Forest Investment Program: Operational and Results Report

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SCF Trust Fund Committee Meeting

June 14, 2024

CIF CLIMATE INVESTMENT FUNDS

FIP General Overview & Status

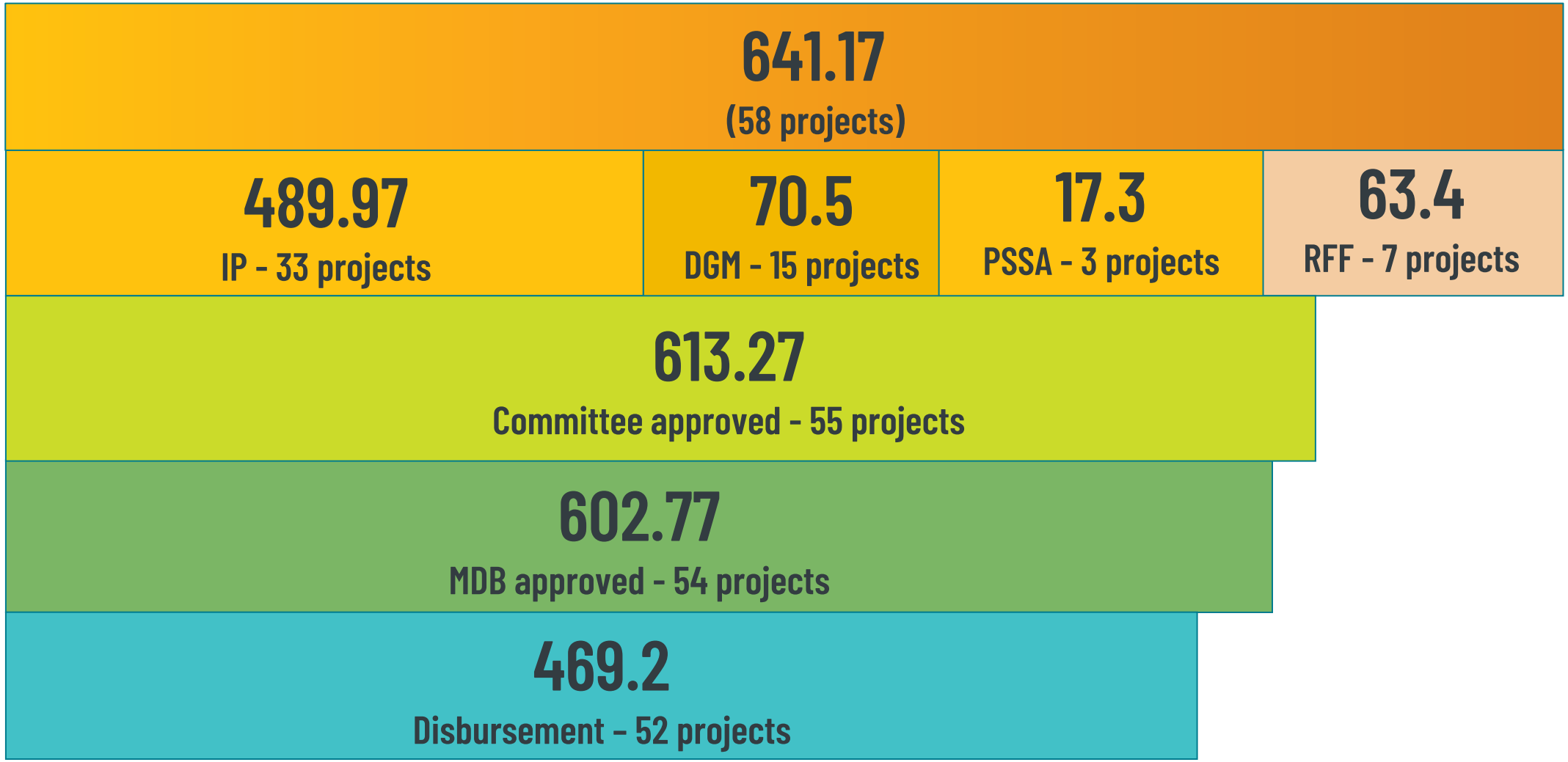
Paul Hartman

FIP Resource Availability

(As of March 31, 2024, USD million)

