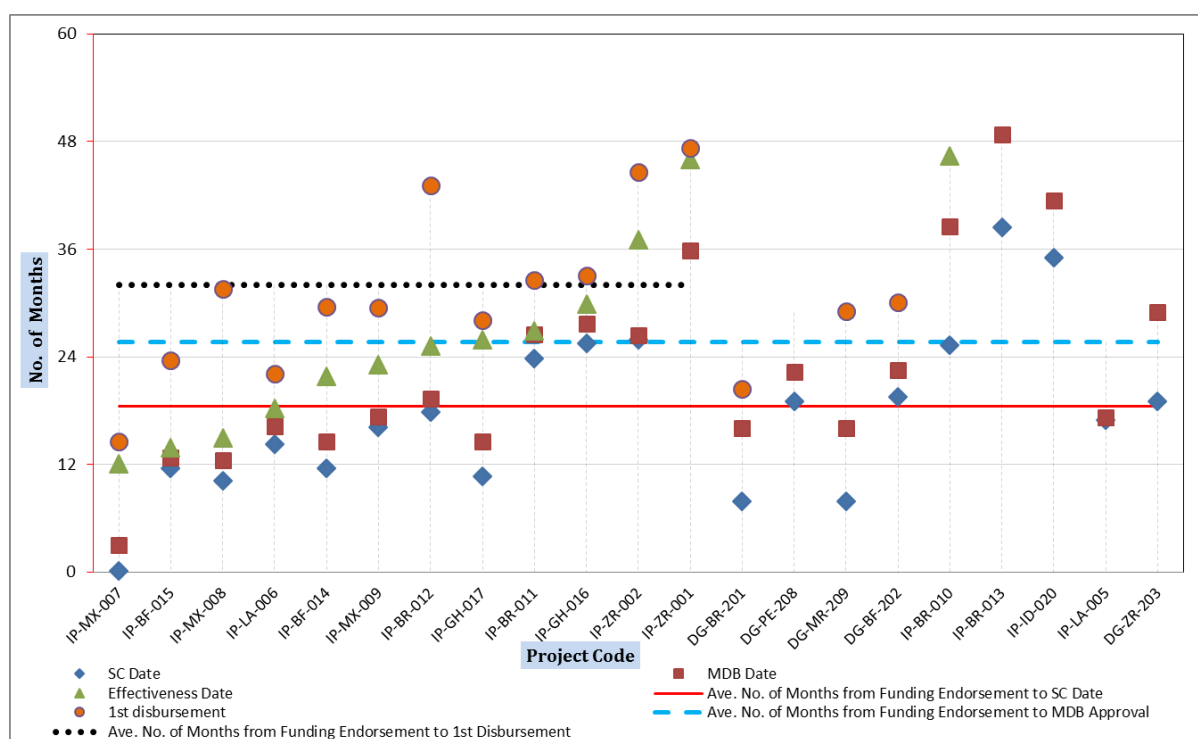
45. The CIF Administrative Unit tracks the status of the endorsed portfolio to monitor project approval delays in two stages: time elapsed between investment plan endorsement and FIP Sub-Committee approval and time elapsed between FIP Sub-Committee approval and MDB approval.

<sup>10</sup> Since June 2016, three new projects have been approved by the MDBs: Lao PDR - Protecting Forests for Sustainable Ecosystem Services, Indonesia – Community-focused Investments to Address Deforestation and Forest Degradation, and Ghana – Public-private Partnership for Restoration of Degraded Forest Reserve through VCS and FSC Certified Plantations.

<sup>11</sup> Includes the additional funding of USD 350,000 approved by the Sub Committee in February 2016 and MDB Board in May 2016.

46. On average, the 21 projects that have been approved by the MDBs took 25.4 months between investment plan endorsement and MDB approval (21.4 months between investment plan endorsement and FIP Sub-Committee approval<sup>12</sup>, and four months between FIP Sub-Committee approval and MDB approval).
47. Figure 6 illustrates the number of months taken by projects from the point of Sub-Committee approval through MDB approval to effectiveness date (or MDB equivalent) and date of first disbursement.
48. As per last updates by the MDBs, 15 projects pending approval have exceeded the agreed benchmark of 24 months or more without receiving FIP Sub-Committee approval (see Table 6). They include among others, four projects from the DGM, four from the PPSA, and the four projects endorsed in Peru's investment plan. The complete list is presented in Annex 4.
49. Accurate estimates of the projected approval dates have proven to be a challenge. For example, in the previous Semi Annual Report, it was reported that seven projects were expected to be approved by the FIP Sub-Committee in the first semester of 2016. As of June 2016, only one of those projects was approved, Protecting Forests for Sustainable Ecosystem Services Project in Lao PDR.<sup>13</sup>

**Figure 6: FIP approval timeline analysis<sup>14</sup>**  
(based on Sub-Committee approved projects as of 30 June 2016)



<sup>12</sup> This average includes two additional projects that have been approved by the FIP Sub-Committee, but are yet to be MDB approved, for a total of 23 projects.

<sup>13</sup> Since June 2016, three new projects have been approved by the FIP Sub-Committee: Indonesia – Community-focused Investments to Address Deforestation and Forest Degradation, Ghana – DGM projects, and Ghana Public-private Partnership for Restoration of Degraded Forest Reserve through VCS and FSC Certified Plantations.

<sup>14</sup> The list of projects included in Figure 6 is included in Annex 5



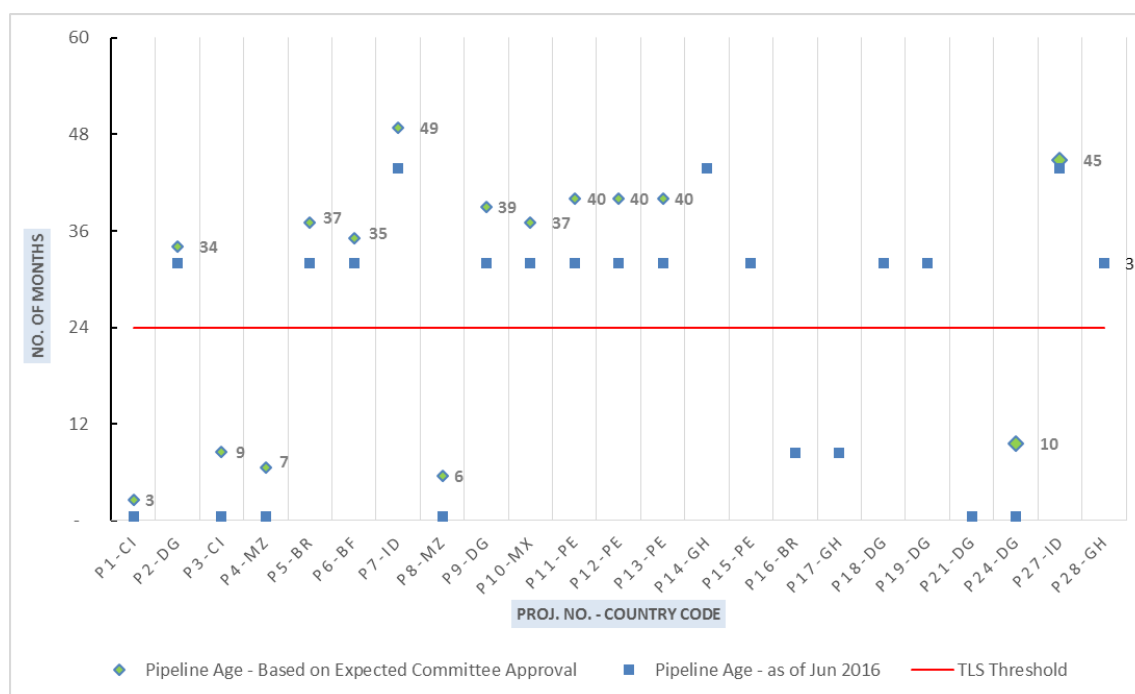
**Table 6: Status of projects and programs pending Sub-Committee approval (as of June 2016)<sup>15</sup>**

	Less than 18 months (TLS Indicator - GREEN)	Between 18-24 months (TLS Indicator - YELLOW)	More than 24 months (TLS Indicator - RED)
Number of projects	4		15
FIP funding (in USD M)	47.85		134.6

50. Figure 7 shows the number of months that have passed since investment plan approval for the 23 projects pending Sub-Committee approval. For 11 of the 15 projects that have passed the 24-month benchmark for Sub-Committee approval, and for which MDBs have provided expected approval dates, the average time between concept endorsement and final approval by the Sub-Committee is 38.9 months.

51. The time taken between Sub-Committee and MDB approval has not been an issue for the FIP portfolio, as MDBs generally have the project document package in an advanced state of preparation for their internal approval before submitting to the Sub-Committee.

**Figure 7: FIP project pipeline maturity<sup>16</sup>**  
(projects pending Sub-Committee approval as of June 2016)



<sup>15</sup> Table does not include projects for which MDBs have not provided an expected SC approval date

<sup>16</sup> The list of projects included in Figure 7 is included in Annex 6

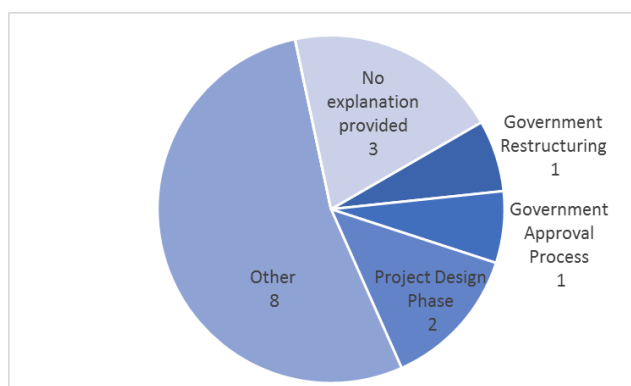
52. Only one project, *Investment Plan Coordination Project* in Brazil, has passed the six-month benchmark from Sub-Committee to MDB approval. According to the World Bank, this is due to delays in the design process of the project.

### 3.3.1 Analysis of project approval delays

53. Following the Sub-Committee request to include detailed information on the reasons for project approval delays, the CIF Administrative Unit asked the MDBs to report on the status of their delayed projects. This update included the identification of the main reason for the delays (eight options were provided: Natural Disaster/Epidemic; Political or Social Unrest; Government Restructuring; Government Approval Process; Project Design; Safeguards Compliance; MDB Approval/Review Process; and Other), it also provided an explanation of these delays and a description of the next steps the MDBs were planning to take to accelerate the approval process.
54. This analysis will be useful in support of pipeline management and identification of projects that may require additional follow-up.

