

# CLIMATE INVESTMENT FUNDS

FIP/SC.10/3  
April 3, 2013

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Meeting of the FIP Sub-Committee  
Washington, D.C.  
May 1, 2013

Agenda Item 4

## **FIP SEMI-ANNUAL OPERATIONAL REPORT**

## **PROPOSED DECISION**

The FIP Sub-Committee reviewed document, FIP/SC.10/3, *FIP Semi-Annual Operational Report*, and welcomes the progress that has been made in advancing the work of the FIP in the pilot countries. The Sub-Committee requests the CIF Administrative Unit, in collaboration with the MDB Committee, to:

- a) prepare as an FY14 CIF knowledge product an in-depth study of the process, experience and lessons learned in developing FIP investment plans; and
- b) continue to consult with the FIP pilot countries, including at the next meeting of the FIP pilot countries, on current approaches being used to measure and report results with a view to seeking to simplify the FIP results framework. The CIF Administrative Unit is requested to report on the consultations and any recommendations at the next meeting of the Sub-Committee.

The Sub-Committee requests the Government of Peru, working in collaboration with IDB and the WBG, to finalize the development of its investment plan for review and endorsement at its next meeting.

## **I. INTRODUCTION**

1. This note provides an update on the status of the Forest Investment Program (FIP) and related activities, in particular the pipeline of FIP-funded projects and programs under endorsed investment plans. The report covers the period from September 15, 2012 to March 15, 2013.

## **II. STATUS OF THE FOREST INVESTMENT PROGRAM**

### **Program Progress**

2. The FIP is a dynamic program with a solid and active pipeline of twenty (20) projects and programs. Emerging experiences and lessons from FIP programming and early implementation reflect and confirm the opportunities and complexities associated with REDD+.

3. Seven of the eight FIP pilot countries have endorsed investment plans and are at different stages of implementation. One country program, Mexico, has received FIP funding approval for all projects to be supported under its investment plan. Peru is the last FIP pilot country still in the process of developing its investment plan.

4. Supported by the MDBs, the other six FIP pilot countries (Brazil, Burkina Faso, DRC, Ghana, Indonesia and Lao PDR) are in the process of preparing projects and programs for FIP funding approval by the Sub-Committee. The recently updated pipeline shows that the majority of the projects and programs are expected to meet the agreed milestones for funding approval by the Sub-Committee, evidence that the FIP pipeline is robust. There is a high level of confidence that the projects and programs can be delivered in the agreed time frame.

5. The report addresses three strategic lessons that are emerging from the FIP experience:

- a) link between REDD+ readiness and implementation;
- b) challenges and opportunities with developing investment plans; and
- c) summary assessment of current approaches to results monitoring and reporting in FIP investment plans.

#### *Link between REDD+ readiness and implementation*

6. During the meeting of FIP pilot countries in November 2012, country focal points shared their perceptions of challenges they have encountered moving the FIP process forward, major tasks ahead, as well as the initial benefits from their participation in the FIP.

7. Overwhelmingly, focal points reported that the FIP programming process has enhanced the importance of the REDD+ agenda in their country, linking relevant initiatives together and providing additional motivation for a comprehensive engagement and dialogue on the issue

across multiple stakeholder groups. The FIP process has contributed significantly by adding a concrete and practical dimension to the complexity of the readiness processes.

8. Readiness encompasses the extent to which countries have in place the following elements for effectively addressing the challenges associated with REDD+:

- a) needed policy, legal and regulatory frameworks;
- b) appropriate institutional arrangements and capacity (including for monitoring);  
and
- c) created opportunities for dialogue to undertake consultative processes to bring together relevant stakeholders.

9. There is a strong correlation between the level of readiness and the identification and implementation of results-oriented REDD+ relevant activities.

10. Consistent with the *FIP Design Document*, FIP builds on a country's readiness process and resulting REDD+ strategies or equivalents. The eight FIP pilot countries have different country circumstances in terms of their institutional set-ups and capacities, policy, legal and regulatory frameworks and existence of fora to facilitate dialogue among REDD+ stakeholders.

11. Six out of the eight FIP pilot countries (DRC, Ghana, Indonesia, Lao PDR, Mexico and Peru) are supported by the FCPF and/or UN-REDD Programme for their readiness activities. The Government of Burkina Faso, as advised by the FIP Sub-Committee, agreed to engage with the FCPF to develop a Readiness Preparation Proposal (R-PP) to further inform the FIP investment plan. Brazil has invested its own resources to create a conducive environment to address the challenges and opportunities related to REDD+ at the federal and state levels.

12. The experience shared by those FIP pilot countries, which are also engaged in the FCPF or UN-REDD Programme, has supported the initial understanding that there are significant synergies and overlaps between what is being supported in terms of readiness-related activities, e.g. supported by the FCPF or the UN-REDD Programme, and the on-the ground implementation-oriented investments, e.g. supported by the FIP. However, it was also pointed out by the countries that the FIP programming process has been seen as a strong incentive for engaging in climate change mitigation activities or even jump-started readiness processes supported through the FCPF or the UN-REDD Programme.

13. Measuring results from FIP investments should inform the broader context of developing national or sub-national monitoring, reporting and verification (MRV) systems. While developing these national systems is beyond the scope of the FIP, it is a primary objective of the FCPF readiness process and the UN-REDD Programme. FIP pilot countries will benefit from MRV capacities developed through the FCPF and/or other entities in meeting their reporting requirements under the FIP.

14. The box below illustrates, for five FIP pilot countries, the link between readiness activities supported by the FCPF and the FIP programming and implementation process.

**BOX: Examples of the Link between Readiness and Implementation in FIP Pilot Countries**

The experience from the programming process in **Burkina Faso** has shown that there is need for national dialogue on REDD+ and priorities for action before strategic REDD+ investments can be prepared and implemented. Hence, in the case of Burkina Faso, the government has agreed to focus on a comprehensive readiness process using the FCPF methodology and use the FIP resources primarily to support Burkina Faso's efforts to create a conducive environment to address the challenges of REDD+ in a strategic way combined with pilot activities on the ground to test new approaches and practices which have the potential to be scaled up once additional resources become available.

In **Lao PDR**, the consultation process supported by FCPF during the preparation of the R-PP has raised awareness among stakeholders of the need for REDD+ activities to mitigate GHG emissions and strengthen sustainable forest management practices and to pilot implementation of a range of measures across geographical regions and different forest management regimes with increased local community involvement. The selection of the geographical area of *Plateaux* and *Mai Ndombe Districts* as part of their strategic investment in REDD+ under the FCPF process was a result of inputs from the studies undertaken in the preparatory phase of the FIP investment plan and other activities implemented by the World Wildlife Fund and the Ecosystem Restoration Associates.

