



Report of the Expert Group on Ranking of New Pilot Countries

Climate Investment Funds

FIP Sub-Committee

15 May 2015

Prepared and presented on behalf of the Expert Group by Juergen Blaser

Expert Group

9 March – 10 April 2015

Expert Group Meeting: 16-19 March 2015

“The experts should be internationally recognized senior professionals, acting in their personal capacities, chosen on the basis of their expertise, strategic and operational experience and diversity of perspectives, including knowledge of scientific, economic, environmental, and social aspects of conservation and sustainable use of forest ecosystems and climate change, gender and forestry, private sector, governance and institutional and development planning”.

→ Doris Capistrano, Lisa Curran, Francis Busong, Hosny El-Lakany, Carlos Manuel Rodriguez, Juergen Blaser

→ Great support by FIP Unit

Review Process

- Working modalities defined
 - TORs, individual work, group work, reporting, presentation
- Analytical background material assessed
 - Current FIP selection criteria, FIP Background Material
 - 36 Expressions of Interest (Eol)
- Preparation of summary tables and overviews
- Discussion with MDBs in charge of FIP, FCPF and CIF AU

Review Criteria

- Based on *FIP design document and Proposed Revised Selection Criteria and Process for New Countries.*

3 broad sections:

- Contribution to Climate Mitigation (40%)
- Potential to Generate Enhanced Development Co-Benefits (30%)
- Country Readiness and Capacity for Implementation (30%)

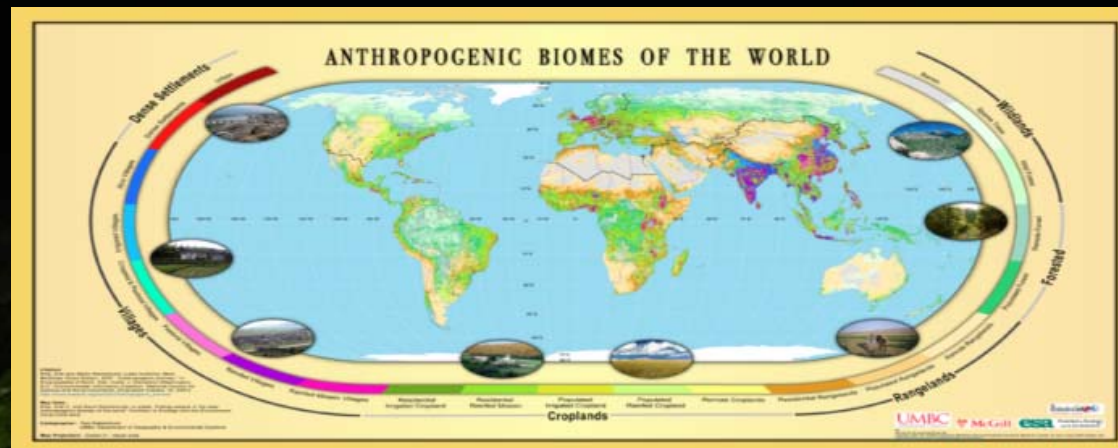
→ Divided in subcomponents (5, 4, 5) and translated into an **evaluation template** with a rating format (0-100)

Review Process

- Group members jointly reviewing FIP overall selection criteria
 - Group exploring link between REDD+ readiness and FIP investment
 - Review of FIP transformational change projects
 - Outlining other criteria, including biomes and special forest ecosystems
 - Review of EOIs (2 reviewers for each EOI, based on regional experience)
 - Presentation in group, exchange between group members, rating
- Compilation, ranking according to the different criteria groups identified, presentation into 4 broad tiers or groupings