Only four out of the 15 delayed projects awaiting Sub-Committee approval provided a reason other than “Other” for the delay. An analysis of projects falling under the “Other” category includes, for example, DGM stakeholder consultation processes, issues related to identifying private sector bankable projects that comply with MDB due diligence requirements, and three projects related to delays in project preparation in Peru. After review, the CIF Administration Unit considers that for most of these cases, the reasons can be classified under the proposed theme of “Project Design.” For the next round of reporting, a more detailed explanation of what should be considered under each theme will be provided to the MDBs to ensure that there is improved standardized criteria for classification.

**Figure 8: Reasons for projects pending Sub-Committee approval delays (number of projects)**



55. Key project updates include:

- Ghana: As of June 2016, 44 months have passed since the investment plan was approved, and the IFC project *Engaging the Private Sector in REDD+* in Ghana has yet to be submitted for Sub-Committee approval. After several attempts to identify bankable projects that meet FIP objectives and IFC's investment and Environmental and Social criteria, it appears unlikely that a project meeting these requirements will materialize the near-term. Under these circumstances, and to accelerate the execution of FIP funds in Ghana, IFC has agreed with the Government of Ghana and IBRD to reprogram the allocation for a potential World Bank operation within the parameters of the FIP Ghana Investment Plan. This proposed change will be presented to the Sub-Committee.

- Peru: The Government of Peru provided the Sub-Committee with a written update on the FIP process in Peru at the June 2016 meeting. For the three projects under IDB lead, the main reason for delay cited is the additional layer of approval represented by the national public investment system (SNIP) that is a pre-condition for submitting the projects to the FIP and IDB Board, per the national budget law of Peru. In this context, the selection and hiring of the consulting company for designing these three projects was delayed due to the extensive selection procedures that followed a broad consultation among the Ministry of Environment, National Forest Service, indigenous organizations and the IDB. For the case of the IBRD *Integrated Land Management in Atalaya, Ucayali Region Project*, no explanation of the delay was provided, nor an expected Sub-Committee approval date.
- DGM: Four delayed projects are from the DGM. In the case of Ghana<sup>17</sup> and Mexico, the main reason for delay has been the long and complex stakeholder process for defining their national steering committees. Ghana DGM is expected to submit the documents for Sub-Committee approval by September 2016. Indonesia DGM has been delayed to allow for its national executing agency to participate in project preparation and for its national steering committee to learn from the DGM processes in Brazil and Peru before finalizing detailed project design. It is expected to be approved by February 2017. In Lao PDR, no expected approval date was provided and the reason for delay was the continuing challenges in reaching an agreement between the Government of Lao PDR and the civil society/non-governmental organizations on the formal processes to define the roles and responsibilities.
- PSSA: All four projects are still pending Sub-Committee approval. In general, there is a lack of bankable private sector projects that meet both the country's investment plan objectives, MDBs priorities, and their private sector units lending requirements. In addition, working with project developers to identify the most suitable financial instrument and structure for the project has proven to be time consuming.

### 3.4 Disbursements

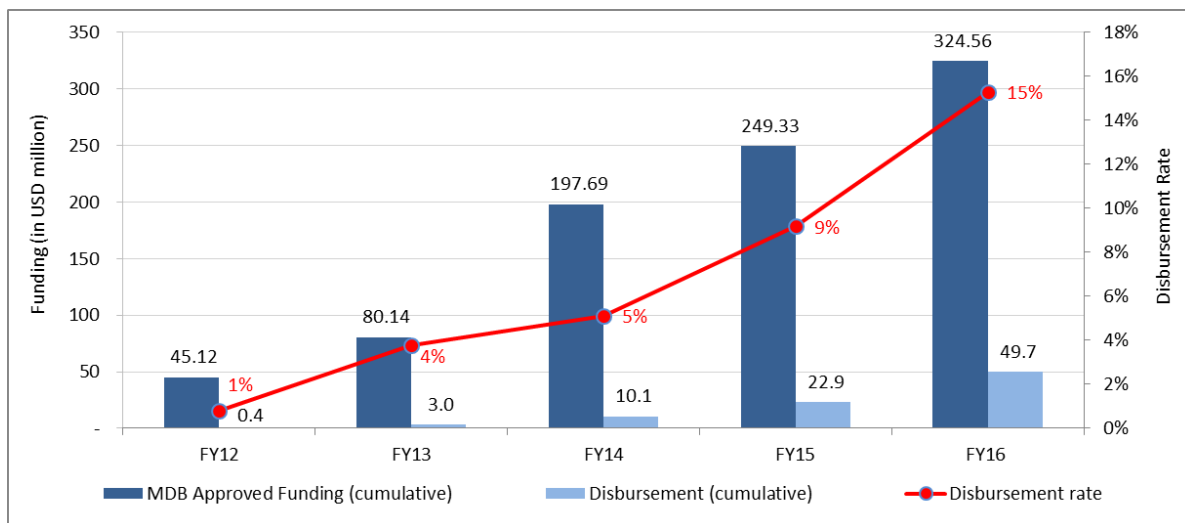
56. As of June 2016, 17 projects reported disbursements for a total of USD 49.7 million<sup>18</sup>, or 15 percent of the MDB approved funding. Disbursements continue to increase in line with the projected disbursement rates, marking an increase of 38 percent from USD 36.1 million reported in the last period. It is expected that as the pipeline matures in the following years, disbursement rates will continue to pick up.

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<sup>17</sup> Ghana's DGM project was approved by the FIP Sub-Committee in September 2016

<sup>18</sup> This includes 17 projects totaling USD 43.1 million and 20 PPGs totaling USD 6.6 million. The amount does not include the disbursement of 7 Investment Plan Preparation Grants totaling USD 1.5 million.

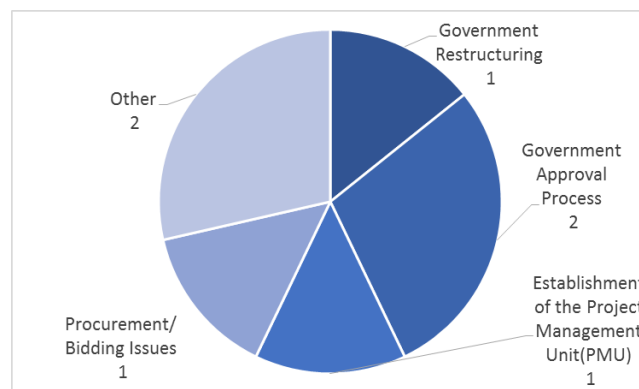
**Figure 9: Cumulative MDB approval vs cumulative disbursement**



### 3.4.1 Analysis of deviations on project disbursement

57. As with the analysis of project approval delay, the CIF Administrative Unit requested the MDBs to provide more detailed information about project disbursements. This update identified the main reason for the deviation in disbursement (nine options were provided: Natural Disaster/Epidemic; Political or Social Unrest; Government Restructuring; Government Approval Process; Establishment of the Project Management Unit - PMU; Procurement and Bidding Issues; Delayed Disbursement by Design; Project Restructuring; and Other). It also provided an explanation of these deviations and a description of the next steps the MDBs were planning to take to accelerate project implementation and disbursement rates.

**Figure 10: Reasons for disbursement deviation in projects under implementation**



58. Key project updates include:

- Brazil: The *Forest Information to Support Public and Private Sectors in Managing Initiatives focused on Conservation and Valorization of Forest Resources (IFN Cerrado)* project was delayed due to unexpected issues regarding the signing of the grant agreement. The agreement had to

be validated by the National Treasury Attorney-General's Office, which only happened in October 2015. The country also reported that delays in approvals from government agencies also affected the start date of other projects. The implementation of the *Sustainable Production in Areas Converted to Agricultural Use (ABC Cerrado)* project presented a six-month delay due to difficulties in coordination between SENAR's<sup>19</sup> central and regional offices. A low number of beneficiaries joined the project. The *Environmental regularization of rural lands (CAR FIP)* project was delayed, as it had to be approved by the Federal Senate on April 26, 2016. The project is not operational yet. The Ministry of Environment, through Servico Florestal Brasileiro, is working on the necessary documents to get the project signed and declared effective<sup>20</sup>.

- DRC: The *Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins* was planned to start in 2014; however, it was only signed by the government on August 15, 2014 and entered into force on March 19, 2015 with the first disbursement. As a result, plans to achieve 50 percent disbursement by December 2015 were unrealistic. In order to improve implementation, the Project management Unit (PMU) decided to devote staff with dedicated responsibilities to each of the two MDBs implementing FIP projects (World Bank and AfDB). The country also reported that logistics for the *Improved Forested Landscape Management Project* have been more complicated than expected, and the fieldwork has only started in the Bas Congo but not yet in the District Plateau. The component on energy efficiency (improved cook stove dissemination) has been delayed because of the withdrawal of SNV<sup>21</sup> from the project, after their selection as operator for that component<sup>22</sup>.
- Burkina Faso: The AfDB *Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)* had a slow start due to political crisis during 2014-2016. An action plan was agreed with the government in March 2016, and since then, 15 contracts have been signed. The country also reported that the *Decentralized Forest and Woodland Management* project experienced a delay in hiring coordination staff and consultants but the issue was solved in May 2016. Partnerships with existing initiatives, such as the SP-CONEDD and the General Directorate of Land Tenure, should help leverage more action.
- Mexico: the IDB project *Financing Low Carbon Strategies in Forest Landscapes* has encountered multiple changes in the management of the executing entity, which have delayed the bidding process related to the technical assistance bidding process and the disbursement of loans. Various missions took place the first half of 2016 to agree on next steps to expedite the process. Disbursements of both technical assistance and loan are expected for the second half of 2016.

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<sup>19</sup> National Rural Learning Service

<sup>20</sup> World Bank. Implementation Status & Results Report. Environmental regularization of rural lands in the Cerrado of Brazil. Seq No: 2, 06-Jun-2016

<sup>21</sup> The SNV (Netherlands International Development Organization) withdrew from the project because there was a change in their strategy and they now prefer to concentrate on larger projects that are large enough to support their administrative costs.