In **Indonesia**, FIP has benefited from previous consultation processes supported by the FCPF readiness process, and from the work of the REDD+ Task Force on a REDD+ institutional and legal framework as part of preparing National REDD+ strategy for the future implementation of REDD+ in Indonesia. FIP has also benefitted from initial findings from more than 40 REDD+ demonstration and readiness activities, especially with regard to (i) the nature and extent of environmental and social co-benefits in community-based REDD+ efforts, and (ii) the need for reforms in institutional, regulatory and land-tenure systems for successful implementation of FIP.

In **Ghana**, deliberate mapping of synergies revealed that FCPF and FIP can mutually enhance each other's objectives in the area of safeguards to ensure social and environmental integrity as well as work on benefit sharing and the development of REDD+ strategy options. FIP incorporated the findings of the analytical work done in the context of the FCPF Strategic Environmental and Social Assessment (SESA) in its investment plan.

In **Peru**, a study on the drivers of deforestation was conducted as a part of the FIP programming process as well as a gap analysis of ongoing and planned projects and programs that contribute to REDD+. The results of these studies will serve as inputs for the design of the National REDD+ Strategy for Peru under its FCPF readiness program and inform the identification of the projects in the FIP investment plan for Peru. The FIP and FCPF processes in Peru are moving forward in a synergic way to informing each other and avoid overlaps. The postponement of the

presentation of the investment plan has ensured a more synchronized process between FIP and FCPF.

### *Challenges and opportunities with developing investment plans*

15. There is a great variance in the time it has taken the eight pilot countries to develop their investment plans in accordance with the policies and procedures for the FIP. It can be attributed to differences in country circumstances regarding institutional readiness, stakeholder involvement, approaches to consultation, and the progress in implementation of other REDD+ readiness activities. In most countries, managing diverse expectations of stakeholders on the FIP has been a challenge, which in turn required additional consultations and analytical work. It underscores the importance of allowing the programming process to follow its own pace to respect divergent national circumstances.

16. Based on the time it took from the date of selection of a pilot country to the endorsement of the investment plan, three groups have emerged:

- a) Group 1 (12 months or less): Democratic Republic of Congo (DRC)
- b) Group 2 (13 to 24 months): Brazil, Lao PDR, Mexico
- c) Group 3 (more than 24 months): Burkina Faso, Ghana, Indonesia, Peru

17. For each group, a short analysis highlights some of the opportunities and challenges encountered during the FIP programming process. To provide more systematic insights to the development process of the FIP investment plans, the CIF Administrative Unit, in collaboration with the MDBs, will prepare a knowledge product on lessons learned and experiences from the country programming process in FIP pilot countries during FY14.

- *Group 1 (12 months or less of selection as a pilot country to endorsement of the investment plan)*

18. One country, DRC developed its investment plan within 12 months of being selected as a FIP pilot (June 2010).

19. DRC used a USD 250,000 grant for the preparation of its investment plan.

20. DRC was able to build on advanced readiness processes supported by the FCPF and the UN-REDD Programme. In addition, the decision to strategically focus the FIP investment plan on deforestation and forest degradation processes around larger cities associated with charcoal production has allowed DRC to go through the programming process without major delays.

- *Group 2 (13 to 24 months from selection as a pilot country to endorsement of the investment plan)*

21. Three countries, Brazil, Lao PDR and Mexico, developed their investment plan within 24 months of being selected as a FIP pilot.

22. Brazil and Mexico were selected as FIP pilot countries in June 2010, and Lao PDR in March 2010. While Brazil and Lao PDR used a preparatory grant for the development of their investment plans, Mexico did not any funding to prepare its plan.

23. Brazil is a country which has invested substantial national resources in advancing its commitment to reduce deforestation and forest degradation at the national, state and local levels. Brazil's policy, legal and regulatory framework as well as its institutional capacities further highlight Brazil's leadership role in REDD+. The Government of Brazil made a strategic decision to focus the FIP investments on the *Cerrado* biome, which has experienced high deforestation and forest degradation rates due to conflicting land uses. FIP investments will support Brazil's effort in the *Cerrado* to address those threats. As with DRC, an early focus on the area for investments appears to have greatly facilitated the development of the investment plan.

24. Lao PDR was benefitted from the FCPF process by building on its readiness process as well as other activities implemented by the World Wildlife Fund and the Ecosystem Restoration Associates. The process of developing the investment plan did address challenges associated with Lao PDRs institutional capacity and policy, legal and regulatory framework (for more detail, see paragraph 60).

25. The FIP investment plan preparation process in Mexico benefitted from ongoing REDD+ readiness activities. The Government built on stakeholder consultations supported through the FCPF and the resulting Readiness Preparation Proposal (R-PP). The national dialogue platform for multi-stakeholder groups established through the readiness process also helped in the consultations on the draft FIP investment plan.

- *Group 3 (more than 24 months from the time of selection as a pilot country to endorsement of the investment plan)*

26. Four countries, Burkina Faso, Ghana, Indonesia and Peru, took more than two years to develop their investment plans.

27. All four countries were selected as FIP pilots in March 2010, and have used FIP preparatory grant resources to develop their investment plans. Peru is still finalizing its programming process and intends to submit its investment plan for review and endorsement at the November 2013 meeting of the FIP Sub-Committee.

28. In June 2011, the FIP Sub-Committee provisionally endorsed the investment plan for Burkina Faso and requested additional technical information on Burkina Faso's REDD+ readiness to further inform the investment plan and proposed FIP investments. Subsequently, the Government of Burkina Faso decided to launch the preparation of a Readiness Preparation

Proposal (R-PP) equivalent, which was submitted in June 2012 to the 12th Participants Committee of the FCPF for consultation and advice. The Participants Committee invited Burkina Faso to implement the R-PP. In parallel, a revised FIP investment plan was prepared. The revised plan integrates the main conclusions of the R-PP process. In particular, the readiness management arrangement for REDD+ and the organizational arrangements for implementing REDD was elaborated during the R-PP process, and will serve also for the preparation and implementation of the FIP investments. Furthermore, through the R-PP process, Burkina Faso was able to determine the main drivers of deforestation and target FIP investments accordingly. The revised investment plan for Burkina Faso was endorsed by the Sub-Committee in November 2012.

29. Ghana's FIP programming process involved several consultations on the scope of the future FIP investments, including the identification of the geographic areas to be addressed. The mapping of synergies between FCPF and FIP contributed to the advancement of both process, FCPF and FIP, especially in the area of safeguards to ensure social and environmental integrity as well as work on benefit sharing and the development of REDD+ strategy options. The Government of Ghana incorporated the findings of the analytical work conducted in the context of the FCPF Strategic Environmental and Social Assessment (SESA) in its FIP investment plan. FIP investments will address the two principle drivers of deforestation listed in the R-PP. The investment plan was endorsed by the Sub-Committee in November 2012.