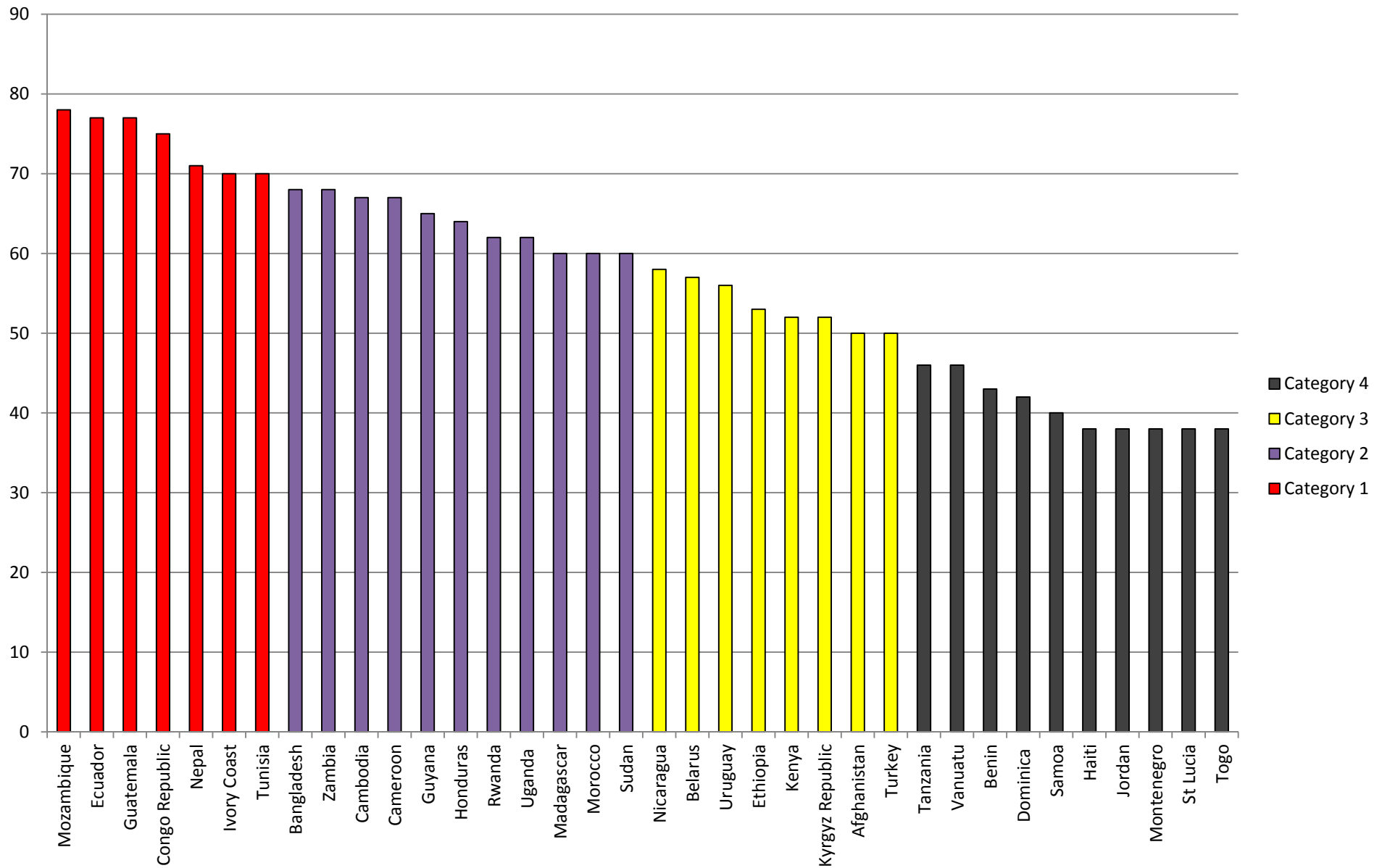
Results (1)

- EOIs: Africa (14); South-East Asia and Pacific (6); Europe and Central Asia (3); Middle East/North Africa (4); Latin America and Caribbean (9)
- Forest and forest carbon data of the submitting countries (table 1)
- Engagement in major international CC pilot programmes (table 2)
- Presentation of the results figures (ranked in tiers)



