

CLIMATE INVESTMENT FUNDS

FIP/SC.13/2
October 23, 2014

Meeting of the FIP Sub-Committee
Washington, D.C.
November 19, 2014

Agenda Item 2

ANNOTATED PROVISIONAL AGENDA

AGENDA ITEM 1. OPENING AND ELECTION OF CO-CHAIRS

1. The meeting will be opened by the elected Co-Chairs, Mr. Musah Abu Juam, Sub-Committee member from Ghana, and Ms. Katie Berg, Sub-Committee member from the United States. The terms of the current Co-Chairs will expire when new Co-Chairs are elected at this meeting.
2. In accordance with paragraph 25 of the Rules of Procedure for the SCF Trust Fund Committee, which apply *mutatis mutandis* to the FIP Sub-Committee, the Sub-Committee is to elect from among its members a representative from an eligible recipient country and a representative from a contributor country to serve as Co-Chairs of the Sub-Committee for a term of 18 months from the first meeting after the Partnership Forum (June 2014) until the first meeting after the next Partnership Forum (expected in November 2015).
3. The Sub-Committee is therefore invited **to elect** two new Co-Chairs from amongst its members: one from an eligible recipient country and one from a contributor country.

AGENDA ITEM 2. ADOPTION OF AGENDA

4. A *Provisional Agenda* for consideration by the meeting has been circulated as document FIP/SC.13/1. The meeting is invited **to adopt** the agenda.

AGENDA ITEM 3. FIP SEMI-ANNUAL OPERATIONAL REPORT

5. Document FIP/SC.13/Rev.1, *FIP semi-annual operational report*, has been prepared to provide the FIP Sub-Committee with a report on the status of FIP activities. The Sub-Committee is invited **to review** the semi-annual operational report, **to provide**, if appropriate, guidance and feedback on the operations of the FIP and **to approve** the proposed decision.

AGENDA ITEM 4. UPDATE ON THE STUDY ON LINKAGES BETWEEN FIP INVESTMENTS AND REDD+ PERFORMANCE-BASED MECHANISMS

6. During its meeting in June 2014, the Sub-Committee took note that five FIP pilot countries have signaled their intentions to pursue performance-based payments under the FCPF Carbon Fund.
7. The Sub-Committee requested the CIF Administrative Unit, in consultation with the Sub-Committee members, pilot countries, MDBs, and relevant international entities, to prepare for consideration at its next meeting, a paper providing guidance on the link between FIP investment funding and REDD+ performance-based mechanisms, taking into account the international REDD+ architecture and, in particular, the *Warsaw Framework for REDD-plus*. The purpose of the report is to assess and summarize the linkages between FIP investments and performance-based payments. Specifically the report will clarify the role of finance within the different phases of REDD+ and the need for performance-based payments to sustain results from FIP-financed activities.

8. The CIF Administrative Unit has contracted a firm to assess the fundamentals of the link between the FIP and REDD+ performance-based mechanisms. Because of the complexity of the issue, the finalization of the study has been delayed to January 2015.

9. The consulting firm preparing the report **is invited to update** the FIP Sub-Committee on progress in developing the study. The FIP Sub-Committee is **invited to comment** on the update and on emerging findings from the linkages between FIP investments and REDD+ performance-based mechanisms and provide further guidance if appropriate.

AGENDA ITEM 5. RECOMMENDATIONS BASED ON THE ASSESSMENT OF THE SCF PRIVATE SECTOR SET-ASIDES

10. After completion of the first round of a “call for proposals” under the FIP private sector set-aside mechanism, the FIP Sub-Committee requested the CIF Administrative Unit, in collaboration with the MDBs and the pilot countries to collect lessons and reflections about the effectiveness and value-added of the FIP set aside mechanism and the competitive selection process with a view to drawing lessons for the future. The same request was issued by the PPCR and SREP Sub-Committees for the set-aside mechanisms in PPCR and SREP.

11. Document, FIP/SC.13/5, *Recommendations Based on the Assessment of the SCF Private Sector Set-Asides*, summarizes the findings from an assessment of the SCF private sector set-aside mechanisms and proposes recommendations on how to enhance the mechanisms to further incentivize innovative private sector interventions in the SCF targeted program. The full assessment is available as information document CTF-SCF/TFC.13/Inf.5, *A Review of the Private Sector Set-aside Process of the Strategic Climate Fund*.

12. The FIP Sub-Committee is **invited to comment** on the findings and **consider** the proposed recommendations and measures to further enhance the private sector set-aside mechanism under the FIP.

AGENDA ITEM 6. FURTHER ELABORATION OF THE OPTIONS FOR THE USE OF POTENTIALLY NEW FUNDS UNDER THE FOREST INVESTMENT PROGRAM

13. At its last meeting on June 30, 2014, the FIP Sub-Committee reviewed document, FIP/SC.12/7, *Options for the Use of Potential New Funds under the FIP*, and agreed that in consultation with Sub-Committee members and pilot countries, options 1 (*Selection of new FIP pilot countries*), option 2 (*A dedicated set-aside of funds to address emerging issues related to REDD+ and/or close strategic gaps identified in the FIP portfolio, including a second round incentivizing innovative private sector investments*) and option 3 (*Additional resources to existing FIP pilot countries*) should be further elaborated. The Sub-Committee further noted that the discussion on the options should not prejudice a decision on the CIF sunset clause to be discussed in November 2014 in the joint meeting of the CTF and SCF Trust Fund Committees.

14. Document, FIP/SC.13/6, *Further elaboration of the options for the use of potentially new funds under the Forest Investment Program*, elaborates on the three options for the use of new

FIP resources should they be made available, and presents for each option the criteria and process that should be put in place for its implementation.

15. The FIP Sub-Committee is **invited to comment** on the proposed options and **consider which** options should be implemented if new FIP resources become available, taking into account the decision by the joint meeting of the CTF and SCF Trust Fund Committees on document CTF-SCF/TFC.13/3, *Technical Paper on Future Operations of the CIF*.

AGENDA ITEM 7. OTHER BUSINESS

16. Members and the Co-Chairs may raise any other business under this agenda item.

AGENDA ITEM 8. CLOSING

17. The meeting is scheduled to close at 3:30 p.m. on Wednesday, November 19, 2014.

Provisional Timetable

Wednesday, November 19, 2014

9:00 am – 3:30 pm

9:00-9:15	Agenda Item 1	Opening and election of co-chairs
	Agenda Item 2	Adoption of agenda
9:15-10:15	Agenda Item 3	FIP semi-annual operational report
10:15-11:15	Agenda Item 4	Update on the study on linkages between FIP investments and REDD+ performance-based mechanisms
11:15-12:00	Agenda Item 5	Recommendations based on the Assessment of the SCF private sector set-asides
1:30-3:15	Agenda Item 6	Further elaboration of the options for the use of potentially new funds under the Forest Investment Program
3:15-3:30	Agenda Item 7	Other business
3:30	Agenda Item 8	Closing