<sup>22</sup> World Bank. Implementation Status & Results Report. Improved Forested Landscape Management Project. Sequence 4. 12 Jun 2016

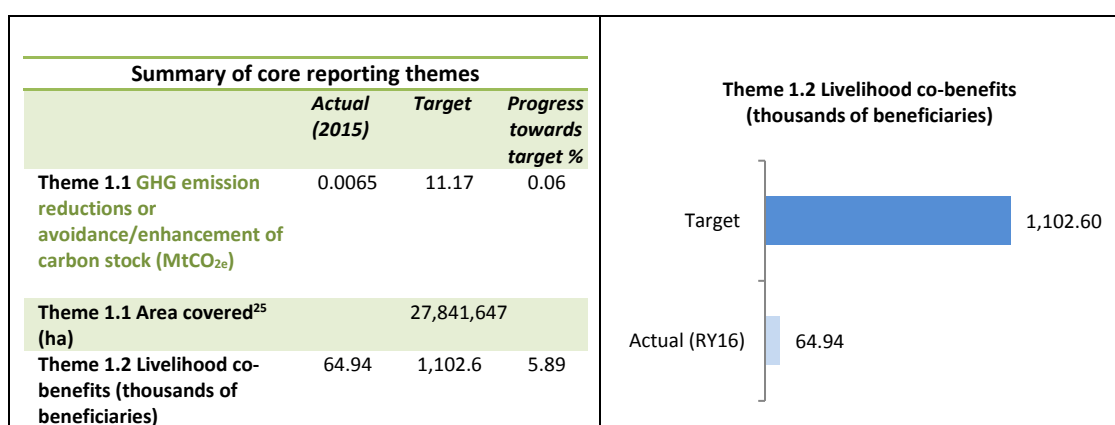
## 4 Results reporting<sup>23</sup>

59. Results reporting focuses on the endorsed FIP investment plans of the original group of eight pilot countries and, in particular, on the MDB-approved projects within the FIP portfolio as of the end of each reporting cycle.<sup>24</sup>
60. This results reporting period covers 14 projects with FIP funding of USD 266.36 million as of December 31, 2015. The previous reporting period covered 12 projects with a total FIP funding of USD 203.85 million as of December 31, 2014. The complete list of projects reporting results is in Annex 7.
61. The FIP focal points within each pilot country collect results data on an annual basis and submit it to the CIF Administrative Unit by June 30 each year. Results included in this report are based on the data reported by FIP pilot countries following this methodology. Whenever available, the MDBs' publicly disclosed information was used to strengthen consistency and verify data. Depending on the stage of implementation, not all indicators from a project may be reporting results; however, targets across all indicators are included when comparing results.

### 4.1 Global overview

62. Figure 11 offers an overview of FIP target and actual results for this reporting period. FIP is making progress in all reporting themes.
63. This year was the first in which actual results were reported in terms of GHG emission reductions (theme 1.1). Most FIP projects just started implementing project field activities in 2015, which explains why reporting GHG emission reductions has been slow. In addition, some FIP pilot countries have expressed that, due to lack of annual data, it will be impossible for them to report on this indicator each year. Although total reported achieved results are still far from the global target, there were 6,502 tons of CO<sub>2</sub>e emission reductions reported by DRC. This reduction was achieved through reforestation of 333.5 hectares (ha) of fast growing plantation trees and planting of 100 ha of savannah bush.

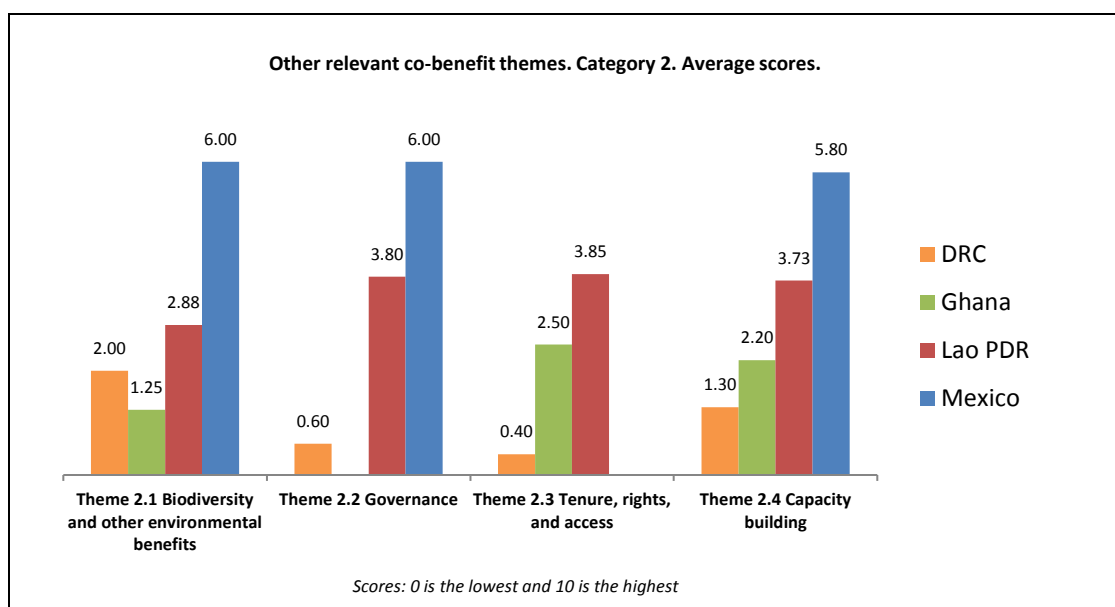
**Figure 11: Global overview of FIP targets and actual results (as of December 31, 2015)**



<sup>23</sup> Complete country portfolio update information and submitted Country Annual Results Reports are available on the CIF [website](#).

<sup>24</sup> Indonesia and Peru are the only two countries that do not have any investment plan projects approved by the MDBs.

<sup>25</sup> In the current FIP reporting system, FIP pilot countries are not required to report on actual area covered. Only the target is reported.



64. FIP projects have made progress providing livelihood co-benefits (theme 1.2) in 2015, achieving 5.89 percent of the total target (1,102,599 people). The FIP pilot countries that reported livelihood co-benefits are Lao PDR (130), Mexico (52,837), and Ghana (11,979). For example, in Ghana 11,112 people in forest and adjacent communities received monetary/non-monetary benefits from forest and climate-smart agriculture. Also, 867 direct project beneficiaries improved their livelihoods and had better access to fuel wood and other forest-related services.
65. Efforts of FIP pilot countries on biodiversity focused on the reduction of forest loss as the main driver of biodiversity decrease. In Mexico, FIP promoted FSC<sup>26</sup> and NMX<sup>27</sup> sustainable forest certification, which helps avoid forest loss and strengthens biodiversity monitoring systems.
66. Lao PDR reported progress on governance in 2015 compared to last year (see Illustration 2). Work conducted focused on strengthening the decision-making processes, ensuring the participation of all stakeholders, and supporting the Department of Forestry Inspection (DOFI)'s forest law enforcement.
67. Good progress on tenure, rights, and access was reported by Ghana. FIP promoted an innovative approach to tree tenure, which incentivizes farmers to implement climate-smart agriculture by planting more trees and using them as shade trees in their cocoa farms.
68. Mexico's progress in 2015 has heavily focused on capacity building. FIP in Mexico invested in the capacity development of forest dwellers through the increased number of technical advisors and territorial agents, which are part of CONAFOR. FIP promoted and strengthened community institutions and local development processes through capacity building workshops, and trained community forestry promoters. Community forest enterprises (CFEs) were provided with credit opportunities and technical assistance.

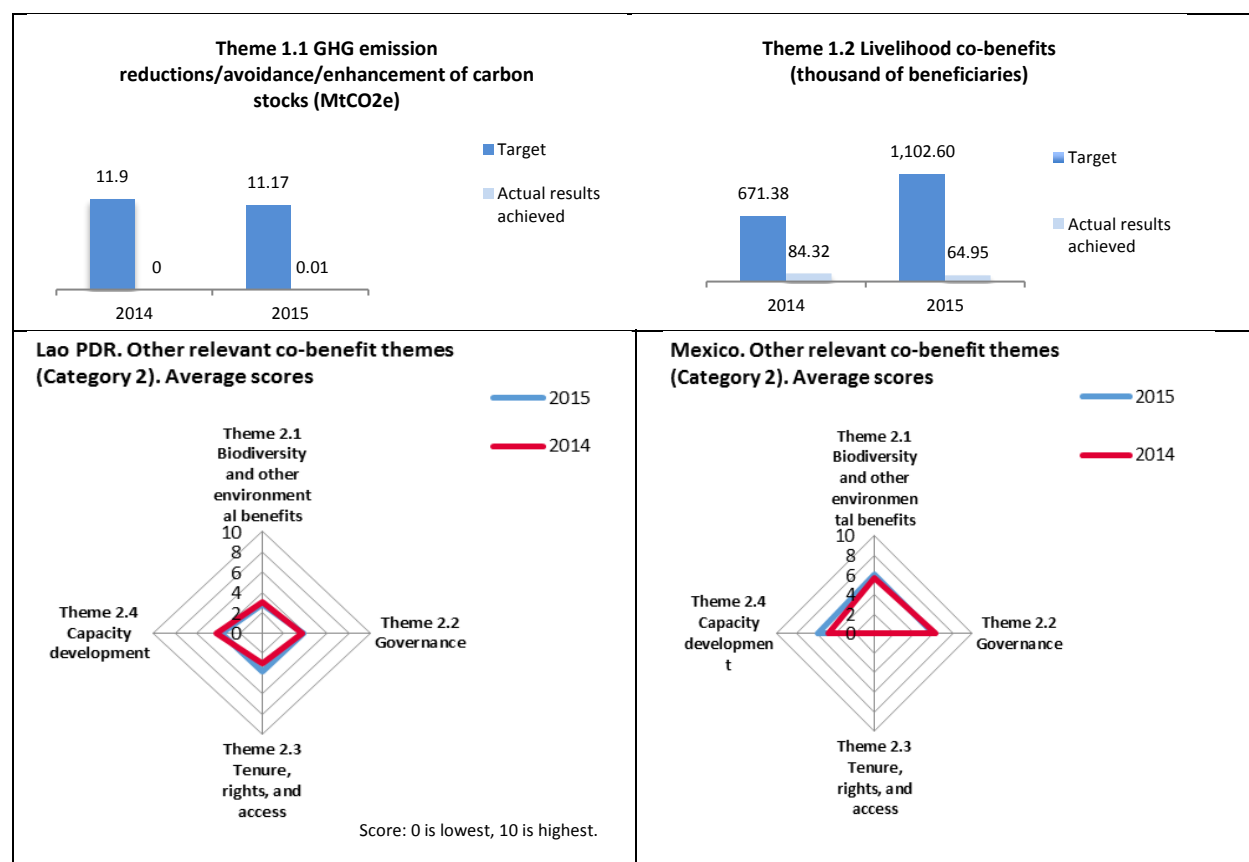
<sup>26</sup> FSC: Forest Stewardship Council

<sup>27</sup> NMX: Norma Mexicana para la certificación del Manejo Sustentable de Bosques

## 4.2 Results comparison

69. One of the milestones of this year's FIP report is that GHG reductions were reported for the first time (theme 1.1 GHG emission reductions/ avoidance/enhancement of carbon stocks). The IBRD project in DRC achieved a reduction of 6,502 tCO<sub>2</sub>e. Figure 12 highlights movement in results achieved from 2015 and 2014.