	Total	Capital	Grant
Unrestricted Fund Balance After Reserves (i)	50..3	43.8	6.5
Anticipated Commitments (ii) Program/project funding and MPIS costs	11.3	9.5	1.8
Available Resources (i - ii)	39.1	34.3	4.8
Potential Future Resources (iii)	0.3	-	0.3
Pledges	0.3	-	0.3
Release of currency risk reserves	-	-	-
Potential Available Resources (i-ii+iii)	39.4	34.3	5.1

FIP Portfolio (USD million, as of December 2023)



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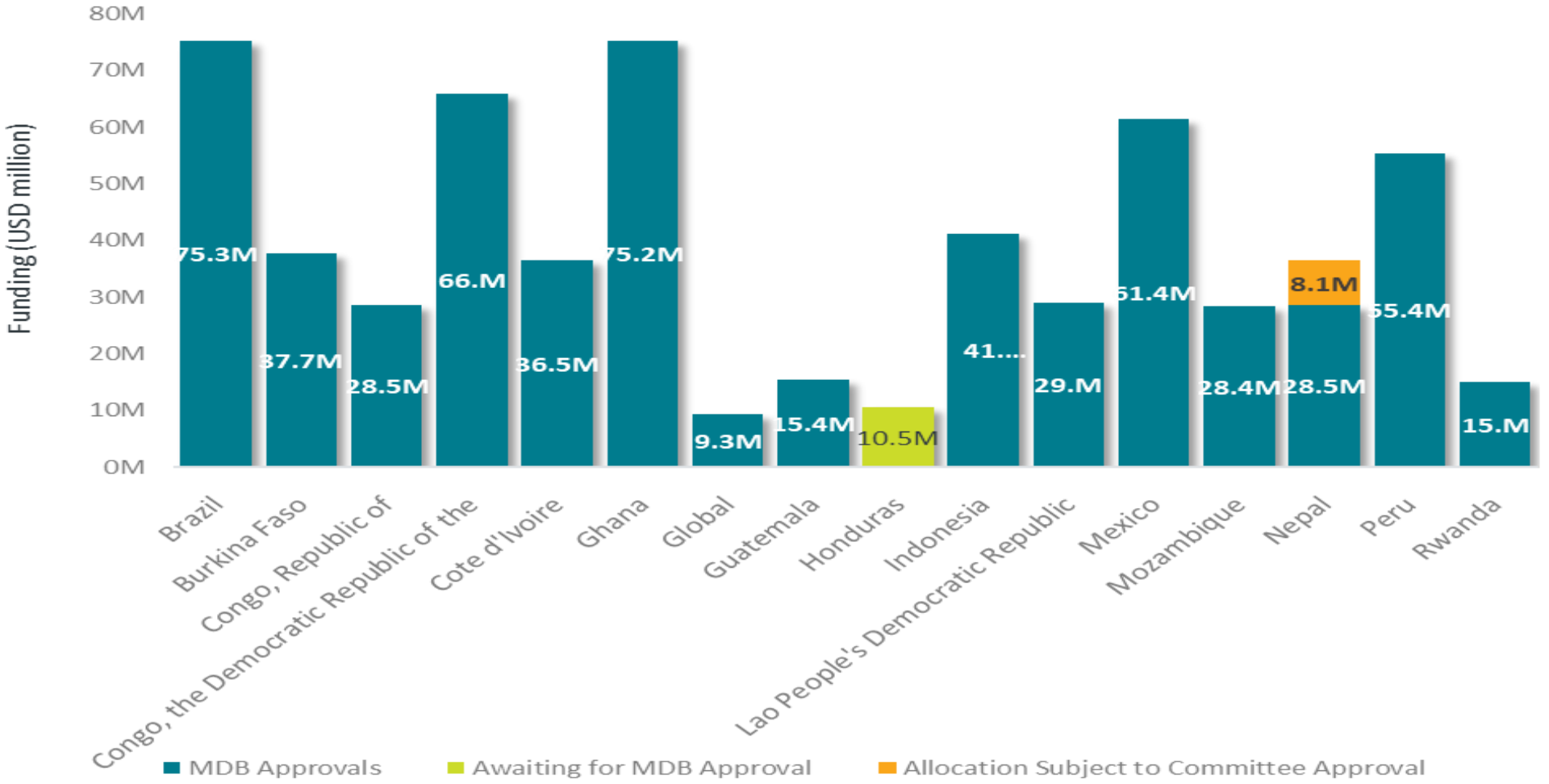
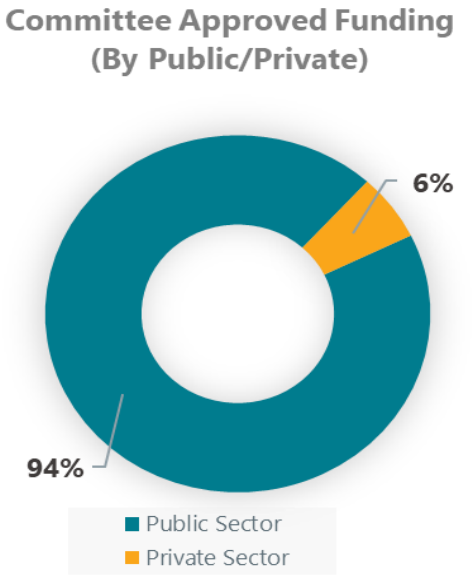
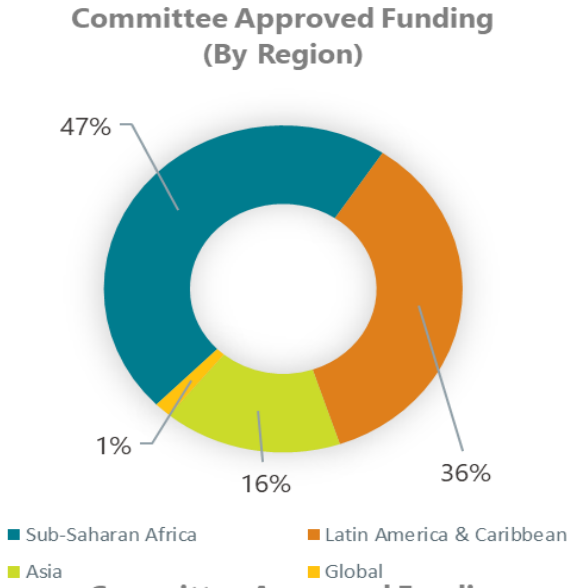
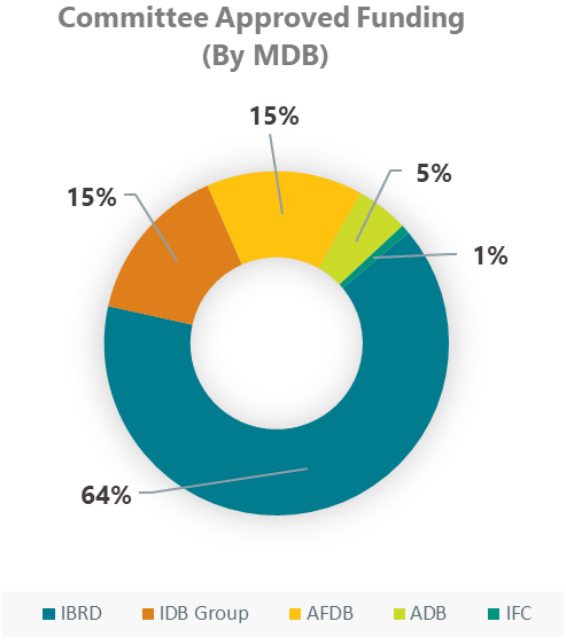
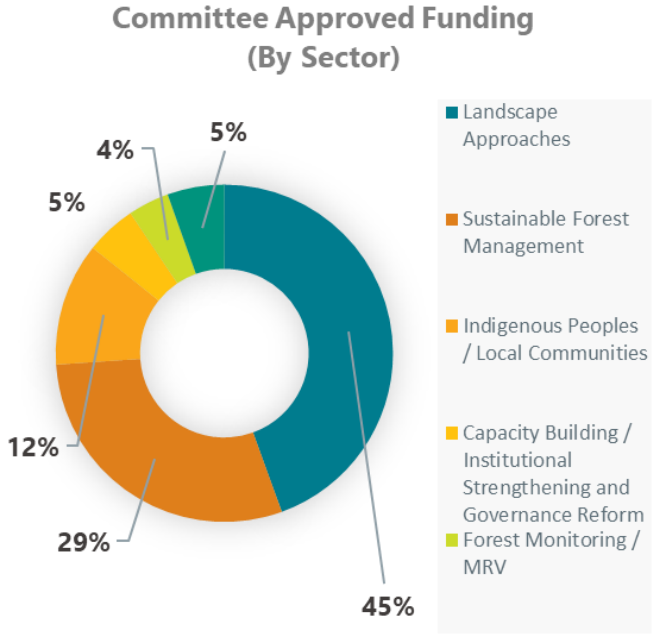


