

CLIMATE INVESTMENT FUNDS

FIP/SC.7/CRP.5
October 31, 2011

Meeting of the FIP Sub-Committee
Washington, D.C.
October 31, 2011

DECISION ON AGENDA ITEM 7 PROPOSAL FOR THE ALLOCATION OF THE RESERVE UNDER THE FIP

The Sub-Committee reviewed document FIP/SC.7/7, *Proposal for the Allocation of the Reserve under the FIP*, and approves the following initial criteria for allocating additional resources to the FIP:

- a) Demonstrated progress in implementing FIP or other REDD+ readiness plans (or their equivalents)
- b) Readiness of the client to absorb resources;
- c) Diversity and innovation of the proposed FIP program or project in light of the FIP portfolio;
- d) Link to high quality FIP investment plans and REDD+ readiness plans (or their equivalents).

The FIP Sub-Committee agrees to reconsider the initial criteria in light of experience that will be gained in developing FIP investment plans and in implementing the early stages of projects and programs.

The Sub-Committee agrees that the approval of funding from the reserve should be through three rounds in which project proposers will be invited to compete for FIP funding as follows:

- a) Each round should allocate approximately one-third of the available funding;
- b) Within six months of the endorsement of the eighth FIP Investment Plan (expected in May 2012), the Sub-Committee will consider a first round of proposals. This round of funding will be focused on programs and projects put forward in collaboration with the private sector. It is expected that a majority of such proposals will draw upon resources available from the capital contributions to the FIP.
- c) A second round of proposals will be invited for consideration by the Sub-Committee at its meeting to be convened six months after the first round (it is expected that proposals under this round will be before the Sub-Committee in May 2013). This round of funding will be open to public and private sector proposals.
- d) A third and final round of proposals will be invited for consideration by the Sub-Committee at its meeting one year after the first round ((it is expected that proposals under this round will be before the Sub-Committee in November 2013). This round of funding will be open to public and private sector proposals.

All proposals submitted for consideration of funding from the reserve should include an independent technical review, prepared by one of the experts included in the roster of experts available to review the investment plans.