**Figure 12: Results comparison: Current vs previous reporting year**



70. This reporting exercise was marked by the revision of targets, baselines, and achieved results for livelihood co-benefits (theme 1.2). This revision explains why there was a decrease in the progress towards targets for this theme.<sup>28</sup> In 2015, progress towards the target was 5.89 percent, and in 2014 it was 12.56 percent. In 2014, only Mexico reported results achieved in terms of livelihood co-benefits (84,318 beneficiaries). In 2015, Ghana (11,979 beneficiaries), Lao PDR (130 beneficiaries), and Mexico (52,837 beneficiaries) reported achieved results in terms of livelihood co-benefits.

<sup>28</sup> Lao PDR: In the SUFORD SU baselines and targets changed from 2014 to 2015. In 2015, the baseline was changed to 0, while in 2014 it was reported as 0.466 million. Targets in 2014 were calculated as 'net targets', taking into account the baselines. Net targets were set in 2014 at 0.115 million and in 2015, they are 0.661 million. Mexico changed the baseline and target of project 'Mexico Forests and Climate Change Project'. The figure for 2015 is updated because the criteria of the indicator is modified as agreed in the mission of Project Forests and Climate Change with the World Bank. This new target reflects the percentage of ejidos and communities in AATREDD + (Coastal Watersheds Jalisco and Yucatan Peninsula) who receive support from the Special Programs. In order not to duplicate the targeted beneficiaries, this number was revised and decreased from 100,592 beneficiaries (reported as of end of 2014) to 60,216 (reported as of end of 2015) under these new criteria.



71. Scores of reporting themes in category 2 show a slight general increase in 2015 compared to 2014 in the two FIP pilot countries that conducted scoring workshops in the two reporting years: Lao PDR and Mexico. In Mexico, the most significant increase corresponds to capacity development, and Lao PDR to tenure, rights and access.

### 4.3 Results per reporting theme

#### 4.3.1 Results: Category 1 'Common Themes'

##### 4.3.1.1 Theme 1.1 GHG emission reductions or avoidance/enhancement of carbon stocks

72. FIP pilot countries reported on the GHG emission reductions/avoidance/enhancement of carbon stocks in the form of targets and area covered, as shown in Table 7. There are differences in the methodologies used by FIP countries to report GHG emission reduction baselines and targets, making their aggregation challenging<sup>29</sup>. The only country that reported progress on the GHG emission reduction target as a result of FIP project implementation was DRC.

73. A more readily available indicator of FIP influence is the extent of project area. The total targeted area of FIP projects approved in 2015 is 27.9 million hectares (278,576.47sq km). Box 1 highlights the example of DRC.

**Table 7: Theme 1.1 Targets**

Country	Target 1 (Expected results after the financial closure of the project) (Million tCO <sub>2e</sub> )	Target 2 (Lifetime projection of expected results of the project under the investment plan) (Million tCO <sub>2e</sub> )	Area covered (ha)
Brazil			7,779,840
Burkina Faso <sup>30</sup>	1.95 <sup>31</sup>	11.6 <sup>32</sup> (20 years)	1,284,000
DRC	4.2 <sup>33</sup>	20.1 <sup>34</sup>	30,500 <sup>35</sup>
Ghana	0.5 <sup>36</sup>	3.9 (25 years) <sup>37</sup>	826,350 <sup>38</sup>
Lao PDR	1.945 <sup>39</sup>	5.48 (10 years) <sup>40</sup>	2,315,000 <sup>41</sup>
Mexico	2.571	10% annual during 5 years after the project completion	15,605,957

<sup>29</sup> Data revision/improvement of GHG REL and targets will take place in Ghana, Lao PDR and Mexico next year.

<sup>30</sup> After the April 2016 GHG reporting meeting organized by the CIF Administrative Unit, Burkina Faso harmonized target 2 with a timeframe of 20 years for both projects in the IP, and revisited a project target without using a 40% conservative factor.

<sup>31</sup> AfDB project: 1.0 MtCO<sub>2e</sub>; IBRD project: 0.95 MtCO<sub>2e</sub>

<sup>32</sup> AfDB project: 6.17 MtCO<sub>2e</sub>; IBRD project: 5.43 MtCO<sub>2e</sub>

<sup>33</sup> AfDB project: 0.95 MtCO<sub>2e</sub>; IBRD project: 3.25 MtCO<sub>2e</sub>

<sup>34</sup> AfDB project: 4 MtCO<sub>2e</sub>; IBRD project: 16.1 MtCO<sub>2e</sub>

<sup>35</sup> AfDB project: 10,500 ha. IBRD project: 20,000 ha

<sup>36</sup> Ghana submitted target 2 (lifetime target for 25 years) as 3.9 MtCO<sub>2e</sub> for the AfDB project. The CIF Administrative Unit calculated the corresponding target 1 (project target) for 5 years of project implementation, based on the document "Annexes to the Project Appraisal Report. 22 October 2013. AfDB". The target for the WB project is 653 tCO<sub>2e</sub>.

<sup>37</sup> This target is for the Enhancing Natural Forests and Agroforest Landscapes project

<sup>38</sup> IBRD project: 90,000 ha; AfDB project: 736,350 ha

<sup>39</sup> IBRD project: 0.135 million tCO<sub>2e</sub>; IFC project: 1.81 million tCO<sub>2e</sub>

<sup>40</sup> Target 2 corresponds to Smallholder Forestry Program (IFC) only.

<sup>41</sup> IBRD project: 2,300,000 ha. IFC project: 15,000 ha

**Box 1: DRC - Improved Forested Landscape Management Project in DRC (IBRD)**

Total funding: USD 37.7 million

GHG reduction target: 3.25 million tCO<sub>2</sub>e

Achieved results: 6,502.50 tCO<sub>2</sub>e

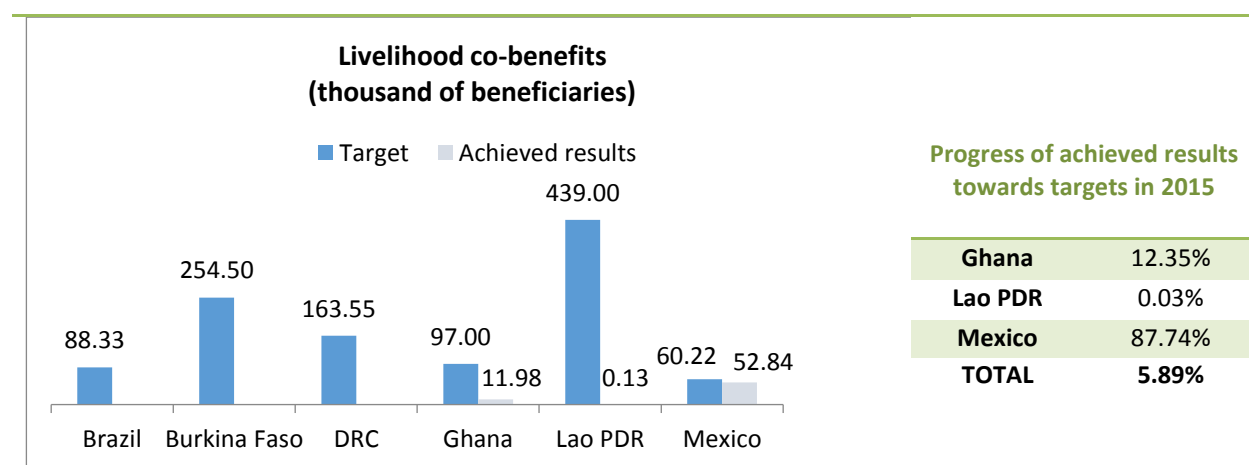
% of target achieved: 0.2%

The project aims to test new approaches to improve community livelihood and forested landscape management, and to reduce greenhouse gas emissions from deforestation and forest degradation in selected areas in the recipients' territory. Effective annual results in terms of reduced GHG emissions in 2015 are 6,502 tCO<sub>2</sub>e. These GHG emission reductions come from the afforestation/reforestation of 333.5 ha of fast growing plantation trees, and the planting of 100 ha of Savannah bush. The project aims to plant 20,000 ha of fast growing plantation trees. The area covered in 2015 is 1.7 percent of the total targeted area.

#### 4.3.1.2 Theme 1.2 Livelihood co-benefits

74. In 2015, there were 1,102,599 reported targeted FIP beneficiaries, and 64,946 people, (representing 5.89 percent of the total target) who have already received livelihood co-benefits from FIP projects. The type of livelihood co-benefits varies per project, and is described in each one of the indicators, as shown in Annex 8. Figure 13 shows the reported target of beneficiaries per FIP pilot country, and the reported achieved results. Boxes 2 and 3 highlight Mexico and Ghana's progress on this theme.

**Figure 13: Theme 1.2. Livelihood co-beneficiaries target**



#### 4.3.2 Results: Category 2 'Other Relevant Co-Benefit Themes'

75. Themes under this category must be reported if considered relevant to the investment plan. The criteria on the scorecard are evaluated using a scale from 0 (lowest) to 10 (highest). The reporting process for Theme 2 is based on a qualitative process, so the reported annual data should be seen in terms of relative progress rather than as absolute values.
76. A wide range of stakeholders meet once a year in a scoring workshop to decide on the score for the questions of each reporting theme. Only Lao PDR and Mexico conducted scoring workshops in both

2015 and 2016. Thus, it is only possible to see progress for ‘other relevant co-benefits’ reporting themes for these two countries. Table 8 shows the scores reported by FIP pilot countries.