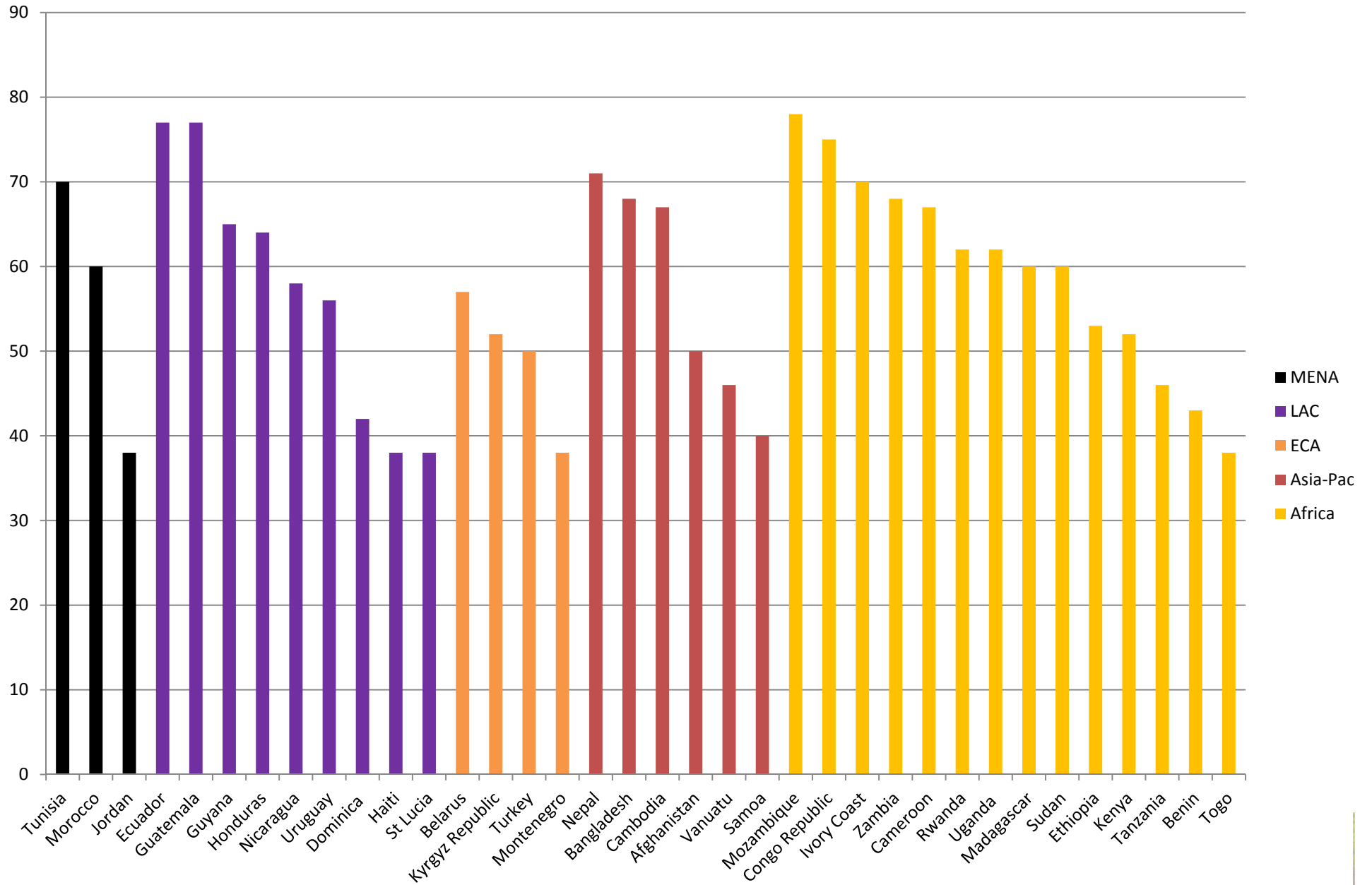
Criteria	All EOI	Mean	Highest Score	Lowest Score
EOIs	36	57	78	38
Categories				
- Tier I (≥ 70 points)	7	74		
- Tier II (60-69 points)	11	64		
- Tier III (50-59 points)	8	54		
- Tier IV (< 50 points)	10	41		
Regions				
- Africa	14	60	78	38
- South East Asia & Pacific	6	57	71	40
- Europe Central Asia	5	49	57	38
- Latin America & Caribbean	9	57	77	38
- Middle East & North Africa	3	56	70	38
Biomes				
- Tropical	19	57	77	38
- Sub-Tropical	9	63	70	50
- Mediterranean	4	54	70	38

