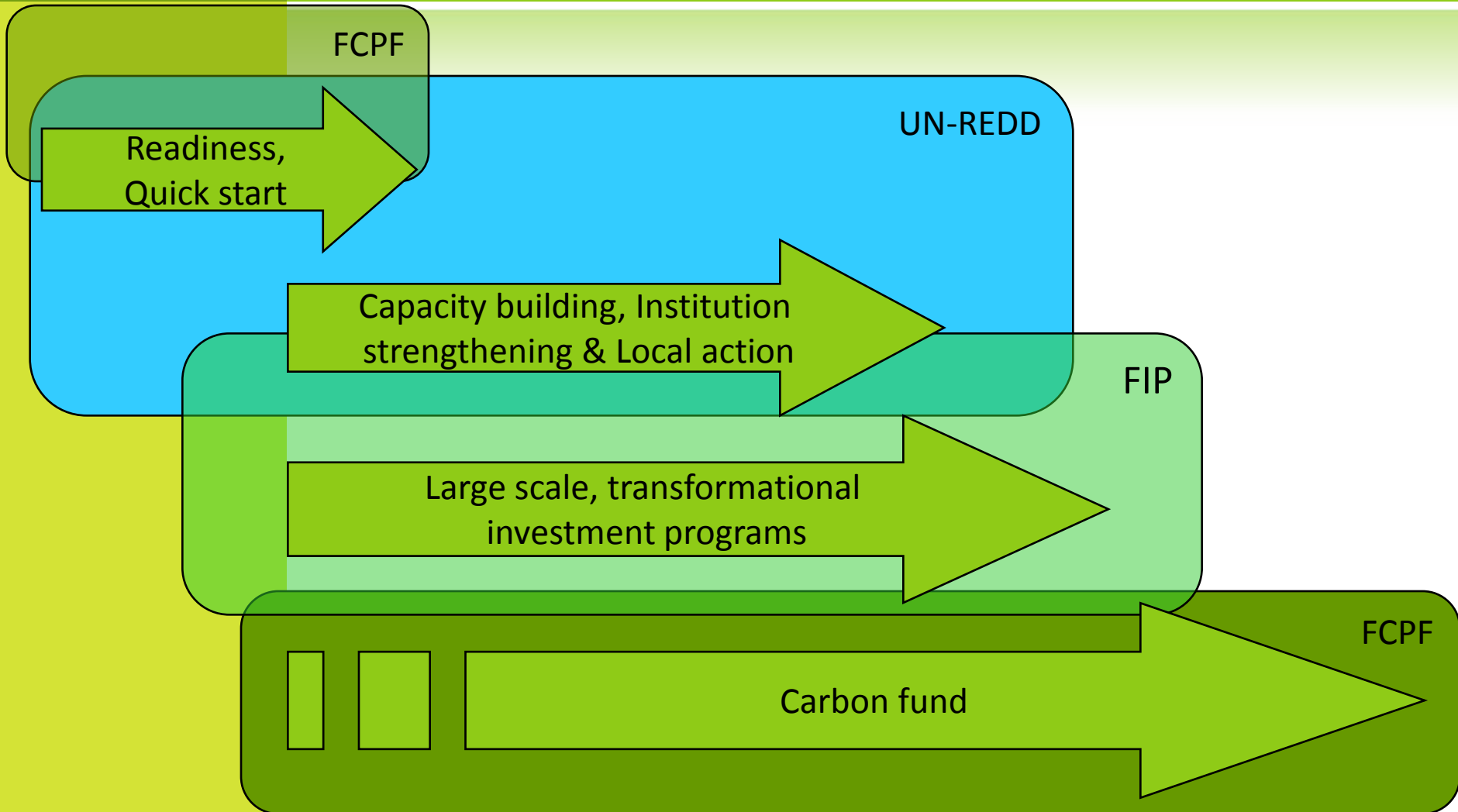




THE FOREST INVESTMENT PROGRAM

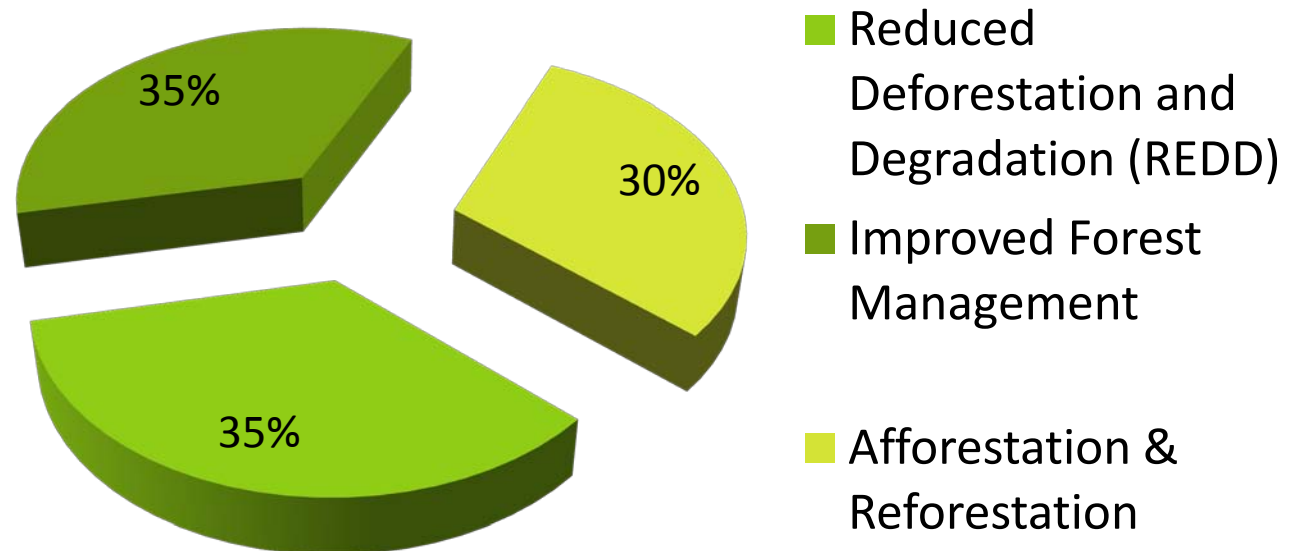
Filling in the 'missing middle'

PHASES AND ROLES



	Drivers of Deforestation	Rate of Deforestation/ Degradation % of total	Area (Millions ha/a)
DRIVERS OF DEFORESTATION <i>BLASER AND ROBLEDO (2008)</i>	Small scale agriculture & shifting cultivation	42	5.5
	Commercial scale agriculture crops	20	2.6
	Cattle ranching	12	1.6
	Fuelwood & NTPF Gathering	6	0.7
	Commercial scale logging (both legal and illegal)	14	1.8
	Traded fuelwood and charcoal	6	0.7
	Total	100	12.9

CLIMATE CHANGE MITIGATION POTENTIAL



Source: IPCC 2007

WHAT IS THE FIP?

- ① Targeted program of the Climate Investment Fund (CIF)/Strategic Climate Fund (SCF) established to provide finance to pilot new development approaches or to scale-up activities aimed at a specific climate challenge;
- ① SCFs are meant to maximize co-benefits of sustainable development, including the conservation of biodiversity, natural resources, and ecosystem services.

WHAT IS THE FIP?

- ① The FIP is a multi-donor fund to help developing countries implement policies and measures to:
 - ① reduce deforestation and degradation
 - ① improve sustainable forest management
 - ① enhance carbon stocks
 - ① Support afforestation/reforestation
- ① Aiming at leveraging public and private funding
- ① Joint program of Multilateral Development Banks

FIP OBJECTIVES

- ③ To provide up-front bridge financing for readiness reforms identified through national REDD readiness strategies;
- ③ To *initiate and facilitate steps toward transformational change* in developing countries forest-related policies and practices;
- ③ To *pilot replicable models* of activities which link investments with long term emissions reduction, forest conservation and sustainable management;
- ③ To *facilitate leveraging of additional financial* resources for REDD+;
- ③ To *provide experience and feedback* in the context of the UNFCCC on REDD+

TYPES OF FIP INVESTMENT