**Table 8: FIP pilot countries scores for ‘Other Relevant Co-Benefit Themes’ (category 2)**

FIP pilot country	Theme 2.1 Biodiversity and other environmental benefits		Theme 2.2 Governance		Theme 2.3 Tenure, rights, and access		Theme 2.4 Capacity development	
	Baseline	2015	Baseline	2015	Baseline	2015	Baseline	2015
DRC	2	2	0.6	0.6	0.4	0.4	1.3	1.3
Ghana	1.25	1.25	-	-	2.5	2.5	2.2	2.2
Lao PDR	3	2.88	3.7	3.8	3	3.85	4.25	3.73
Mexico	5.7	6	6.2	6	-	-	4.7	5.8

#### Box 2: Improving cocoa farmers livelihoods thru agroforestry in Ghana



**Project:** Ghana – Enhancing Natural Forest and Agroforest Landscapes Project

**FIP Financing:** \$30 million

**Implementing MDB:** IBRD

**Purpose:** Improve forest and tree management practices by cocoa farmers, Community Resource Management Areas (CREMA) communities, and forest reserve managers to reduce forest loss and degradation in selected landscapes in Ghana's High Forest Zone.

In 2015, the project reached 867 direct beneficiaries and 11,112 people in forest and adjacent communities with monetary/non-monetary benefits from forest and climate-smart agriculture (12.35 percent of the planned target). An important non-monetary benefit includes improved and easier access to fuel wood.

While implementation is at an early stage, the use of the community level platforms and the Ghana Cocoa Platform has forged a stronger collaboration between government agencies and key stakeholders in the management of resources. There is positive feedback from project beneficiaries with regards to the community entry techniques adopted by the implementing agencies and the uptake of tree incorporation on farms. The Natural Resources/Forestry Sector at the regional, district and community levels has established platforms to support the management of forest resources. Examples are the National Forest Forums, District Forest Forums, Community Recourse Management Area Executives, and Community Fire Squads.

#### 4.3.2.1 Theme 2.1 Biodiversity and other environmental benefits

77. FIP pilot countries’ efforts on biodiversity focused on the reduction of forest loss as the main driver of biodiversity decrease. In Ghana, efforts focused on building capacity and creating awareness to reduce forest loss. In Lao PDR, the *SUFORD-SU project* conducted work on forest management planning, including provisions for high-conservation value forests, stream buffer zones, and

protection of steep slopes. The FIP promoted Protected Forest Areas (PFAs) designation and law enforcement, which is also expected to protect biodiversity. IFC's *Smallholder Forestry Program* in Lao PDR introduced a biodiversity set-aside conservation area in the partner company's<sup>42</sup> agroforestry project, as required under IFC Environmental and Social Performance Standards<sup>43</sup>.

78. In Mexico, a 'Payments for Environmental Services' program was included in the FIP investment plan, which is expected to halt or reduce the biodiversity loss rate. Also, properties with FSC and NMX certification of sustainable forest management have biodiversity monitoring systems. In 2015, there were over 141,355 ha of forest under conservation or sustainable management systems.

### Box 3: Linking sustainable forestry management to sustainable development



**Project:** Mexico Forests and Climate Change Project

**FIP Financing:** \$42 million

**Implementing MDB:** IBRD

**Purpose:** Support rural communities in Mexico to sustainably manage their forests, build social organization, and generate additional income for forest products and services in line with REDD+.

Photo credit: Rocio Sanz. 2016

This project established as a livelihood indicator: Number of ejidos and communities who benefited from CONAFOR's special programs. In 2015, there are 288 ejidos (51,667 beneficiaries), who received livelihood co-benefits from FIP. The project has significantly expanded the reach of CONAFOR's programs to communities and ejidos.

The livelihood co-benefits perceived by the beneficiaries are: participative rural appraisal, community land management studies, local community forest promoters, contour barriers and soil plough, pests and diseases protection, technical assistance, terrace level and dams, reforestation, agroforestry systems, fertilization, reforestation maintenance, fencing, surveillance, forest fire protection, payment for environmental services, best management practices, and forest cultivation for wood use.

#### 4.3.2.2 Theme 2.2. Governance

79. Work conducted by FIP pilot countries on governance focused on strengthening decision-making processes, ensuring participation of all stakeholders and enhancing forest law enforcement.

<sup>42</sup> Thru this project, IFC is providing advisory services to Stora Enso. This company is a leading provider of renewable solutions in packaging, biomaterials, wood, and paper on global markets. [Here](#) is more information about this partnership.

<sup>43</sup> IFC Environmental and Social Standards:

[http://www.ifc.org/wps/wcm/connect/topics\\_ext\\_content/ifc\\_external\\_corporate\\_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes](http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/performance+standards/environmental+and+social+performance+standards+and+guidance+notes)

80. In Lao PDR, through *the SUFORD-SU project*, forest governance is being improved through greater participation of stakeholders, especially villagers, in participatory sustainable forest management. The FIP also supports forest and wildlife law enforcement. In 2015, a legal compendium of relevant legislation was compiled for the Department of Forestry Inspection (DOFI) enforcement.
81. In Mexico, the FIP promoted the strengthening of decision-making within the ejidos and communities through the National Forest Program<sup>44</sup> support to community forestry. In 2015, there was an increase in number of beneficiaries participating in these local development processes. Through the *Forests and climate change project*, specific plans of indigenous peoples have been implemented, differentiated service manuals have been developed, and a window for differentiated service has been created. The project ensured that marginalized stakeholders participate in decision making processes through priority criteria in subsidy CONAFOR programs. Also, the safeguards have specific criteria for different groups, including indigenous population and women.
82. The public consultation of Mexico's National REDD+ Strategy was completed. The first results from the intervention model in the REDD+ early action areas were published in 2015. In these areas, local governance systems were promoted to support the REDD+ initiative.
83. In Burkina Faso, the FIP initiated an inter-ministerial and inter-actors dialogue through workshops around common concerns on issues related to sustainable forest management, protection of the wider environment, the fight against poverty in rural and vulnerable populations, climate change, and REDD+. Bridges have been established to create a framework for exchange and cooperation capable of uniting the different goals and approaches to sustainable development and achieving FIP objectives and REDD+. The FIP is also the engine of a new dynamic in institutional and social dialogue in Burkina Faso, by providing the framework to create a National Platform of Civil Society Organizations (CSOs) on REDD+ and Sustainable Development in favor of the DGM project. This platform is the permanent framework for exchange and dialogue between the FIP and CSOs.

#### 4.3.2.3 Theme 2.3 Tenure, rights, and access

84. The FIP is promoting an innovative approach to tenure in Ghana. A tree tenure system will transform ownership and benefits for local community members, and will incentivize farmers to plant and maintain forest trees<sup>45</sup>. The FIP contributed extensively in the consultation processes for the development of tree tenure and benefit sharing, which was financed through the *Natural Resources and Environmental Governance Technical Assistance* of the World Bank. The key challenges have been the negative perception of some farmers with regards to maintaining trees on farms and ownership of planted trees. Through the coordination fostered between the Forestry Commission, Ghana Cocoa Board, District Directorate of Agriculture, and the local government, these challenges are gradually being overcome.
85. In Lao PDR, work under *the SUFORD-SU project* included the clarification of legal basis for communal land titles. The project design included the idea of "forest leases." This concept is still under discussion with the Department of Forestry. In addition, IFC's *Smallholder Forestry Program* has contributed to more transparent acquisition of land for the beneficiary company, Stora Enso, plantations and equitable partnerships with local communities, leading to more sustainable carbon stock enhancement. The project is working with its beneficiary firm to 1) strengthen firm's stakeholder identification and engagement planning, including informed consultation and

<sup>44</sup> PRONAFOR is one of CONAFOR's support programs to improve, and sustainably manage the resources of forests, mangroves, wetlands and arid zones.

<sup>45</sup> FIP is promoting shade trees in cocoa farms. Through this tenure system, cocoa farmers own these individual shade trees which can be sold for timber, and represent an additional source of income for cocoa farmers.

participation (ICP) and/or free, prior and informed consent (FPIC) operating procedures, and 2) address government requirements for land acquisition and concession licensing process as they apply to the firm's plantation expansion plans.

#### 4.3.2.4 Theme 2.4 Capacity development

86. The FIP in Mexico made significant progress in capacity development during 2015. The FIP created platforms for dialogue between producers and institutions, and created spaces that allow for greater management capacity.
87. Also, the FIP promoted and strengthened community institutions and local development processes through capacity building workshops. The FIP supported the rehabilitation and strengthening of 40 CONAFOR field offices (out of 72), and six territorial development public officials were established in Yucatan and Jalisco<sup>46</sup>. Also, in 2015 the number of local suppliers of Support and Technical Assistance (PLAAT in Spanish) went from zero to five and the number of certified technical advisors increased by 53 percent.
88. The IDB project provided community forest enterprises (CFEs) with credit as well as technical assistance in the areas of technical, administrative, and marketing skills. Results obtained by FINDECA<sup>47</sup> indicate that it is possible to promote financial inclusion for forest communities.
89. The FIP, in collaboration with the FCPF, contributed to the MRV for REDD+, which is completed at the technical level. Some of the main contributions are the installation of the national system to estimate biomass and carbon, the Operational System of Forest Monitoring based on Landsat and RapidEye (MAD-Mex system), and the integrated system of activity data and emission factors for GHG emission and sequestration estimates.
90. With support from the *SUFORD-SU project*, the key Government of Lao PDR counterpart hosted the first national workshop on plantation forestry policy and management.
91. In Ghana, the integrated nature of planning project activities has contributed immensely to the effectiveness of capacity development programs. The approach is bottom-up, giving the operators on the field level the opportunity to incorporate their capacity development needs into project workplans. Although there was inadequate financing to provide capacity development training for all project beneficiaries, especially local community members, it is expected that the DGM, when fully functional, will support the FIP to close this gap.
92. In DRC, the MRV system is in an advanced stage of preparation, integrating the Terra Congo System (a Satellite Land Monitoring System), which is operational, and the National Forest Inventory and Greenhouse Gas Inventory, which are in progress.