Scores of the 36 EOI grouped into four categories (Tiers) based on the EG's assessment

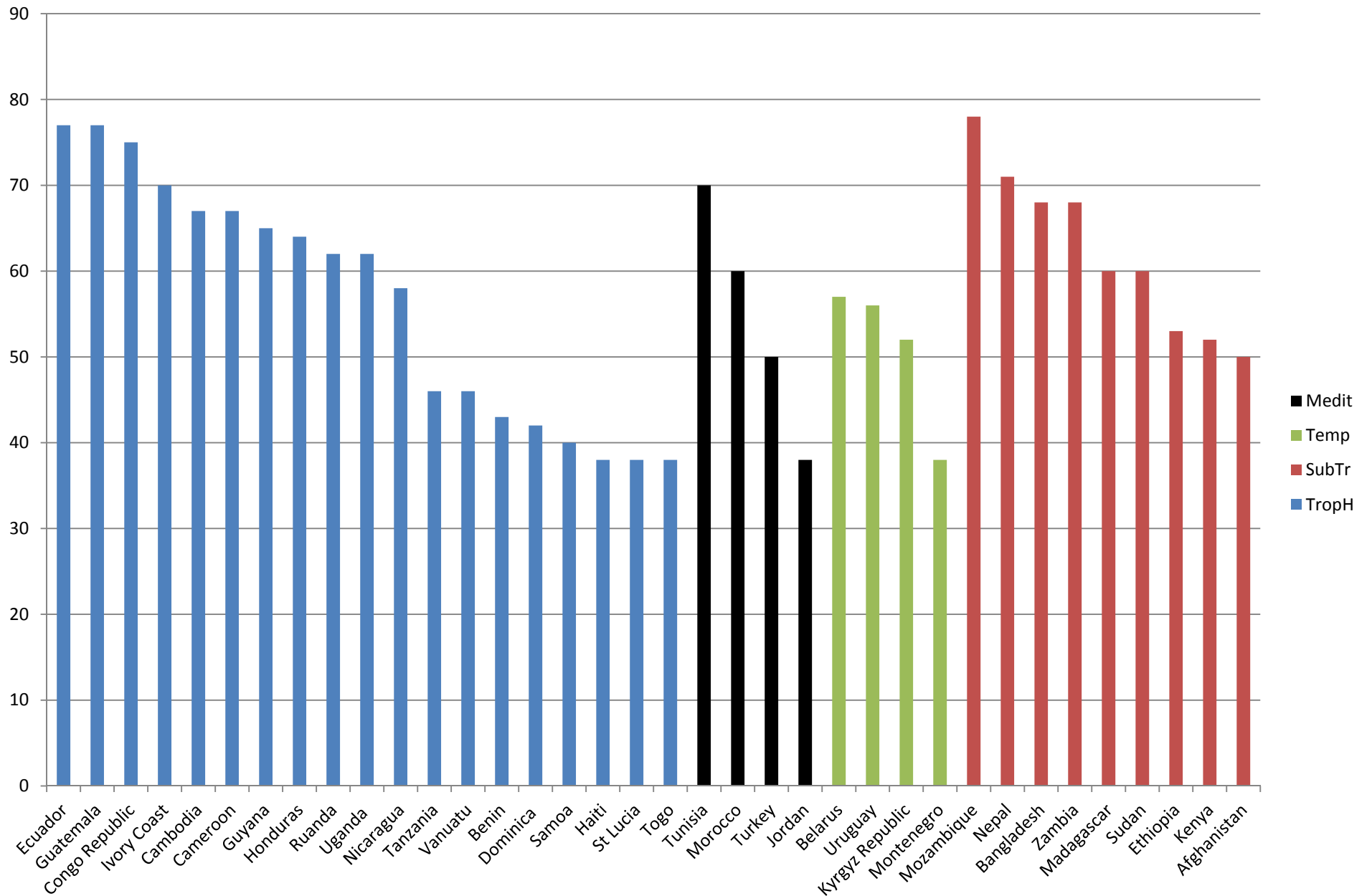


Category 1: ≥ 70 points; Category 2: 60-69 points; Category 3: 50-59 points; and, Category 4: < 50 out of 100 points.