30. The development of Indonesia's investment plan was closely linked to the FCPF readiness process, and the work of the REDD+ Task Force. Due to this close link and the associated challenges (e.g. with the REDD+ institutional and legal framework for the future implementation of REDD+ in Indonesia), and the expressed need for additional consultations on the draft investment plan, its endorsement by the Sub-Committee was postponed from March to November 2012.

31. Peru's investment plan is still forthcoming. The development of the investment plan has proven to be complex due to a combination of factors. Elections were held in 2011, and the new government needed to review and endorse the prior work of the FIP programming process. Subsequently, an inter-ministerial committee, composed of representatives from the Ministry of Environment (MINAM), Ministry of Agriculture (MINAG), Ministry of Economy and Finance (MEF), and the "Consejo Interregional Amazónico" (CIAM), was formed to take decisions on, and guarantee, a close coordination, of the FIP process in Peru.

32. Other challenges for Peru include unsolved land tenure and ownership issues, high pressure on forests from poverty driven small-scale agriculture and from commodities and mining. In addition, Peru experienced a number of changes in its policy, legal and institutional framework. Linked to the changes in government, the forest legislation was subject to change which had a major influence on the approach for FIP.



33. A recently conducted joint mission to Peru<sup>1</sup> resulted in a work plan with agreed action steps to ensure the timely delivery of the investment plan to the Sub-Committee for its consideration at its next meeting in November 2013. This includes the need for a participatory dialogue with civil society, including indigenous peoples groups, on the draft FIP investment plan and proposed investments.

#### *Progress on FIP Results Measurements*

34. At its meeting in November 2012, the Sub-Committee agreed that an overview of the current approaches to measuring results in endorsed investment plans would be a good starting point to improving on, and ultimately simplifying, the FIP results framework. The Sub-Committee also agreed to use the pilot countries meetings as a useful forum to explore identifying a few core outcome indicators that could be measured by all countries to allow reporting of progress at the level of the FIP.

35. The paper “*Approaches to Measuring and Reporting Results in endorsed FIP Investment Plans*” has been shared with the FIP Sub-Committee as a working document (FIP/SC.10/4).

36. The main findings are summarized below:

- a) The synthesis suggests that there is no comprehensive, consistent, and uniform approach to monitoring and reporting results across the seven pilot countries that have endorsed investment plans. The approach varies considerably from country to country.
- b) When compared to the current FIP results framework<sup>2</sup>, limited information has been provided in the investment plans on the quantitative or qualitative methods or approaches to gather data and report against the identified specific numbers, metrics or indicators in the investment plan results framework. This includes the lack of information on a method and associated data source for developing baselines of forest area change, greenhouse gas-related measurements and other indicators.
- c) Countries have proposed rather specific, and often localized projects and programs to be supported under their investment plans but report that they will use national level data sources that are disaggregated to the sub-national or project level though no specific measurement method is identified for baselines and changes to baselines based on specific national level data, nor how national scale data can be used for specific projects. Several countries have mentioned that will rely on the yet to be developed national REDD+ MRV systems.

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<sup>1</sup>[https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP\\_Peru\\_Joint\\_Mission\\_Aide\\_Memoire\\_\(Spanish\)\\_February\\_2013.pdf](https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/FIP_Peru_Joint_Mission_Aide_Memoire_(Spanish)_February_2013.pdf)

<sup>2</sup> Approved in May 2011.

- d) Generally the FIP pilot countries are consistent in linking expected outcomes and measures to their theory of change presented in the investment plans.
- e) Each country has a country-specific objective for using FIP resources, ranging from a very narrow set of activities with limited reporting indicators (e.g. urban fuelwood consumption in peri-urban forests), to broad sector transformations such as sustainable land management, agricultural land rehabilitation, and low carbon agriculture in woodland ecosystems. Even while most countries note in their investment plans their intention to use the structure of the current FIP results framework, the diversity of investment objectives necessarily broadens the framework of monitoring and reporting and limits possibilities for identifying a few core indicators and measurements to be used by all pilot countries.
- f) However, there is potential to provide some structure to this diversity. Some cohesion and commonality to FIP monitoring and reporting across all countries can be developed to build core indicators around the elements of REDD+: deforestation, forest degradation, sustainable management of forests and enhancement of forest carbon stocks. Hence the emphasis for FIP results monitoring and reporting would be on developing baselines and data collection at the project/program level as they relate to the elements of REDD+.

37. Over the next few months, the CIF Administrative Unit, in collaboration with the MDBs will consult with the eight FIP pilot countries to further discuss the results from the analysis of the current approaches and findings. The objective of these discussions is to agree on whether on that basis, the FIP results framework may be simplified with a few indicators related to each of the elements of REDD+.

### **III. PROGRESS ON PROJECTS AND PROGRAMS**

38. The FIP pipeline is comprised of the twenty projects and programs included as project concepts in the seven FIP investment plans endorsed to date (annex 2).

39. During the reporting period three projects were scheduled for approval by the Sub-Committee of which two were actually submitted. By the end of the reporting period (March 15, 2013), one project was approved and the second project was scheduled for approval in April 2013. Based on the most recent pipeline update, it is expected that during the upcoming reporting period<sup>3</sup> thirteen (13) projects and programs will be submitted to the FIP Sub-Committee for review and FIP funding approval. Seven projects and programs are expected to be approved by the MDBs.

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<sup>3</sup> March 16 – October 15, 2013

## **Progress on the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM)**

40. On November 2, 2012, a Transitional Committee comprised of representatives from indigenous peoples groups and local communities met in Istanbul, Turkey, to set a common framework and agree on operational guidelines allowing the DGM activities in the eight FIP pilot countries to move forward. The proposed Framework Operational Guidelines for the DGM was discussed with a view to contributing to the revision of the document. A revised draft has been prepared, translated into three languages (French, Spanish and Portuguese) and circulated to the members of the Transitional Committee. Members have circulated the draft among regional and national networks of indigenous peoples groups and local communities which are currently providing their comments to the World Bank. These comments will be consolidated and integrated into a final version to be approved by Co-Chairs of the Transitional Committee. The operational guidelines will be a key part of the project document to be submitted for FIP funding approval by the FIP Sub-Committee.

41. Simultaneously, the World Bank is advancing with the DGM country program in Brazil. It is expected that this program will be presented for FIP funding approval along with the funding approval request for the global component of the DGM. A sub-national meeting of indigenous and traditional communities' representatives in the *Cerrado* was organized, and two more are expected to take place in the coming months to discuss the specifics of the program and reach agreement on the composition of the national steering committee. The Ministry of Indigenous Affairs (FUNAI) is closely involved in this process. The meeting summary will be posted on the FIP website ([https://www.climateinvestmentfunds.org/cif/Dedicated\\_Grant\\_Mechanism](https://www.climateinvestmentfunds.org/cif/Dedicated_Grant_Mechanism)).

42. Similar meetings were also organized in Burkina Faso where members of civil society and community organizations discussed the next steps for the country program.