#### 4.3.2.5 Working towards results

93. Most FIP countries are still early in project implementation. In these initial phases, FIP countries create an enabling environment for their projects to succeed. While work done in this phase might not be reported as results achieved, it is important to take this progress into account. Highlights of this foundational work includes:

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<sup>46</sup> The territorial development public officials contribute to capacity building and to strengthen trust, transparency, and leadership mechanisms among agents and/or technical advisors.

<sup>47</sup> FINDECA is a financial institution, with the mission to provide affordable financing for development in the rural south/south-east in Mexico by providing finance for productive projects that incorporate sustainable use and conservation of environmental areas certified by third parties.

94. Brazil: The ABC Cerrado project held 31 awareness seminars for a total of 2,817 stakeholder participants to disseminate the project and recruit beneficiaries for training and technical assistance activities. Additionally, a radio campaign was carried out to publicize the project in some rural areas.
95. Burkina Faso: The IBRD project implementation started in 2015. Work started on an innovative land-use study that will help the 32 communes to prepare a participatory local development plan that will then be turned into a local investment plan. It is completed by data collection at the local level on the local socio-economic situation. REDD+ activities are well planned and the preparatory work on the REDD+ strategy should start on the second half of 2016<sup>48</sup>.
96. DRC: The *Improved Forested Landscape Management Project* had a launch mission in October 2015 to train the fiduciary team (procurement, financial management, reporting, and disbursement) both at the central level and in the provinces for the decentralized delegated implementation units. All the contracts with these units have been signed, including the one with the World Wildlife Fund (WWF) in the District Plateau. The call for proposals for the private sector activities has been launched and multiple proposals have been received already. A working group has been set up with representatives of the Ministry of the Environment, Ministry of land affairs, and representatives from local populations and civil society.
97. Ghana: In 2015, the FIP supported training of national REDD+ secretariat staff and operationalization of the MRV. It is expected that the system will be completed in December 2016. Once completed, it will be used to measure the GHG sequestration for Ghana's FIP investment plan. Also, the FIP collaborated in the development of the performance-based payment system.
98. The investment plan is supporting the Ghana Cocoa Board's policy to supply improved planting materials to cocoa farmers to increase yield on their land holding and prevent expansion of farms into forests. The investment plan is also doing this by providing support to the Cocoa Research Institute of Ghana to undertake further research in quality seedlings and best guidelines practices on incorporating trees on cocoa farms.
99. Through radio programs, awareness creation campaigns, and the Ghana Cocoa Platform, many farmers have understood the importance of incorporating trees on their cocoa farms. These interventions have been adopted by Cocoa License Buying Companies in Ghana and forms their basis of certifying beans as produced in a climate-friendly manner.
100. Lao PDR: The *SUFORD-SU project* has been working with 678 villages to prepare community action plans and village livelihood development grants. Financial benefits from alternative, forest-related income-generating activities will only begin once the villages receive their grants and commence these activities<sup>49</sup>. By the end of 2015, almost half a million hectares of forest had been inventoried for the 25 new production forest areas (PFAs) for which forest management plans are being prepared. The total area of PFAs under sustainable forest management will increase from 1.3 to 2.0 million hectares, due to a change in policy.
101. Work on village forestry is ongoing in 33 villages within two landscape provinces, as well as with other villages managing rattan (the latter is in collaboration with WWF). Villagers are involved in participatory land use planning for their village areas of the PFAs.

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<sup>48</sup> World Bank. Implementation Status & Results Report. Decentralized Forest and Woodland Management Project. Seq No: 5, 23-Jun-2016

<sup>49</sup> The Government of Lao PDR has a moratorium in place on plantation development due to a record of poor environmental and social practices in the sector. As a consequence, villages are not receiving a share of the timber sales revenues. In 2016, logging is expected to resume, so revenues will flow once again to villagers.

102. Mexico: The design and supply of adequate financial products by institutions like FINDECA has helped CFEs obtain credit. The provision of FIP loans in Mexican pesos (and not in US dollars) has proven to be a successful strategy to maintain proper operating conditions, where the country can concentrate on project implementation without concerns over exchange rate volatility. FINDECA has managed to allocate 41 percent of FIP resources to support CFEs to further develop sustainable projects, in well-defined niche markets on topics such as extraction and wood saw mills, furniture manufacturing, gathering natural gum, and shade grown organic coffee. Coordination efforts with the private and public sector has been successful in promoting sustainable rural development. Instead of working in isolation, groups like FINDECA, FMCN<sup>50</sup>, MIF, IDB, CONAFOR, and FND<sup>51</sup> have been able to come together under the FIP.

## 5 Cross-cutting themes

### 5.1 Gender

103. The portfolio of investment plans and projects approved by the FIP Sub-Committee from January 1 to June 30, 2016 was reviewed to assess program progress regarding gender “quality at entry” of investment plan and project design. Three scorecard indicators on presence of sector-specific gender analysis, gender-disaggregated indicators, and women-specific activities were reviewed for each investment plan and project. Figures were compared to baseline performance of the FIP portfolio as on June 30, 2014.
104. Overall, FIP performance has improved significantly. For FIP Investment Plans approved during the period under review, 100 percent included sector-specific gender analysis and activities specifically targeted at women (compared to baseline values of 50 percent and 13 percent respectively). Fifty percent hosted gender-disaggregated indicators (compared to a baseline value of 75 percent).
105. The single FIP project approved during this period (*Lao PDR: Protecting Forests for Sustainable Ecosystem Services*) scored positively on all three scorecard indicators of having sector-specific gender analysis (baseline 25 percent), presence of gender-disaggregated indicators (baseline 31 percent), and specific activities targeted at women (baseline 50 percent). See Box 4 for project highlights.
106. A note on gender and forest-based livelihoods has been prepared by CIF Administrative Unit for publication by December 2016. ADB has completed a gender review of its CIF portfolio across all four programs, including FIP<sup>52</sup>.

### 5.2 Knowledge management

107. The FIP Pilot Country Meeting was held in Oaxaca in June 2016 and brought together over 100 participants from governments, private sector, civil society, indigenous peoples and local

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<sup>50</sup> Fondo Mexicano para la Conservación de la Naturaleza.

<sup>51</sup> Financiera Nacional de Desarrollo Agropecuario, Rural, Forestal y Pesquero.

<sup>52</sup> The review is available online at <https://www-cif.climateinvestmentfunds.org/sites/default/files/knowledge-documents/gender-climate-finance.pdf>



communities together with MDBs. The event was designed as a peer-to-peer learning event. Key messages from the event were shared in a newsletter and are available on the CIF website<sup>53</sup>.

108. The CIF Administrative Unit is working with FAO and PROFOR in the support of the use of their forest governance diagnostic tools to assess the quality of forest governance<sup>54</sup>. Through proactive collaboration, the tools should see wider uptake and provide a common knowledge platform. Selection of countries to take part in this exercise will be completed by the end of 2016, with governance assessments planned for early 2017.
109. In association with the World Bank, the CIF Administrative Unit has initiated a knowledge product to provide strategic recommendations on supporting climate change mitigation and adaptation through harvested wood products value chains. The report, *Harnessing the Potential of Productive Forests and Timber Value Chains for Climate Change Mitigation and Green Growth: Opportunities for Private Sector Engagement*, will be distributed to a wide stakeholder group.
110. Following the Sub-Committee request to make an initial assessment on the feasibility of alternative financing models for the FIP, the CIF Administrative Unit has initiated a multi-stakeholder consultative process, the findings of which will be presented to the Sub-Committee in June 2017.

### 5.3 Country support

111. Through its Country Programming Budget, the CIF provides funding for country support in the following areas: investment plan revision, stakeholder engagement, monitoring and reporting. Funds are available to cover expressed needs of countries in collaboration with MDBs.
112. In addition, the CIF Administrative Unit also provides direct support to complement MDB-led efforts. For example, the CIF Administrative Unit conducted a monitoring and reporting training workshop in Ghana, coinciding with the scoring workshop in May 2016. Participants were trained on the use of the FIP Monitoring and Reporting Toolkit and on how to prepare the reporting sheets. The CIF Administrative Unit also participated in Mexico's scoring workshop in June 2016.
113. The CIF Administrative Unit is welcoming requests from FIP pilot countries for monitoring and reporting training sessions. This training will help advance country expertise and ownership of monitoring and reporting information.
114. Funds are also available for stakeholder engagement and knowledge sharing. For example, the World Bank and the Brazilian Ministry of Environment organized a visit of a Mozambican delegation to Brazil FIP projects, which resulted in a successful exchange of experiences<sup>55</sup>.
115. On April 19 and 20, the CIF Administrative Unit invited technical experts from FIP countries to meet in Washington, D.C. for an open dialogue about how to improve the reporting methodologies for GHG emission reductions. FIP countries agreed on the following minimum criteria: conservative factors should be used when uncertainty/inaccuracy is known; same conservative factors for the same country when applicable should be used; justification should be added in the narrative; MDBs should use consistent carbon data (carbon stocks and deforestation rates) for the same country and strata or region; quality of data should be improved whenever possible; data should be coming from

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<sup>53</sup> [https://www-cif.climateinvestmentfunds.org/sites/default/files/how\\_knowledge\\_sharing\\_moves\\_countries\\_to\\_sustainable\\_forestry\\_management.pdf](https://www-cif.climateinvestmentfunds.org/sites/default/files/how_knowledge_sharing_moves_countries_to_sustainable_forestry_management.pdf)

<sup>54</sup> A simulation exercise was conducted during the FIP Pilot Country Meeting with an emphasis on gender issues, including policy and planning processes, and land tenure.

<sup>55</sup> A video summary of this exchange is available at <https://www.youtube.com/watch?v=TxpXqNGrVvM>

MRV systems or carbon accounting tool; if projects do not have as a direct objective to reduce emissions, then countries are not obliged to report on theme 1.1.

#### Box 4: Gender integration in Lao PDR's projects supported by national mandates



Photo credit: Dao Suwannachairop. 2014.

**Project:** Protecting Forests for Sustainable Ecosystem Services

**FIP Financing:** \$12.84 million

**Implementing MDB:** ADB

**Purpose:** scale up sustainable forest management activities as part of REDD+ readiness efforts under the ADB's Greater Mekong Sub-Region (GMS) Biodiversity Conservation Corridors Project in Lao PDR forest

This project supports enhancement of 3,900 ha of forest and land use certificates benefiting 2,300 households. The project has both policy and livelihoods development aims and will strengthen community management of biodiversity corridors and ecosystem services. It will also scale up support to livelihoods and small infrastructure development. The FIP funding focuses particularly on conservation in areas with high carbon stocks and on restoration of forest cover in the southern part of the country.