Distribution of EOI Scores by region

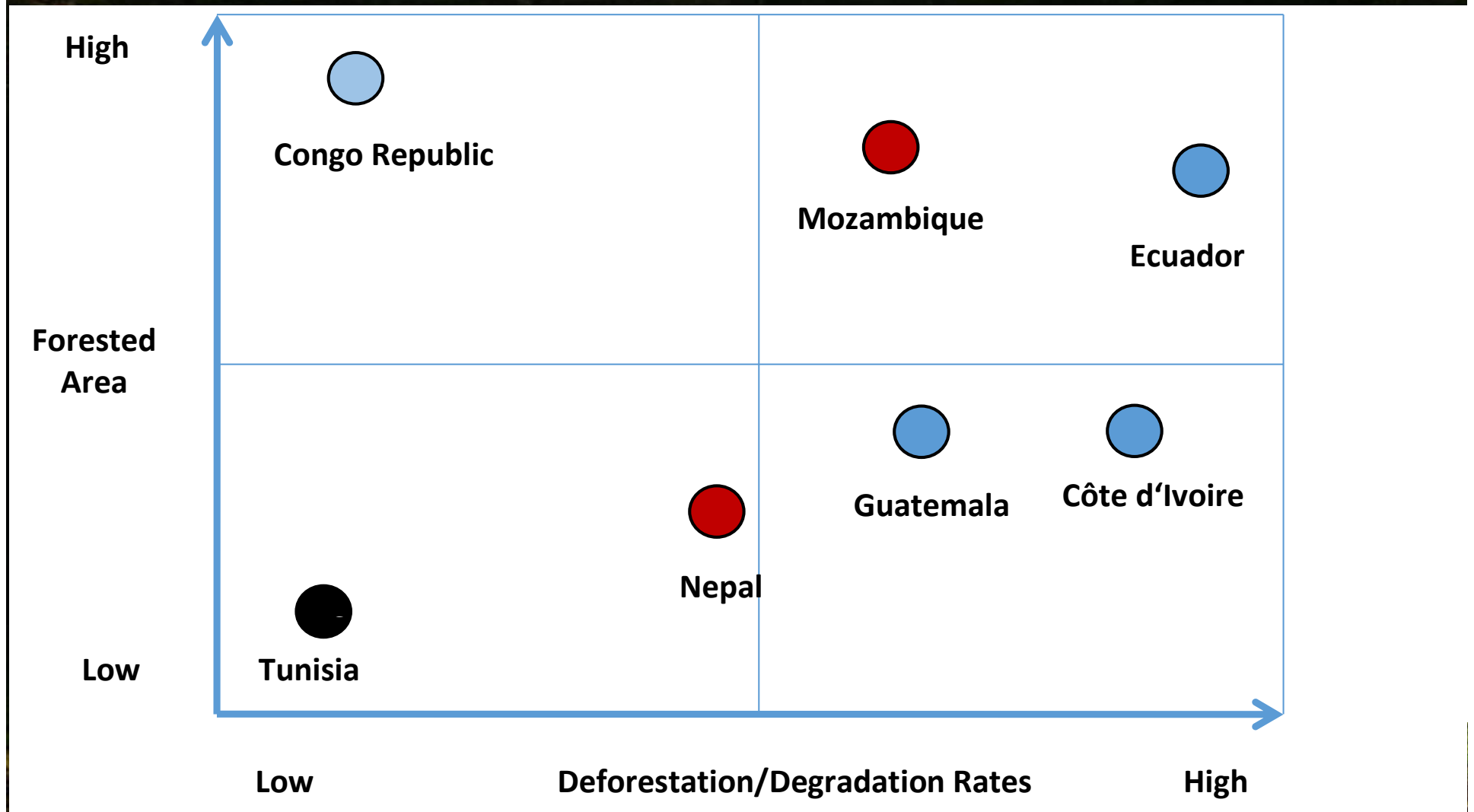


Score within each of four biomes



Tier 1 countries: further analysis

- Overview of the type of investments, approaches and instruments proposed to FIP
- Comparative positions of the seven countries Tier 1 according to their respective forest cover and deforestation/degradation rates



EG's overall conclusions

Enhanced Quality of EOI Submissions (compared with 2010)



Complementarity of FIP with other REDD-related funds



FIP Funding for plantations in the framework of FIP pilots



Ensuring Equitable Sharing of Benefits



A lush green forest scene with a stream flowing over mossy rocks. The text "END OF FIRST PRESENTATION" is overlaid in the center. There are two small inset images: one in the top right corner showing a stream with a stone bridge, and another in the bottom right corner showing a stream with a stone bridge.

END OF FIRST PRESENTATION



**Report of the Expert Group
on the Assessment of New Concept Notes
from Existing FIP Pilot countries**

Climate Investment Funds

FIP Sub-Committee

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Prepared on behalf of the Expert Group by Juergen Blaser

The background of the slide is a lush green forest. In the upper right, there is a small inset image of a stream flowing through a wooded area. In the lower right, there is another small inset image showing a stream with mossy rocks. The main text is overlaid on a dark, semi-transparent rectangular area.

Review Rationale

Review of Concept Notes under strong consideration of the four major objectives of FIP:

- Initiate and facilitate steps towards transformational change
- Pilot replicable models to enhance knowledge and appreciation surrounding forest-related investments along with policies required for REDD+ implementation
- Effective and sustained reduction of DD, thereby enhancing SFM
- Provide valuable experience & feedback for UNFCCC/REDD+

Review Criteria

- Based on *FIP design document and Criteria and Procedures for the Allocation of Resources to Existing Pilot Countries*

EG applied in its review 4 broad components:

- Potential to complement, advance or further enhance the objectives of the endorsed investment plan (40%)