- ③ Institutional capacity, forest governance and information
- ③ Forest mitigation measures, forest ecosystem services
- ③ Investments outside the forest sector

CRITERIA FOR COUNTRY SELECTION

- ⊙ Potential to lead to reduced GHG reductions from REDD+
- ⊙ Potential to contribute to FIP objectives and principles (including coordination with other REDD efforts, such as FCPF and UN-REDD)
- ⊙ Country preparedness and ability to undertake REDD initiatives
- ⊙ Country distribution across regions and biomass

FIP PROGRAMMING

- ③ FIP SC will select country or regional pilots based on Expert Group advice
- ③ Joint MDB mission to support government to develop investment strategy
- ③ Investment strategy development should be inclusive, transparent and participatory while building upon other climate and forest initiatives (such as FCPF and UN-REDD)

SPECIAL INITIATIVE FOR IPs AND LOCAL COMMUNITIES

- ③ Strengthening capacity of indigenous peoples and local communities in design and implementation of FIP investment strategies
- ③ Dedicated grant mechanism under FIP in country or regional pilots
- ③ Scope of activities include support for securing and strengthening customary land tenure and resource rights
- ③ Development of operational principles, funding modalities and governance in close collaboration with IPs and local communities

CURRENT STATUS OF THE FIP

- ③ Design document completed after extensive consultations with multiple stakeholders;
- ③ Design document approved by SCF Trust Fund Committee;
- ③ Pledging conference held in July, generated \$348 million in pledges;
- ③ First Board Meeting on October 29, 2009
- ③ Special Initiative on Indigenous Peoples and Local Communities launched

NEXT STEPS WITH THE FIP

- ⊙ First FIP Subcommittee (10/29/2009)
 - ⊙ Expert group to be established
 - ⊙ Criteria for pilot country selection to be outlined and endorsed
 - ⊙ Adoption of Work Plan
- ⊙ Results framework to be completed (01/2010)
- ⊙ Expression of interest of pilot countries/regions

Thank You!