43. The decision on which MDB will implement the DGM in Mexico and Peru is still being discussed. The CIF Administrative Unit has reached out to Mexico and Peru with the request to conclude the deliberations on the implementing MDB to advance the DGM process in the countries. It is anticipated that by April 2013, decisions on the implementing MDB for Mexico and Peru will have been made.

## **Update on the FIP Private Sector Set-Aside**

44. The procedures for allocating FIP resources on a competitive basis from a set-aside to enhance private sector engagement in the FIP were approved in November 2012. In accordance with the agreed procedures, several actions have been undertaken to initiate the first round of proposals under the set-aside.

45. MDBs have agreed on a timeline and "common format" for the submission of project and program concepts. A dedicated webpage

(<https://www.climateinvestmentfunds.org/cif/content/fip-private-sector-set-aside>) provides relevant information to the wider public on the set-aside, including:

- a) agreed procedures;
- b) timeline and common format;
- c) country investment plans;
- d) MDB and country focal points contacts; and
- e) submitted concept notes.

46. The CIF Administrative Unit has started accepting proposals in April 2013 and will continue to do so until August 8, 2013. MDBs are working with proponents to develop concepts in accordance with the agreed criteria set forth in the procedures. All received proposals will be posted on the website.

47. Consistent with the approved procedures, the CIF Administrative Unit has requested FIP contributor and pilot countries to nominate experts as candidates to serve on a group of 4 experts that will be responsible for reviewing the submitted concepts in accordance with the agreed criteria and preparing a list of priority concepts recommended for FIP funding. As of April 2, no experts were nominated from the group of contributor countries and four experts were nominated from the group of pilot countries.

48. Once a sufficient number of potential experts have been received, the CIF Administrative Unit will call for an MDB meeting to review the nominations and propose two experts from among those proposed by the pilot countries and two experts from among those proposed by the FIP contributor countries to be invited to participate in the review group. The list of the four proposed experts will be submitted to the Sub-Committee for approval by mail no later than May 31, 2013. It is planned that the review group will meet in September 2013 to review all submitted concept notes.

#### **IV. ANALYSIS OF PORTFOLIO TRENDS**

49. The following is an analysis of portfolio trends based on the twenty projects and programs in the FIP pipeline.

##### **Elements of REDD+**

50. The main purpose of the FIP is to support developing countries' REDD+ efforts. Based on the information provided in the investment plans, the seven pilot countries each address several elements of REDD+ (deforestation, forest degradation, sustainable management of forests and the enhancement of forest carbon stocks). Table 1 below provides information on which elements of the REDD+ agenda are addressed through FIP investments by country.

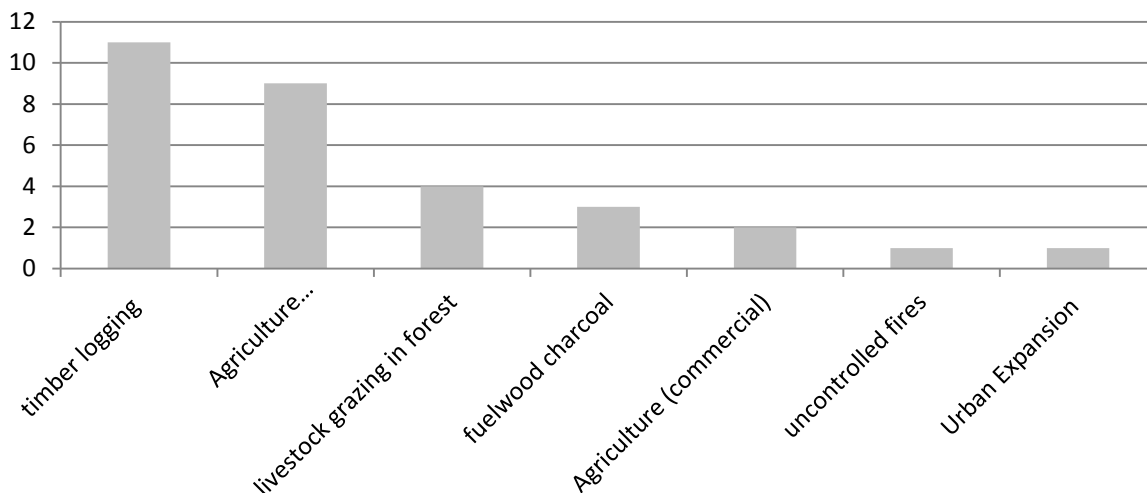
Table 1: FIP Investment Plans - Areas of Investments and Elements of REDD+

Country	Thematic Scope of Investments	Elements of REDD+ Addressed
<b>Brazil</b>	<ul style="list-style-type: none"> <li>• sustainable agriculture</li> <li>• forest information systems</li> <li>• forest conservation</li> <li>• forest fire prevention</li> </ul>	Deforestation
<b>Burkina Faso</b>	<ul style="list-style-type: none"> <li>• sustainable forest management</li> <li>• fire management</li> <li>• community forestry</li> <li>• non-timber forest products</li> </ul>	Sustainable forest management; deforestation; degradation
<b>DRC</b>	<ul style="list-style-type: none"> <li>• community forest management</li> <li>• sustainable cook stoves</li> <li>• fuelwood management</li> </ul>	Sustainable forest management; degradation
<b>Ghana</b>	<ul style="list-style-type: none"> <li>• forest communities</li> <li>• sustainable forest management</li> <li>• agroforestry (sustainable cocoa)</li> </ul>	Deforestation; degradation; sustainable forest management
<b>Indonesia</b>	<ul style="list-style-type: none"> <li>• forest governance</li> <li>• land tenure and indigenous rights law enforcement</li> <li>• sustainable forest management</li> </ul>	Deforestation; degradation; sustainable forest management
<b>Lao PDR</b>	<ul style="list-style-type: none"> <li>• sustainable forest management</li> <li>• community forestry</li> <li>• land tenure and rights of ethnic minorities</li> <li>• reforestation</li> </ul>	Deforestation; degradation; sustainable forest management and enhancement of forest carbon stocks
<b>Mexico</b>	<ul style="list-style-type: none"> <li>• community forestry</li> <li>• sustainable agriculture</li> <li>• rural development</li> <li>• sustainable forest management</li> <li>• silvo-pastoral systems</li> </ul>	Deforestation; Sustainable forest management; enhancement of forest carbon stocks

### Drivers of Deforestation

51. The 20 projects and programs in the pipeline address seven different drivers of deforestation. The majority of the investments focus on addressing timber logging and subsistence agriculture (Figure 2). Most project activities will aim at reducing deforestation by providing for both, (a) sustainable livelihoods in agriculture and forest sectors; and (b) forest conservation by providing incentives to land users to adopt more sustainable land use practices.