- Readiness and capacity to implement (30%)
- Potential to generate co-benefits (20%)
- Financial sustainability of intended results (10%)

→ Divided in subcomponents and translated into an **evaluation template** with a rating format (0-100)

Review Process

- Eight FIP pilot countries selected in 2010, 7 concept notes (CN) received by 6 of them
- Analytical background material: FIP 2010 report, FIP 2014 Results Report and others, Pilot countries investment plans....
- Discussion with MDBs in charge of FIP and FIP unit:
 - Complementarity of the new submissions and their value added to the existing FIP portfolio
 - Progress to date in CB, co-benefits, etc
 - Implementation of existing FIP and associated investments
- Review of CNs (2 reviewers for each EoI)
- Presentation and, exchange in the EG, rating, writing, reporting

Review constraints

- Assessment of CNs, not full project proposals (asking us for an overall assessment of the approach) → EP could only evaluate on the basis of the information given
- Time constraints in preparation of proposals (which “limited” somehow the quality of the CN)
- Time constraints for the EG to assess (no excuse, but this also conducted to editing errors...)

→ Reaction (sometimes harsh) from MDGs on EG reporting

!



Results (1)

- **Brazil: Integrated Landscape Management in the Cerrado Biome**

Building on Cerrado investment plan through an innovative smallholder programme with gender sensitive approaches. Ambitious scale (US\$40 m) need to be revised but still remains relevant

- **Brazil: Ecological Restoration Financing in the Cerrado Biome**

Environmental Fund for ecological restoration in a PPC partnership with BNDES; questions in respect to effectiveness and coordination

→ **General observation on Brazil's CN submissions:**

While the outcomes of the 2 CN differ considerably, reflect on an effective FIP coordination to effectively contribute to a Cerrado Restoration Plan



Results (2)

- **Burkina Faso: Sustainable Management of Fuel Wood Sector**

Strengthening institutional and implementation capacities in the fuelwood production and use sector, including fuelwood plantations and wood stove distribution. The EP questioned in particular the financial sustainability of the proposed investments.