The project has identified significant goals for its outreach to, and benefit for, women. Outcome indicators include strengthened governance and capacity in REDD+ approaches with targets of 30 percent female trainees in forest resource use from provincial, district, and village levels, and at least 40 percent female beneficiaries having increased monetary and non-monetary benefits from forests (such as participation in community contracts with user rights for sustainable agro-forestry). Such gender disaggregated monitoring is in line with own Lao PDR's policy requirements. National and provincial project staff are responsible for reporting on all targets under the Gender Action Plan, and project budget has been allocated for this purpose.

Training materials will incorporate gender dimensions. There are similar targets for women's participation in local meetings on forest demarcation and preparation of community forest development plans to ensure women's forest resource access. Livelihoods and extension support to women farmers will include support on crop diversification, livestock management, and non-timber forest product development. Outreach to women in the project area has been supported through collaboration with the Lao Women's Union, which operates at village, district, and national levels.

## Annex 1: Resource availability in the FIP (in USD million as of June 30, 2016)

Cumulative Funding Received		
<b>Contributions Received</b>		
Cash Contributions		501.1
Unencashed promissory notes	a/	242.3
Total Contributions Received		743.4
<b>Other Resources</b>		
Investment Income		14.5
Other income		
Total Other Resources		14.5
<b>Total Cumulative Funding Received (A)</b>		<b>757.9</b>

Cumulative Funding Commitments		
Projects/Programs		358.1
MDB Project Implementation and Supervision services (MPIS) Costs		18.8
Cumulative Administrative Expenses		24.7
<b>Total Cumulative Funding Commitments</b>		<b>401.7</b>
<b>Project/Program Cancellations</b>	b/	<b>(15.7)</b>
<b>Net Cumulative Funding Commitments (B)</b>		<b>386.0</b>

<b>Fund Balance (A - B)</b>		<b>371.9</b>
<b>Currency Risk Reserves</b>	c/	<b>(36.3)</b>
<b>Unrestricted Fund Balance ( C)</b>		<b>335.6</b>

Anticipated Commitments (FY17-FY21)		
Program/Project Funding and MPIS Costs		378.6
Projected Administrative Budget	d/	14.2
<b>Total Anticipated Commitments (D)</b>		<b>392.8</b>

<b>Available Resources (C - D)</b>		<b>(57.2)</b>
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Potential Future Resources (FY17-FY21)		
Pledges	e/	0.3
Funding from Provisional Account		
Contributions not yet paid		-
Release of Currency Risk Reserves	c/	36.3
Projected Investment Income	f/	7.5
<b>Total Potential Future Resources (D)</b>		<b>44.2</b>

<b>Potential Available Resources (C - D + E)</b>		<b>(13.1)</b>
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- a/ This amount represents USD equivalent of GBP 179.6 million.
- b/ This refers to cancellation of program and project commitments approved by the committee.
- c/ 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.
- d/ Projected administrative budget includes resources for administrative services provided by the CIF AU, Trustee and MDBs.
- e/ The balance of the pledge amount from the U.S.
- f/ Investment income on undisbursed funds across all SCF subprograms as projected by the Trustee, and notionally allocated by the CIF Administrative Unit to each subprogram according to the proportion of total Projected Administrative Budget associated with the corresponding program/subprogram.

## Annex 2: Examples of FIP portfolio thematic focus changes based on reclassification

Project Title	Previous classification	Amount (USD million)	Component	New classification	Amount (USD million)
Forests and Climate Change Project	Capacity Building/ Institutional Strengthening and Governance Reform	42	Component 1: Policy Design and Institutional Strengthening.	Capacity Building	18.66
			Component 3: Innovation for REDD+ in Early Action Areas. (subcomponent 3.3: Community Investments in REDD+)	Sustainable Forest Management	23.34
Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)	Capacity Building/ Institutional Strengthening and Governance Reform	11.5	Component 1: Reinforcement of Forest Governance	Capacity Building	2.98
			Component 2: Participatory Development and Management of Gazetted Forests	Landscape Approaches	8.52
DGM Brazil	Indigenous Peoples/Local Communities	6.5	Component 1: Sustainable and Adaptive Community Initiatives	Landscape Approaches	4.6
			Component 2: Capacity Building and Institutional Strengthening	Capacity Building	1.9

## Annex 3: List of expected project submission for FY17 (as of June 2016)

Country	Project Title	MDB	Public/ Private	Grant (USD million)	Non-Grant (USD million)	Expected SC Approval Date
Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation(CFI-ADD+)	ADB	Public	17.00	-	Jul-16
Indonesia	Strengthening Forest Enterprises to Mitigate Carbon Emissions	IFC	Private	1.85	32.50	Dec-16
Indonesia	DGM for Indigenous Peoples and Local Communities	IBRD	Public	6.33	-	Feb-17
Peru	Integrated Forest Landscape Management Along the Main Route Between Tarapoto and Yurimaguas in the Regions of San Martin and Loreto	IDB	Public	7.80	4.40	Mar-17
Peru	Integrated Landscape Management Along the Main Route Between Puerto Maldonado and Inapari and in the Amarakaeri Communal Reserve	IDB	Public	5.30	6.70	Mar-17
Peru	Strengthening National Forest Governance and Innovation	IDB	Public	6.40	5.70	Mar-17
Cote d'Ivoire	Forest Cover Restoration Project (FCRP)	IBRD	Public	4.90	15.80	Dec-16
Cote d'Ivoire	Tai National Park Management Support Project (PAGT)	AfDB	Public	3.30	-	Mar-17

Mozambique	Mozambique Forest Investment Project (MozFIP)	IBRD	Public	8.80	13.20	Jan-17
Mozambique	Emissions Reductions in the Forest Sector Through Planted Forests with Major Investors	IFC	Private	1.85	-	Dec-16
Mozambique	DGM for Indigenous Peoples and Local Communities	IBRD	Public	4.5	-	Apr-17
Brazil	Macauba Palm Oil in Silvicultural System	IDB	Private	-	3.00	Dec-16
Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AfDB	Public	-	4.00	Oct-16
Ghana	Public-Private Partnership for restoration of degraded forest reserve through VCS and FSC certified plantations	AfDB	Private	-	10.00	Jul-16
Ghana	DGM for Indigenous Peoples and Local Communities	IBRD	Public	5.50	-	Sep-16
Mexico	Guarantee Fund for financing low carbon forestry investments	IDB	Private	-	3.00	Dec-16

#### **Annex 4: Projects awaiting approval by FIP Sub-Committee for over 24 months<sup>56</sup>**

(as of June 2016)

IP/ DGM/ PSSA	Country	Project Title	MDB	Public/ Private	FIP Funds <sup>57</sup> (USD million)	IP to SC Approval in Months at Dec 2015	IP to expected SC Approval in Months
IP	Ghana	Engaging the Private Sector in REDD+	IFC	Private	9.75	40.9	No date <sup>58</sup>
IP	Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation(CFI-ADD+)	ADB	Public	17.00	38.9	44.7
IP	Indonesia	Strengthening Forest Enterprises to Mitigate Carbon Emissions	IFC	Private	34.70	42.9	48.9
IP	Peru	Integrated Forest Landscape Management Along the Main Route Between Tarapoto and Yurimaguas in the Regions of San Martin and Loreto	IDB	Public	12.20	40.0	40.0
IP	Peru	Integrated Land management in Atalaya, Ucayali Region	IBRD	Public	12.20	26.0	No date
IP	Peru	Integrated Landscape Management Along the Main Route Between Puerto Maldonado and Inapari and in the Amarakaeri Communal Reserve	IDB	Public	12.00	40.0	40.0

<sup>56</sup> Based on expected date of FIP SC approval provided by the MDBs

<sup>57</sup> Excluding PPGs that were already approved

<sup>58</sup> IFC and the Government of Ghana will submit a formal proposal to reallocate the funds for a public sector project within the parameters of Ghana FIP Investment Plan.

IP	Peru	Strengthening National Forest Governance and Innovation	IDB	Public	12.10	40.0	40.0
DGM	Ghana	DGM for Indigenous Peoples and Local Communities	IBRD	Public	5.50	31.0	38.0
DGM	Indonesia	DGM for Indigenous Peoples and Local Communities	IBRD	Public	6.33	26.0	39.0
DGM	Lao PDR	DGM for Indigenous Peoples and Local Communities	IBRD	Public	4.50	31.0	No date
DGM	Mexico	DGM for Indigenous Peoples and Local Communities	IBRD	Public	6.00	31.0	No date
PSSA	Brazil	Macauba Palm Oil in Silvicultural System	IDB	Private	3.00	29.5	37.0
PSSA	Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AfDB	Public	4.00	31.0	35.0
PSSA	Ghana	Public-Private Partnership for restoration of degraded forest reserve through VCS and FSC certified plantations	AfDB	Private	10.00	26.0	32.0
PSSA	Mexico	Guarantee Fund for financing low carbon forestry investments	IDB	Private	3.00	31.0	37.0

## Annex 5: List of projects included in Figure 6

Project Code	Country	Project Title	MDB
IP-BR-010	Brazil	Environmental Regularization of Rural Lands in the Cerrado of Brazil	IBRD
IP-BR-011	Brazil	Sustainable production in areas previously converted to agricultural use project (under the low carbon emission agriculture plan)	IBRD
IP-BR-012	Brazil	Forest Information to Support Public and Private Sectors in Management Initiatives	IDB
IP-BR-013	Brazil	Development of systems to prevent forest fires and monitor vegetation cover in the Brazilian Cerrado	IBRD
DG-BR-201	Brazil	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities: Funding Proposal for the DGM Project for Brazil	IBRD
IP-BF-014	Burkina Faso	Decentralized Forest and Woodland Management	IBRD
IP-BF-015	Burkina Faso	Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)	AfDB
DG-BF-202	Burkina Faso	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities in Burkina Faso	IBRD
IP-ZR-001	DRC	Improved Forested Landscape Management Project (IFLMP)	IBRD
IP-ZR-002	DRC	Integrated REDD+ Project in the Mbuji-Mayi/Kananga and Kisangani Basins	AfDB
DG-ZR-203	DRC	Forest-Dependent Community Support Project	IBRD
IP-GH-016	Ghana	Enhancing Natural Forest and Agroforest Landscapes Project	IBRD
IP-GH-017	Ghana	Engaging Local Communities in REDD+/Enhancement of Carbon Stocks	AfDB
DG-MR-209	Global Component	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities: Program Framework and Funding Proposal for the DGM Project for the Global Component	IBRD
IP-ID-020	Indonesia	Promoting Sustainable Community-Based Natural Resource Management and Institutional Development	IBRD
IP-LA-006	Lao PDR	Scaling-up Participatory Sustainable Forest Management	IBRD
IP-LA-005	Lao PDR	Smallholder Forestry Program	IFC
IP-MX-007	Mexico	Forests and Climate Change Project	IBRD

