

Forest Investment Program

FIP Sub-Committee Meeting – October 30, 2013

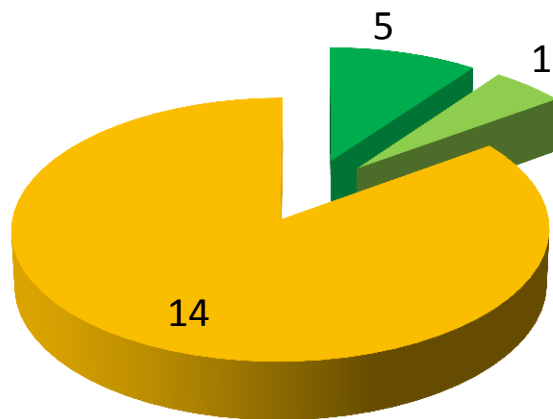
Semi-Annual Report on FIP Operations (FIP/SC.11/3)



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CIF Administrative Unit



State of Program



■ Funding approved by FIP Sub-Committee and project approved by MDB

■ Funding approved by FIP Sub-Committee and project being processed for MDB approval

■ Under development for submission to the FIP Sub-Committee

- ✓ 7 out of 8 investment plans endorsed
- ✓ IP for Peru discussed under agenda item 4
- ✓ solid and active pipeline with 20 projects and programs

FIP Portfolio

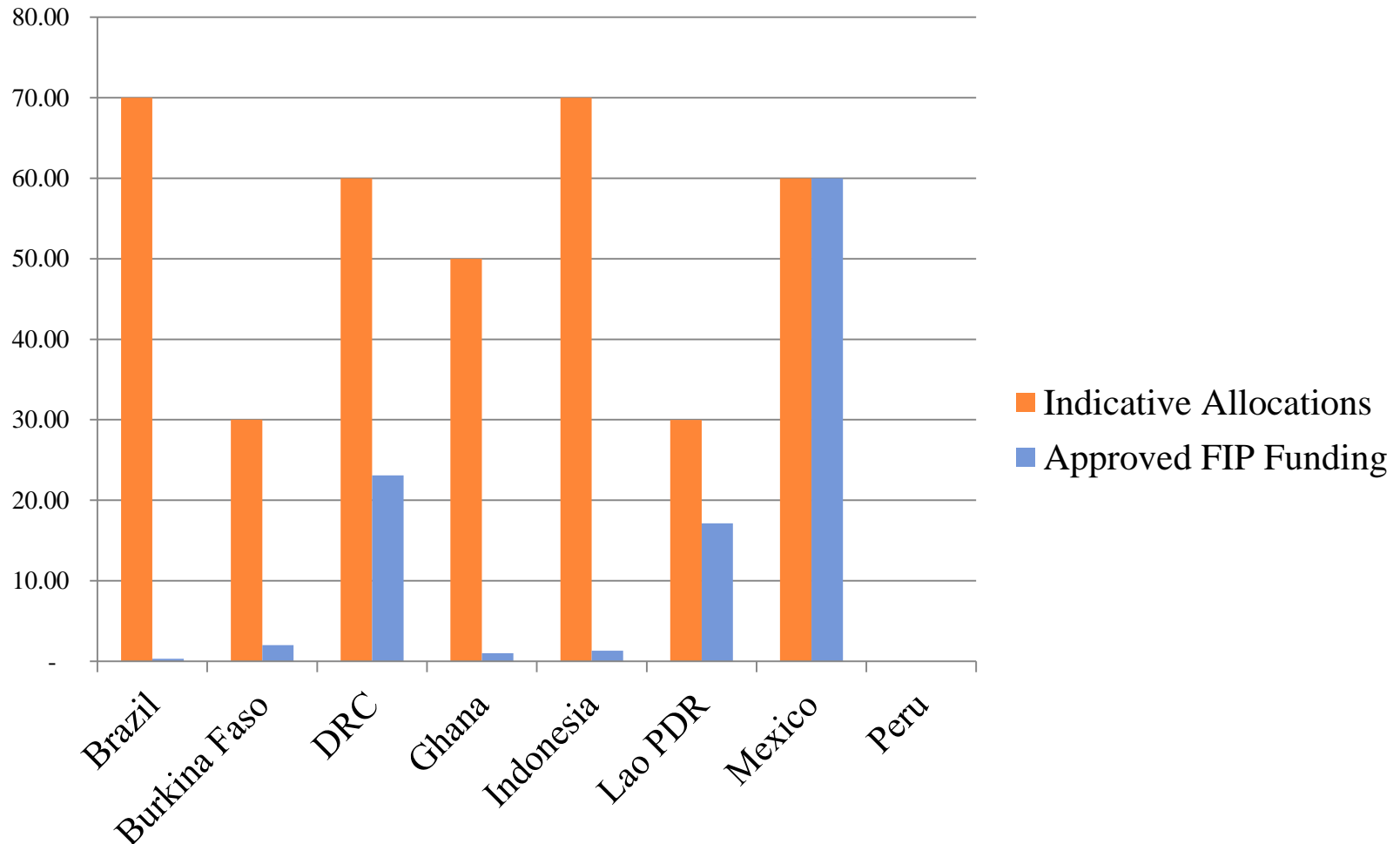
Overview

| | Indicative Allocation in Endorsed IPs (7) | Approved FIP Funding | MDB Approved | Disbursed | Comments |
|---------------------------------|---|----------------------|--------------|-----------|---|
| USD million | 370 | 104.8 | 76.63 | 1.13 | without Peru |
| Number of projects and programs | 20 | 6 | 5 | 1 | 4 projects submitted for FIP funding approval after August 2013 |