- **DRC: Development of agroforestry in four provinces of the DRC**

A core component of the project is to implement an outgrower scheme on palm oil production in collaboration with a private company and Acacia fuelwood production on “degraded land”. The CN is not convincing in its investment approach and does not sufficiently link to the broader FIP investment approach in DRC.

Results (3)

- **Ghana: Reducing Degradation and Deforestation due to Mining in FL**

Reverse negative impacts of open land mining in forest areas with participation of local communities. Well formulated and complementary to the overall FIP programme

- **Lao PDR: Scaling up Sustainable Forest Management Project**

Geographic expansion of a large existing investment programme incl. FIP. Builds upon a solid track record of successful implementation and benefiting of already installed capacities.

- **Peru: High Value Native Timber Reforestation in Degraded Lands in the Peruvian Amazon**

Industrial reforestation with a private reforestation company of one native species and restoring some smallholder community lands. Concerns have been expressed mainly on technical and developmental grounds and based on the submitted CN.

Results: Summary of Assessed Concept Notes

Region	Country	MDB	Grant Million US\$	Loan Million US\$	Concept Note Title	Assessment 100 Point Total
EAP	Lao PDR	IBRD & IFC	24.5	0	Scaling Up Sustainable Forest Management Project	78
LAC	Brazil	IBRD	40.0	0	Integrated Landscape Management in the <i>Cerrado</i> Biome	74
		IDB	5.0	0	Ecological Restoration Financing in the <i>Cerrado</i> Biome	72
	Peru	IDB	2.0	7.5	High Value Native Timber Reforestation On Degraded Lands In The Peruvian Amazon	66
AFR	Burkina Faso	AfDB	8.0	0	Sustainable Management of the Fuelwood Sector	61
	Democratic Republic of Congo	AfDB	7.0	3.0	Support Project for the Development of Agroforestry in Four Provinces	51
	Ghana	IBRD	10.0	0	Reducing Degradation and Deforestation due to Mining In Forest Landscapes	71

Expert Groups' Synthesis (1)

- **Assessment of CN submissions**

Informative but substantive diversity; difficulty of discerning with existing FIP program; paucity on information on progress already achieved; difficult to assess feasibility and cost effectiveness (range from US\$ 2 to US\$ 40 million); lack of background information in particular on private sector partners

- **Scope of proposed projects extended differently which complicates the assessment of "additionality"**

Expansion of investments to (i) new biomes (Brazil); (ii) replication of approaches to new regions (Laos); (iii) additional sectors (Ghana), (iv) Filling gaps in coverage (BF); (v) refocusing scale of implementation (Peru, DRC)

Expert Groups' Synthesis (2)



- **Instruments and Approaches**

Core approaches on **funding mechanisms** (Lao, Brazil, BF), **economic instruments** (Lao, reclamation bonds in Ghana, commercial crops DRC) and **tenure provision** (Brazil, Ghana).

Majority of projects focus on community/private partnerships. Need for more information on benefit sharing, conflict management.



Expert Groups' Synthesis (3)

■ From Subsistence to Enterprise and Wealth Creation...

Current proposals with focus on private sector involvement; benefits to local livelihoods expected to “trickle” from these partnerships (e.g. direct employment, outgrower schemes, spin-off activities...) with the risk that such benefits are often not permanent

Role of degraded land as safety net for local communities against “economic” valorization of these areas through plantations, FPIC approaches to be applied to assure the land-use approach?

→ FIP investments being more active in direct investments with communities, e.g. enterprise development, investment vehicles to build forest assets, closer involvement of communities to investors (e.g. taking advantage of corporate social responsibility investments)