IP-MX-008	Mexico	Financing Low Carbon Strategies in Forest Landscapes	IDB
IP-MX-009	Mexico	Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejidos	IDB
DG-PE-208	Peru	Dedicated Grant Mechanism in Peru	IBRD

## Annex 6: List of projects included in Figure 7

Project Code	Country	Project Title	MDB
P1-CI	Cote d'Ivoire	Forest Cover Restoration Project (FCRP)	IBRD
P2-DG	Ghana	DGM for Indigenous Peoples and Local Communities	IBRD
P3-CI	Cote d'Ivoire	Tai National Park Management Support Project (PAGT)	AfDB
P4-MZ	Mozambique	Mozambique Forest Investment Project (MozFIP)	IBRD
P5-BR	Brazil	Macauba Palm Oil in Silvicultural System	IDB
P6-BF	Burkina Faso	Climate change mitigation and poverty reduction through the development of the cashew sector in Burkina Faso (Wouol project)	AfDB
P7-ID	Indonesia	Strengthening Forest Enterprises to Mitigate Carbon Emissions	IFC
P8-MZ	Mozambique	Emissions Reductions in the Forest Sector Through Planted Forests with Major Investors	IFC
P9-DG	Indonesia	DGM for Indigenous Peoples and Local Communities	IBRD
P10-MX	Mexico	Guarantee Fund for financing low carbon forestry investments	IDB
P11-PE	Peru	Integrated Forest Landscape Management Along the Main Route Between Tarapoto and Yurimaguas in the Regions of San Martin and Loreto	IDB
P12-PE	Peru	Integrated Landscape Management Along the Main Route Between Puerto Maldonado and Inapari and in the Amarakaeri Communal Reserve	IDB
P13-PE	Peru	Strengthening National Forest Governance and Innovation	IDB
P14-GH	Ghana	Engaging the Private Sector in REDD+	IFC
P15-PE	Peru	Integrated Land management in Atalaya, Ucayali Region	IBRD
P16-BR	Brazil	Integrated Landscape Management in the Cerrado Biome	IBRD
P17-GH	Ghana	Reducing Degradation and Deforestation due to Mining in Forest Landscapes	IBRD
P18-DG	Lao PDR	DGM for Indigenous Peoples and Local Communities	IBRD
P19-DG	Mexico	DGM for Indigenous Peoples and Local Communities	IBRD
P21-DG	Cote d'Ivoire	DGM for Indigenous Peoples and Local Communities	IBRD
P24-DG	Mozambique	DGM for Indigenous Peoples and Local Communities	IBRD
P27-ID	Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation(CFI-ADD+)	ADB
P28-GH	Ghana	Public-Private Partnership for restoration of degraded forest reserve through VCS and FSC certified plantations	AfDB



## Annex 7: FIP projects reporting on results (up to December 31, 2015)

FIP pilot country	Project name	MDB	Main sectoral focus	Total approved funding (USD M)	MDB approval date
Brazil	Environmental regularization of rural lands (based upon the CAR) - CAR FIP	IBRD	Capacity Building/Institutional Strengthening and Governance Reform	32.48	21-Jul-15
Brazil	Sustainable production in areas converted to agricultural use (based upon the ABC plan)	IBRD	Agriculture/Food Security	10.62	18-Jul-2014
Brazil	Forest information to support public and private sectors in managing initiatives focused on conservation and valorization of forest resources	IDB	Forest Monitoring/MRV	16.45	13-Dec-2013
Burkina Faso	Gazetted forests participatory management project for REDD+ (PGFC/REDD+)	AFDB	Capacity Building/Institutional Strengthening and Governance Reform	11.5	28-Nov-2013
Burkina Faso	Decentralized forest and woodland management (PGDDF)	IBRD	Capacity Building/Institutional Strengthening and Governance Reform	16.5	23-Jan-2014
DRC	Improved forested landscape management	IBRD	Capacity Building/Institutional Strengthening and Governance Reform	36.9	24-Jun-2014
DRC	Integrated REDD+ project in the Mbuji Mayi/Kananga and Kisangani basins	AFDB	Capacity Building/Institutional Strengthening and Governance Reform	21.5	11-Sep-2013
Ghana	Engaging local communities in REDD+/Enhancing carbon stocks	AFDB	Landscape Approaches	9.75	22-Jan-2014
Ghana	Enhancing natural forest and agro-forest landscapes	IBRD	Landscape Approaches	29.5	27-Feb-15
Lao PDR	Smallholder forestry program	IFC	Agroforestry	3.00	25-Jun-2013
Lao PDR	Scaling-up participatory sustainable forest management (PSFM or SUFORD-SU)	IBRD	Sustainable Forest Management	12.83	31-May-2013
Mexico	Forests and climate change project	IBRD	Capacity Building Institutional Strengthening and Governance Reform	42.00	31-Jan-2012
Mexico	Financing low carbon strategies in forest landscapes.	IDB	Landscape Approaches	15.00	14-Nov-2012
Mexico	Support for forest related micro, small, and medium-sized enterprises in Ejidos	IDB	Indigenous Peoples/Local Communities	2.88	10-Apr-2013
<b>TOTAL</b>				<b>260.91</b>	

## Annex 8: Theme 1.2 Livelihood co-benefits

FIP pilot country	Projects	Indicator	Targets	Achieved results
Brazil	Environmental Regularization of Rural Lands (based upon the CAR)	Number of small landholders with access to credit	56,433	
		Number of medium and large landholders with access to credit	13,638	
	Sustainable production in areas converted to agricultural use (based upon the ABC plan)	Number of people attending training courses on Low Carbon Agriculture technologies	12,000	
		Number of people attending the Field Days at the Technical Reference Units	6,000	
	Forest information to support public and private sectors in managing initiatives focused on conservation and valorization of forest resources	Number of people trained in skills and techniques related to the National Forest Inventory	260	
Brazil total			88,331	
Burkina Faso <sup>59</sup>	Decentralized forest and woodland management (PGDDF)	Number of people who increased their economic or non-economic income from forests	250,000	
		Number of small and medium sized enterprises supported by the project	320 (Not applic.)	
	Gazetted Forests Participatory Management Project for REDD+ (PGFC/REDD+)	Number of people benefitting from new jobs	4,500	
		Number of people trained by the project framework		
		Number of small and medium sized enterprises supported by the project	180 (Not applic.)	
BF total			254,500	
DRC	Improved Forested Landscape Management Project (IFLMP)	Number of people in forest or forest-adjacent rural communities with increased monetary/non-monetary income over time	120,000	
		Number of sectors/chiefdoms with performance-based incentives	50 (Not applic.)	
		Number of participants present at consultation activities during project implementation	30,000 (Not applic.)	
		Number of ACCES-compliant cookstoves delivered to the Kinshasa market	70,000 (Not applic.)	
		Number of structures reinforced in the improved cookstoves sector (project indicator)	7 (Not applic.)	

<sup>59</sup> Burkina Faso still has many targets to determine, and some targets have been set temporarily. For example, number of people who increased their economic or non-economic income from forests was set at 250,000 in the project approval document. These values need to be reconfirmed for the implementation strategy of micro-projects, as a result of the MARP diagnosis in the 32 communities where project will be implemented. Also, the PDGFEB project, 'Indicator 2: number of people benefitting from new jobs' still needs to be defined, as a result of the MARP. In the PGFC-REDD+ project, the number of people who increased their monetary/non-monetary benefits from forests has not yet been defined, as it depends on the MARP.

	Integrated REDD+ Project in the Mbuji-Mayi-Kananga and Kisangani Basins (PIREDD MBKIS)	Family livelihoods improve by at least 50 percent for women/head of households and youth	20,000	
		Number of people attending educational and training opportunities for improved forestry resources, forest landscape management and agro-forestry, etc. (project indicator)	3,550	
		Number of social and community infrastructures created and operating in year 3 (80 percent women and 20 percent youth)	70 (Not applic.)	
		Number of people with new employment opportunities, such as with non-timber forest products.	20,000	
DRC total			163,550	
Ghana <sup>60</sup>	Engaging Local Communities in REDD+/Enhancing Carbon Stocks	Number of Communal Managed enterprises supported by the project (Number).	10 (Not applic.)	
		Number of ha of woodlots for fuel planted to support livelihood of fringe communities (Ha)	1,200 (Not applic.)	
	Enhancing Natural Forests and Agroforest Landscapes	People in forest and adjacent communities with monetary/non-monetary benefits from forest and Climate Smart Agriculture (Number)	87,500	11,112
		Direct project beneficiaries	9,501	867
Ghana total			97,001	11,979
Lao PDR	Scaling-Up Participatory Sustainable Forest Management (SUPSFM, or SUFORD-SU).	People in forest and adjacent communities with monetary/non-monetary benefits from forest	424,000	0
	Smallholder forestry program	People trained in sustainable forest and agriculture business practices and participatory community engagement	15,000	130
Lao PDR total			439,000	130
Mexico	Mexico Forests and Climate Change Project	Number of ejido members who benefited from CONAFOR's special programs <sup>61</sup>	57,766.8	51,667.2
	Financing Low Carbon Strategies in Forest Landscapes.	Number of people benefitting from low carbon projects financed in forest landscapes.	0	
		Land Coverage where a low carbon strategy is implemented to avoid deforestation and improve carbon capture		
	Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejido.	Direct beneficiaries with their incomes increased	2,450	1110
EFCs with their incomes increased by productive activities that decrease forest pressure (number of people)			60	
Mexico total			60,216.8	52,837.20
TOTAL			1,102,599	64,946.20

<sup>60</sup> Ghana included the three projects under the investment plan in the 2015 results sheet. Only the “Engaging Local Communities in REDD+/Enhancing Carbon Stocks” project was approved in the reporting period. Hence, the information submitted for this project was the only one that was taken into account for the 2015 Results Report.