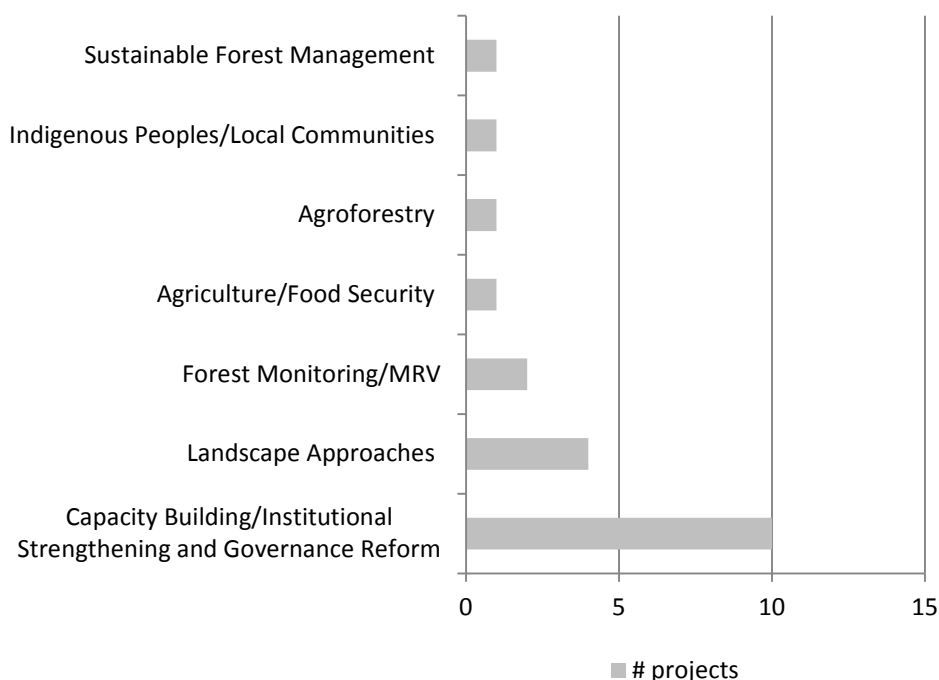
Figure 1: Addressing Drivers of Deforestation in FIP Pilot Countries



### Thematic Scope and Sectors

52. Ten projects have proposed interventions focusing on capacity building, institutional strengthening and governance reform in the forest sector, indicating it as a high priority for FIP pilot countries (figure 3). This is consistent with the international debate on the most important challenges and barriers to REDD+: need for tenure reforms and participatory governance models for indigenous peoples and local communities.

Figure 2: FIP Portfolio by Thematic Scope and Sector



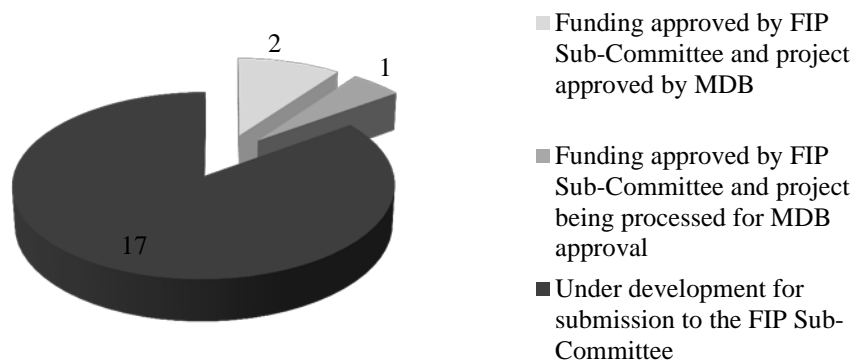
## V. TRACKING PROJECT DELIVERY

53. As of March 15, 2013, FIP funding for three projects has been approved by the Sub-Committee totaling USD 60 million in FIP resources (USD 32.16 million in grant resources and USD 27.84 million in near-zero interest credits). These resources are expected to leverage a total of USD 706 million in co-financing (ratio 1:11.8).

54. Of the 20 projects and programs in the FIP portfolio:

- a) three were approved by the FIP Sub-Committee, of which two were also approved by the respective MDB; and
- b) seventeen projects are under preparation for submission to the FIP Sub-Committee (Figure 1).

Figure 3: FIP Project Approval Status as of March 15, 2013



### Pipeline Management - Traffic Lights

55. For the seventeen projects and programs in the FIP pipeline for which funding is not yet approved by the Sub-Committee approval, fourteen are expected to be approved within the milestones agreed for approval while the following three projects are expected to exceed the milestone:

- a) DRC - Addressing Deforestation and Degradation in the Mbuji Mayi/Kananga/Kisangani Supply Area (AfDB);
- b) DRC Forest Investment Program (IBRD); and
- c) Lao PDR - Protecting Forests for Sustainable Ecosystem Services (ADB).

56. Reasons for the delay in delivering the two projects for **DRC** have been attributed to challenges associated with the decision to merge the proposed operations into only two projects to be implemented by the AfDB and the World Bank. Despite the delays, merging the projects is expected to be a more cost-effective way of achieving the objectives of the FIP investment plan, reducing preparation and implementation costs through economies of scale and bringing more flexibility in execution, while conserving the same scope of activities.

57. The *Information Note on recent changes to DRC's FIP Investment Plan*<sup>4</sup>, shared with the Sub-Committee on February 12, 2013, describes in detail the changes made to the investment plan for DRC together with a detailed explanation of the rationale behind them. More specifically, for the “DRC - Addressing Deforestation and Degradation in the Mbuji Mayi/Kananga/Kisangani Supply Area (AfDB)” project, some logistical difficulties associated with the work in DRC provinces have also contributed to small delays in project preparation. Submission to the Sub-Committee for FIP funding approval for the project is expected by June 2013.

58. There has been progress on the analytical work related to barriers for private sector investment, which is part of the project being supported by IBRD. Two sectors have been identified for the private sector to engage: agroforestry and improved cook-stove production and marketing. For the agroforestry sector, a detailed study on the business model (profitability and existing technical solutions) was concluded in December 2012 with a workshop on the key findings. Access to finance had also been identified as a major barrier for investment in agroforestry. Two studies are being launched on the fuel wood and improved cook-stove sectors: (a) a market analysis will help understanding the willingness to pay and the possible disconnect between consumers and producers; and (b) a study on access to finance/risk assessment will identify how to remove existing barriers for private sector engagement.

59. For **Lao PDR**, ADB provided two reasons for the delay:

- a) reorganization of the government with regard to forest management; and
- b) recruitment of consulting firm.

60. The Government of Laos has reorganized forest management functions in 2012. Originally, all FIP projects were expected to be handled by the Department of Forestry of the Ministry of Agriculture and Forestry. With the reorganization, a new department responsible for forest resources was created in the Ministry of Natural Resources and Environment (MONRE). The Department of Forest Resources Management under MONRE has been assigned responsibility for the ADB FIP project “Protecting Forests for Sustainable Ecosystem Services” and the associated Biodiversity Conservation Corridors (BCC) project. The reorganization has led to delays in project formulation.