(As of August 30, 2013)

Portfolio Trends

Indicative Allocation and FIP Funding Approvals by FIP Pilot (USD Millions)



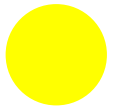
Portfolio Trends

Pipeline Management - Traffic Lights

Milestone: Sub-Committee Approval of FIP Funding



7 projects and programs



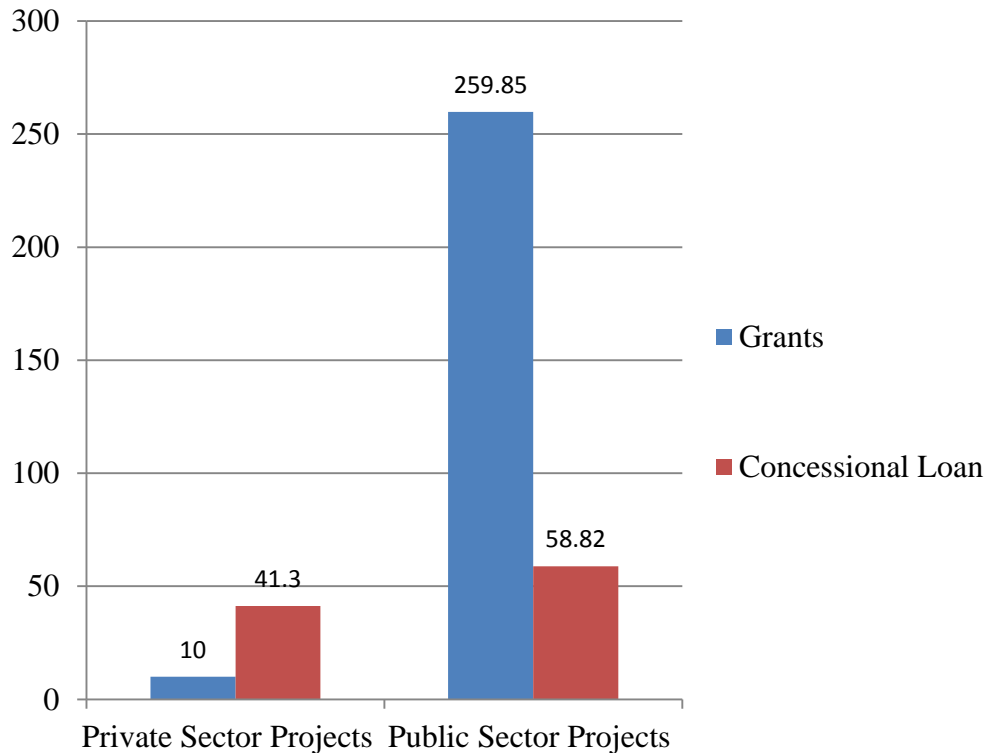
6 projects and programs



1 project

Portfolio Trends

Distribution of FIP Funding to Public and Private Sector Operations



Private sector:

FIP funding

approved: 2

Expected in 2014: 2

Public sector:

FIP funding

approved: 4

Expected in 2014: 12

Emerging Strategic Issues

1. Quality of Project Submissions for FIP Funding Approval

FIP Sub-Committee provided comments on 5 out of 6 projects requesting further clarifications and/or a resubmission.

2. Deliver Rate of Projects for FIP Funding Approval

Delivery rate for projects for FIP funding in FY 13 was 22.3%
(Target: USD 170.8 million – Actual Delivery: USD 38.01 million)

- Project preparation takes more time than anticipated
- FY 14 pipeline more realistic

| | Initial Target (May, 2012) | Revised Target (March, 2013) | Actual Approvals FY13 | Expected for FY14 | Actual Approvals FY14 |
|-------------------------|-------------------------------|---------------------------------|--------------------------|----------------------|-----------------------------|
| Funding USD millions | 170.8 | 59.56 | 38.01 | 265.14 | 21.50 |
| % | 100 | 35 | 22.3 | 100 | 8 |

Progress Updates on Other FIP Activities

Dedicated Grant Mechanism for Indigenous Peoples and Local Communities

- Framework Operational Guidelines for the DGM finalized
- Competitive process for selection the Global Executing Agency initiated in June 2013
- 7 of 8 pilots have selected WB to lead DGM and Mexico is undergoing consultations to determine lead MDB
- Much progress in countries
- Expected submission date for global component and two country components: 12/2013
- Enhance web space for DGM



Progress Updates on Other FIP Activities

FIP Private Sector Set-Aside

- USD 56 million in credits set aside
- Call closed on August 15, 2013
- 11 proposals received: Burkina Faso, Brazil, Ghana, Mexico, regional proposal (Africa)
- Expert Group met September 16-19, 2013
- Recommendations by expert group to be discussed under agenda item 5

Progress Updates on Other FIP Activities

FIP Monitoring and Evaluation Agenda

- Progress on FIP results agenda
- FIP Sub-Committee working group met to propose common areas of measurement and clarifications to existing results framework (August 2013)
- Pilot countries reviewed the proposal and suggested modifications (September 2013)
- Proposal to be discussed under agenda item 6

Progress Updates on Other FIP Activities

FIP Community of Practice

Pilot Countries actively engaged in FIP Community of Practice

Pilot country meeting was held in Yogyakarta, Indonesia (September 2013)

- Proposal for advancing the FIP results agenda
- Deep dive: FIP in Indonesia
- Opportunities for Private Sector Involvement in FIP: Unilever and IFC examples
- Field Visit to Yogyakarta Forest Management Unit

FY14 CIF knowledge product: linking REDD+ readiness and FIP investments

- Study is now under way;
- Draft: December 2014; final report: January 2014

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