

CLIMATE INVESTMENT FUNDS

FIP/SC.2/CRP.2

February 3, 2010

Meeting of the FIP Sub-Committee

Washington, D.C.

February 3 and 4, 2010

FIP INVESTMENT CRITERIA

Criteria for FIP Investment Strategy		Guidance from FIP Design Document on achieving FIP Objectives
Climate Change Mitigation Potential	GHG emission reduction or avoidance potential	Climate change mitigation potential
Demonstration Potential at scale	<p>FIP investment addresses REDD+ priorities</p> <p>Area targeted by FIP investment compared to total area affected by forest degradation and deforestation</p> <p>Core set of indicators for application in FIP investments (consistent with FIP results framework)</p>	<p>Addressing drivers of deforestation and degradation</p> <p>Demonstration, learning and impact capacity</p> <p>Measurable outcomes and results-based approach</p>
Cost-effectiveness	<p>Economic and financial viability (catalyze self-sustaining financially profitable models) (paragraph 16 (i))</p> <p>FIP investment per ton of CO₂eq reduced or avoided</p> <p>Co-financing ratio</p> <p>FIP investment to further REDD+ activities in national strategies or action plan, including where appropriate REDD+ readiness plans</p>	<p>Leveraging additional financial resources, including from private sector</p> <p>Coordinating with other REDD efforts (and cooperation with other actors and processes)</p>
Implementation Potential	<p>Status of enabling environment for REDD+ (public policy, regulatory framework and institutions)</p> <p>Institutional framework and cross-sectoral coordination mechanism to deliver REDD+</p>	<p>Forest-related governance provisions</p> <p>Country's ownership, preparedness and ability to undertake REDD+ initiatives (including strengthening cross-sectoral ownership to scale up implementation)</p> <p>Capacity building measures for local and national institutions</p>

	<p>Identification of capacity building needs</p> <p>Public and private national contribution to FIP investment</p> <p>Risk assessment</p>	<p>identified, including indigenous peoples and local communities</p>
Integrating sustainable development (co-benefits)	<p>Identification of co-benefits from FIP-Investments</p> <p>Core set of indicators for application in FIP investments (consistent with FIP results framework)</p>	<p>Integrating sustainable development (livelihoods, biodiversity, ecosystems, economic viability)</p>
Safeguards, including consultations	<p>Stakeholder involvement and consultation plan</p> <p>Link between FIP investment and Grant Mechanism for LC and IP</p> <p>Application of MDB safeguards</p>	<p>Inclusiveness of processes and participation of all important stakeholders, including indigenous peoples and local communities</p> <p>Safeguarding the integrity of natural forests</p>