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<sup>4</sup>[https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/For\\_Information\\_Changes\\_in\\_DRC\\_%20Investment\\_Plan\\_document.pdf](https://www.climateinvestmentfunds.org/cif/sites/climateinvestmentfunds.org/files/For_Information_Changes_in_DRC_%20Investment_Plan_document.pdf)



61. The above institutional reorganization had bearing on mobilization of consultants for the BCC Project. Since the FIP design team has to work closely with the associated BCC project consultants, their recruitment was delayed as well. This has also contributed to delays in submitting the project for FIP funding approval. A FIP advisor and a team of consultants to prepare the FIP project were mobilized in February 2013. An inception workshop took place on March 15, 2013.

### **FY 13 Funding requests – Projections and Actuals**

62. Table 2 presents the FIP funding requests for FY 13 as initially projected in the May 4, 2012 *FIP Semi-Annual Report*, and the revised projections as of March 2013 as well as the actual delivery to date and expected requests for the remainder of FY13. Between the initial projections in May, 2012 and revised targets in March 2013, there is considerable slippage of projects (68%) which were scheduled for FIP funding approval in FY 13 and are now scheduled for approval in FY 14. Despite the slippage the projects in question have kept a “green” light for FIP funding within the agreed benchmark.

Table 2: FY 13 – FIP Funding Requests and Actuals

	<b>Initial Target for FY13 (May, 2012)</b>	<b>Revised Target for FY13 (March, 2013)</b>	<b>Actual Approvals FY13</b>	<b>Expected for Remainder FY13</b>
Funding USD millions	170.8	59.56 <sup>5</sup>	22.2	37.36
%	100	35	13	22

### **Outlook for FY 14 and FY 15**

63. Taking into account the slippage in FY 13, for FY 14, 13 projects and programs are now expected to be submitted for FIP funding approval. These projects will request USD 248.14 million of which USD 176.16 will be grant funding and USD 71.98 million in near-zero interest credits. One project is scheduled for FIP funding approval in FY 15. Annex 2 presents the schedule for FIP funding approval of projects and programs for FY 14.

64. Annex 3 provides information on the use of FIP resources as of March 2013.

<sup>5</sup> Some projects were originally scheduled for FIP funding approval in FY 13 but have been rescheduled for approval in FY 14. Despite this shift, the projects may keep a “green” light for timely delivery to the Sub-Committee for funding approval as they are scheduled to be approved within the agreed benchmark.

**Annex 1: FIP Portfolio by Country** (as of March 15, 2013)

**FIP Investment Plan: Brazil**

<b>Endorsement date:</b>	May 4, 2012
<b>Involved MDBs:</b>	IBRD, IFC and IDB
<b>Number of Projects:</b>	4
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 70 million
• Approved to date	USD 0.3 million
• Approval rate (FIP funding)	0.4%
<b>Expected Co-financing:</b>	USD 49 million

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
<= 18 mos.	> 18 mos. but <= 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
<= 6 mos.	> 6 mos. but <= 9 mos.	> 9 mos.

<b><u>Projects</u></b>	Environmental Regularization of Rural Lands(based upon the CAR)	Sustainable Production in Areas Converted to Agricultural Use(based upon the ABC plan)	Implementation of Early Warning System for Preventing Forest Fires and a System for monitoring the Vegetation Cover	Forest Information to Support Public and private Sectors in managing Initiatives Focused on Conservation and Valorization of Forest Resources
<b>Project Data</b>				
<b>Funding</b>				
• Grant	1.00	10.72	9.25	16.55
• Credit	32.48	-	-	-
<b>Co-Financing</b>				
• Government	-	-	-	-
• Private Sector	-	-	-	-
• MDB	-	-	-	-
• Others	17.50	25.00	6.50	-
<b>Implementing Agency</b>	IBRD	IBRD	IBRD	IDB
<b>Investment Type</b>	Public	Public	Public	Public
<b>Milestones/ Traffic Light System</b>				
• SC Approval	Jul-13 (green)	Jul-13 (green)	Jul-13 (green)	Jul-13 (green)
• MDB Approval	Nov-13 (green)	Nov-13 (green)	Nov-13 (green)	Oct-13 (green)
<b>Project Status/ Remarks</b>				

## FIP Investment Plan: Burkina Faso

<b>Endorsement date:</b>	November 5, 2012
<b>Involved MDBs:</b>	AfDB and IBRD
<b>Number of Projects:</b>	2
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 30 million
• Approved to date	USD 2 million
• Approval rate (FIP funding)	6.7%
<b>Expected Co-financing:</b>	USD 31.35 million

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
<= 18 mos.	> 18 mos. but <= 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
<= 6 mos.	> 6 mos. but <= 9 mos.	> 9 mos.

<u>Projects</u>	Participatory Management of State Forests(PGPFDF)	Decentralized Forest and Woodland Management(PGDFF)
<b>Project Data</b>		
<b>Funding</b>		
• Grant	12.00	18.00
• Credit	-	-
<b>Co-Financing</b>		
• Government	-	-
• Private Sector	-	-
• MDB	3.35	-
• Others	20.00	8.00
<b>Implementing Agency</b>	AFDB	IBRD
<b>Investment Type</b>	Public	Public
<b>Milestones/ Traffic Light System</b>		
• SC Approval	Jul-13 (green)	Jul-13 (green)
• MDB Approval	Oct-13 (green)	Jan-14 (green)
<b>Project Status/ Remarks</b>		

## FIP Investment Plan: Democratic Republic of Congo

<b>Endorsement date:</b>	June 30, 2011
<b>Involved MDBs:</b>	AfDB, IBRD and IFC
<b>Number of Projects:</b>	2
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 60 million
• Approved to date	USD 1.6 million
• Approval rate (FIP funding)	2.7%
<b>Expected Co-financing:</b>	TBD

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
<= 18 mos.	> 18 mos. but <= 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
<= 6 mos.	> 6 mos. but <= 9 mos.	> 9 mos.

<b><u>Projects</u></b>	Addressing Deforestation and Degradation in the Mbuji Mayi/Kananga/Kisangani Supply Area	DRC Forest Investment Program
<b>Project Data</b>		
<b>Funding</b>		
• Grant	22.30	37.70
• Credit	-	-
<b>Co-Financing</b>		
• Government	-	-
• Private Sector	-	-
• MDB	-	-
• Others	-	-
<b>Implementing Agency</b>	AfDB	IBRD
<b>Investment Type</b>	Public	Public
<b>Milestones/ Traffic Light System</b>		
• SC Approval	June-13 (yellow)	Jul-13 (red)
• MDB Approval	Jun-13 (green)	Dec-13 (green)
<b>Project Status/ Remarks</b>	SC submission confirmed for June 2013.	Preparation delayed. PPG agreement to be signed. Consultants yet to be hired by Government for preparation work.

## FIP Investment Plan: Ghana

<b>Endorsement date:</b>	November 5, 2012
<b>Involved MDBs:</b>	AfDB, IBRD and IFC
<b>Number of Projects:</b>	3
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 50 million
• Approved to date	USD 1 million
• Approval rate (FIP funding)	2%
<b>Expected Co-financing:</b>	USD 31 million

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
<= 18 mos.	> 18 mos. but <= 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
<= 6 mos.	> 6 mos. but <= 9 mos.	> 9 mos.

<u>Projects</u>	Engaging Local Communities in REDD+/Enhancing Carbon Stocks	Reducing Pressure on Natural Forests Through an Integrated Landscape Approach	Engaging the Private Sector in REDD+
<b>Project Data</b>			
<b>Funding</b>			
• Grant	10.00	30.00	3.00
• Credit	-	-	7.00
<b>Co-Financing</b>			
• Government	-	-	-
• Private Sector	-	-	16.00
• MDB	-	-	10.00
• Others	5.00	-	-
<b>Implementing Agency</b>	AFDB	IBRD	IFC
<b>Investment Type</b>	Public	Public	Private
<b>Milestones/ Traffic Light System</b>			
• SC Approval	Jul-13 (green)	Sep-13 (green)	Nov-13 (green)
• MDB Approval	Oct-13 (green)	Jan-14 (green)	May-14 (green)
<b>Project Status/ Remarks</b>	Under preparation.		IFC team is identifying firm/consultants for carrying out scoping studies, market research and GHG abatement assessment.

## FIP Investment Plan: Indonesia

<b>Endorsement date:</b>	November 5, 2012
<b>Involved MDBs:</b>	ADB, IBRD and IFC
<b>Number of Projects:</b>	3
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 70 million
• Approved to date	USD 1.3 million
• Approval rate (FIP funding)	1.9%
<b>Expected Co-financing:</b>	USD 105 million

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
<= 18 mos.	> 18 mos. but <= 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
<= 6 mos.	> 6 mos. but <= 9 mos.	> 9 mos.

<u>Projects</u>	Promoting Sustainable Community-Based Natural Resource Management and Institutional Development	Strengthening Forest Enterprises to Mitigate Carbon Emissions	Community-Focused Investments to Address Deforestation and Forest Degradation (CFI-ADD+)
<b>Project Data</b>			
<b>Funding</b>			
• Grant	17.50	2.50	17.50
• Credit	-	32.50	-
<b>Co-Financing</b>			
• Government	-	-	-
• Private Sector	-	50.00	-
• MDB	-	49.00	2.00
• Others	-	-	4.00
<b>Implementing Agency</b>	IBRD	IFC	ADB
<b>Investment Type</b>	Public	Private	Public
<b>Milestones/ Traffic Light System</b>			
• SC Approval	Sep-13 (green)	Nov-13 (green)	Mar-14 (green)
• MDB Approval	Jan-14 (green)	May-14 (green)	Jul-14 (green)
<b>Project Status/ Remarks</b>		Preparatory work currently being developed. IFC team is assessing the full business potential, risks, and opportunities associated with the Program through discussions with potential clients and other stakeholders.	Concept paper for preparing the grant project is expected to be approved by ADB in April 2013.

## FIP Investment Plan: Lao PDR

<b>Endorsement date:</b>	November 21, 2011
<b>Involved MDBs:</b>	ADB, IBRD and IFC
<b>Number of Projects:</b>	3
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 30 million
• Approved to date	USD 1.3 million
• Approval rate (FIP funding)	4.3%
<b>Expected Co-financing:</b>	USD 70.94 million

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
≤ 18 mos.	> 18 mos. but ≤ 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
≤ 6 mos.	> 6 mos. but ≤ 9 mos.	> 9 mos.

<b>Projects</b>	Scaling-Up Participatory Sustainable forest Management(PSFM)	Smallholder Forestry Project	Protecting Forests for Sustainable Ecosystem Services
<b>Funding</b>			
• Grant	13.33	3.33	13.34
• Credit	-	-	-
<b>Co-Financing</b>			
• Government	7.33	-	2.06
• Private Sector	-	-	-
• MDB	18.50	-	26.30
• Others	14.50	-	2.25
<b>Implementing Agency</b>	IBRD	IFC	ADB
<b>Investment Type</b>	Public	Private	Public
<b>Milestones/ Traffic Light System</b>			
• SC Approval	Mar-13 (green)	May-13 (green)	Sep-13 (yellow)
• MDB Approval	May-13 (green)	Jul-13 (green)	Nov-13 (green)
<b>Project Status/ Remarks</b>	Submitted in 08Mar2013 with 22 Mar 2013 SC approval date	Initial due diligence under way with potential client. IFC team is assessing the full business potential, risks, and opportunities associated with the Program through discussions with potential clients and other stakeholders.	There are two reasons for delay: (i) Reorganization of the government with regard to forest management, (ii) Recruitment of consulting firm: (i) Reorganization: The Government of Laos has reorganized forest management functions in 2012. Originally all FIP projects were expected to be handled by the

		<p>Department of Forestry of the Ministry of Agriculture and Forestry. With reorganization, a new department on forest resources was created in the Ministry of Natural Resources and Environment (MONRE). The Department of Forest Resources Management under MONRE has been assigned responsibility for the ADB FIP Project and the associated Biodiversity Conservation Corridors Project. Such reorganization has led to additional delays in project formulation. The Department of Forest Resources Management is divided into 6 divisions and 3 units and is responsible for both conservation and protection forest areas. Since FIP interventions will support both conservation and protection forests, the FIP design team will work with all relevant divisions of the department. This in itself is challenging and is likely to delay the process further. The Project Director, staff and consultants implementing the BCC Project have been briefed on the proposed additional financing under FIP.</p> <p>(ii) Delays in recruitment of consulting firm also contributed to delays in implementation. A FIP advisor and a team of consultants to prepare the FIP component were mobilized in February 2013 and will hold an inception workshop in March 2013.</p>
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## FIP Investment Plan: Mexico

<b>Endorsement date:</b>	October 31, 2011
<b>Involved MDBs:</b>	IDB and IBRD
<b>Number of Projects:</b>	3
<b>FIP Funding:</b>	
• Endorsed indicative allocation	USD 60 million
• Approved to date	USD 60 million
• Approval rate (FIP funding)	100%
<b>Expected Co-financing:</b>	USD 706 million

<b>Key: Milestone Threshold /Traffic Light System</b>		
green	yellow	red
<b>IP Endorsement to SC Approval</b>		
<= 18 mos.	> 18 mos. but <= 24 mos.	> 24 mos.
<b>SC Approval to MDB Approval</b>		
<= 6 mos.	> 6 mos. but <= 9 mos.	> 9 mos.

<u>Projects</u>	Mexico Forests and Climate Change Project	Financing Low Carbon Strategies in Forest Landscapes.	Support for Forest Related Micro, Small, and Medium-sized Enterprises (MSMEs) in Ejido
<b>Project Data</b>			
<b>Funding</b>			
• Grant	25.66	5.00	1.50
• Credit	16.34	10.00	1.50
<b>Co-Financing</b>			
• Government	333.00	-	-
• Private Sector	-	-	-
• MDB	350.00	20.00	3.00
• Others	-	-	-
<b>Implementing Agency</b>	IBRD	IDB	IDB
<b>Investment Type</b>	Public	Public	Private
<b>Milestones/ Traffic Light System</b>			
• SC Approval	Nov-11 (green)	Sep-12 (green)	Mar-13 (yellow)
• MDB Approval	Jan-12 (green)	Nov-12 (green)	Apr-13 (green)
<b>Project Status/ Remarks</b>	Project has reached effectiveness and is already disbursing.	Project has reached effectiveness and awaits disbursement.	Project is in preparation for MDB approval.

## Annex 2: Projected Schedule of Submissions for Approval of FIP Funding for FY 14

Country	Project Title	MDB	Public/ Private	Sectoral Focus	Grant	Credit	SC Approval Date	MDB Board Approval	
<b>Remainder of FY 13</b>									
<b>March 2013</b>									
1	Lao PDR	Scaling-Up Participatory Sustainable forest Management (PSFM)	IBRD	Public	Sustainable Forest Management	12.83	-	Mar-13	May-13
<b>May 2013</b>									
2	Lao PDR	Smallholder Forestry Project	IFC	Private	Agroforestry	3.03	-	May-13	Jul-13
<b>June 2013</b>									
3	DRC	Addressing Deforestation and Degradation in the Mbuji Mayi/Kananga/Kisangani Supply Area	AFDB	Public	Capacity Building/ Institutional Strengthening and Governance Reform	21.50	-	Jun-13	Oct-13
<b>FY 14</b>									
<b>July 2013</b>									
4	Burkina Faso	Participatory Management of State Forests (PGPFD)	AFDB	Public	Capacity Building/ Institutional Strengthening and Governance Reform	11.50	-	Jul-13	Oct-13
5	Ghana	Engaging Local Communities in REDD+/ Enhancing Carbon Stocks	AFDB	Public	Landscape Approaches	9.75	-	Jul-13	Oct-13
6	Brazil	Environmental Regularization of Rural Lands (based upon the CAR)	IBRD	Public	Capacity Building/ Institutional Strengthening and Governance Reform	1.00	32.48	Jul-13	Nov-13
7	Brazil	Sustainable Production in Areas Converted to Agricultural Use (based upon the ABC plan)	IBRD	Public	Agriculture/ Food Security	10.62	-	Jul-13	Nov-13
8	Brazil	Implementation of Early Warning System for Preventing Forest Fires and a System for monitoring the Vegetation Cover	IBRD	Public	Forest Monitoring/ MRV	9.15	-	Jul-13	Nov-13
9	Burkina Faso	Decentralized Forest and Woodland Management (PGDDF)	IBRD	Public	Capacity Building/ Institutional Strengthening and Governance Reform	16.50	-	Jul-13	Jan-14

10	DRC	DRC Forest Investment Program	IBRD	Public	Capacity Building/ Institutional Strengthening and Governance Reform	36.90	-	Jul-13	Dec-13
11	Brazil	Forest Information to Support Public and private Sectors in managing Initiatives Focused on Conservation and Valorization of Forest Resources	IDB	Public	Forest Monitoring/ MRV	16.45	-	Jul-13	Oct-13
<b>September 2013</b>									
12	Lao PDR	Protecting Forests for Sustainable Ecosystem Services	ADB	Public	Landscape Approaches	12.84	-	Sep-13	Nov-13
13	Ghana	Reducing Pressure on Natural Forests Through an Integrated Landscape Approach	IBRD	Public	Landscape Approaches	29.50	-	Sep-13	Jan-14
14	Indonesia	Promoting Sustainable Community-Based Natural Resource Management and Institutional Development	IBRD	Public	Capacity Building/ Institutional Strengthening and Governance Reform	17.00	-	Sep-13	Jan-14
<b>November 2013</b>									
15	Ghana	Engaging the Private Sector in REDD+	IFC	Private	Capacity Building/ Institutional Strengthening and Governance Reform	2.75	7.00	Nov-13	May-14
16	Indonesia	Strengthening Forest Enterprises to Mitigate Carbon Emissions	IFC	Private	Capacity Building/ Institutional Strengthening and Governance Reform	2.20	32.50	Nov-13	May-14
<b>March 2014</b>									
17	Indonesia	Community-Focused Investments to Address Deforestation and Forest Degradation (CFI-ADD+)	ADB	Public	Capacity Building/ Institutional Strengthening and Governance Reform	17.00	-	Mar-14	Jul-14
		<b>TOTAL</b>				<b>230.52</b>	<b>71.98</b>		
<b>April 2014</b>									
No projects scheduled									
<b>May 2014</b>									
No projects scheduled									
<b>June 2014</b>									
No projects scheduled									

### Annex 3: Status of FIP Resources

Taking into account the decisions of the FIP Sub-Committee, and in particular decisions related to the allocation of resources and the endorsement of FIP investment plans, a summary of the use of FIP funding (as of March 2013) is presented in table 3.

	<b>Grants (USD Million)</b>	<b>Capital Contributions (USD Millions)</b>	<b>Total</b>
<b>Pledges</b> (as of December 30, 2011) <sup>6</sup>	<b>438</b>	<b>172</b>	<b>611</b>
<b>Indicative Funding allocations for Investment Plans (as of March 15, 2013)</b>			
- Endorsed Investment Plans	277.2	92.8	370
- Investment Plans under preparation	26.8	23.2	50
<b>Sub-total</b>	<b>304</b>	<b>116</b>	<b>420</b>
<b>Other</b>			
Investment Plan preparation grants (approved)	2	-	2
Funding for Dedicated Grant Mechanism (requested)	50	-	50
MDB project preparation/supervision (estimate)	30	-	30
FIP Private Sector Set- Aside	0	56	56
<b>Sub-total</b>	<b>82</b>	<b>56</b>	<b>138</b>
<b>Total</b>	<b>386</b>	<b>172</b>	<b>558</b>
<b>Unused funds</b>	<b>52</b>	<b>0</b>	<b>52</b>

From this table, it can be seen that there are currently USD 52 million in FIP pledges that have not yet been used for a particular use in the FIP.

<sup>6</sup> Pledges valued on the basis of exchange rates as of December 31, 2012. On the basis of exchange rates as of September 25, 2008 (the CIF official pledging date), pledges total USD 639 billion (USD 438 million in grants and USD 201 million in capital contributions).