FIP Portfolio Distribution (USD million, as of December 2023)

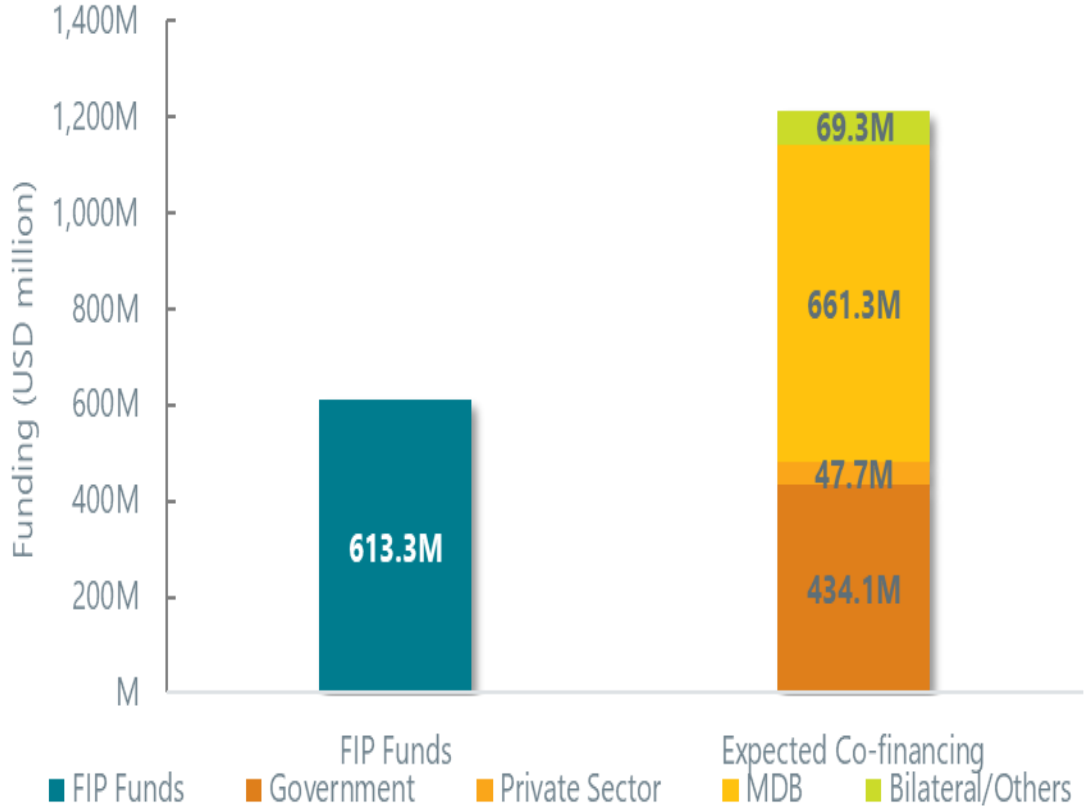


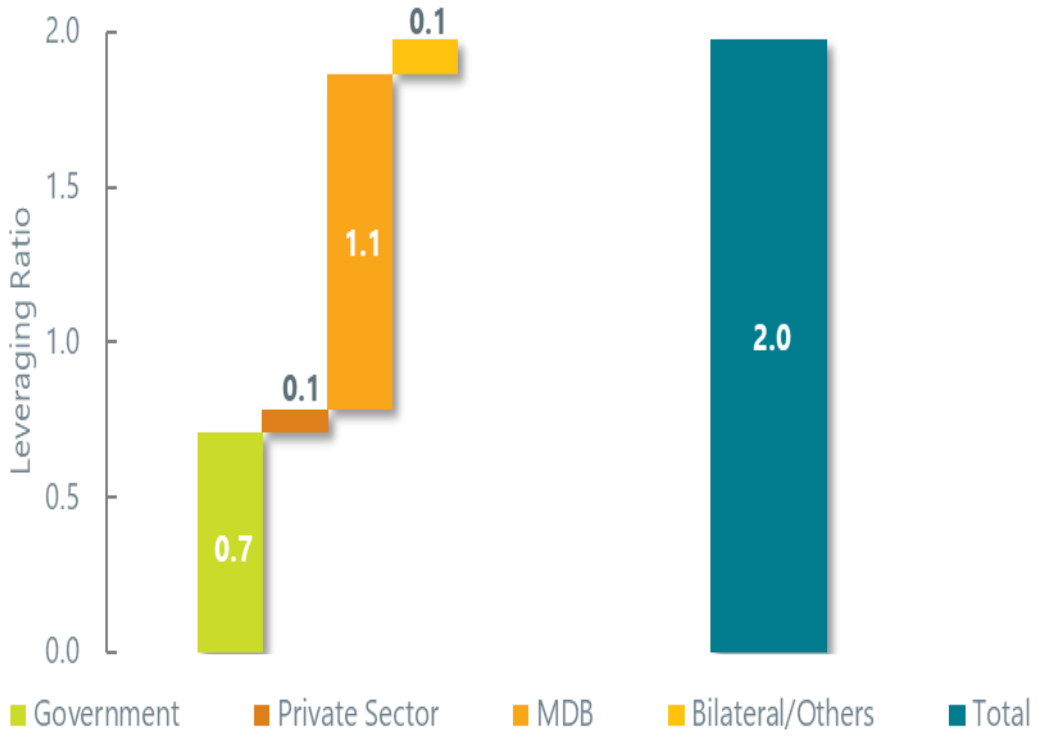




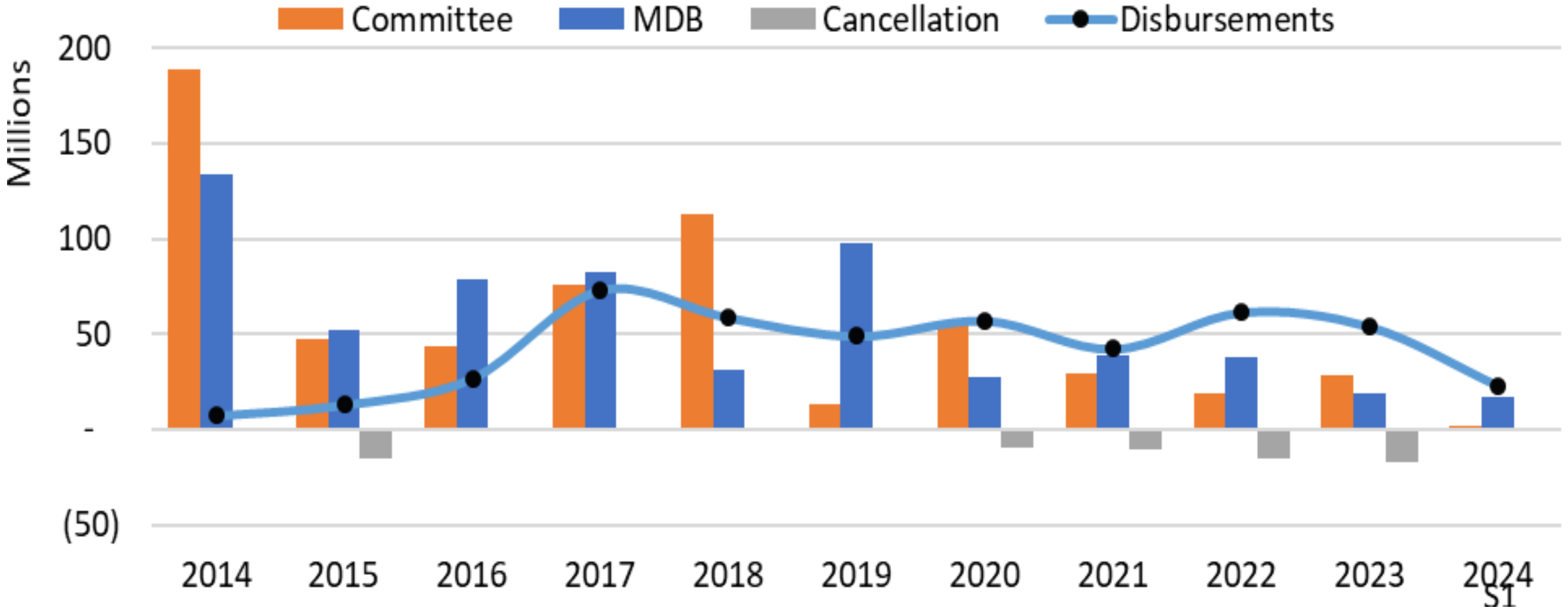


FIP Co-financing Sources (USD million, as of December 31, 2023)





FIP Disbursement



Projects Cancelled/Closed

- 5 projects for a total of USD 62.5 million were canceled or closed during the reporting period. The returned funds were integrated in the resource availability of FIP as of March 2024

Project Completion

- From January 1, 2023, to December 31, 2023, five FIP projects reached completion, bringing the total number of completed projects to 20.

Risk Management

- Implementation risk for FIP declined from High to Medium during the reporting period, with four MDB-approved projects representing USD 64.7 million (10.1 percent) of program funding flagged for implementation risk

Partnership, Knowledge Management, Evaluation, and Learning

- 10 events for FIP were organized, over 486 participants.
  - Highlights include: South-South learning event in Cambodia; FIP investment plan close-out workshop in Indonesia; an event on DGM at COP28; presentation of DGM to USAID and BMZ (pending), and session at APKE.
- An independent Midterm Evaluation of the Forest Investment Program conducted by Indufor and ICF and published in June 2024
- FY24 FIP Results Deep Dive: *Land Tenure, Resource Rights, and Access*

Gender

- A total of eight FIP project's gender approach were reviewed, and recommendations were provided to strengthen the gender gap and social impact analysis.
  Recommendations included:
  - increasing the focus on structural barriers through activities that aim to enhance women's climate leadership in project design
  - improving the integration of gender-disaggregated indicators.

FIP Upcoming FY 25

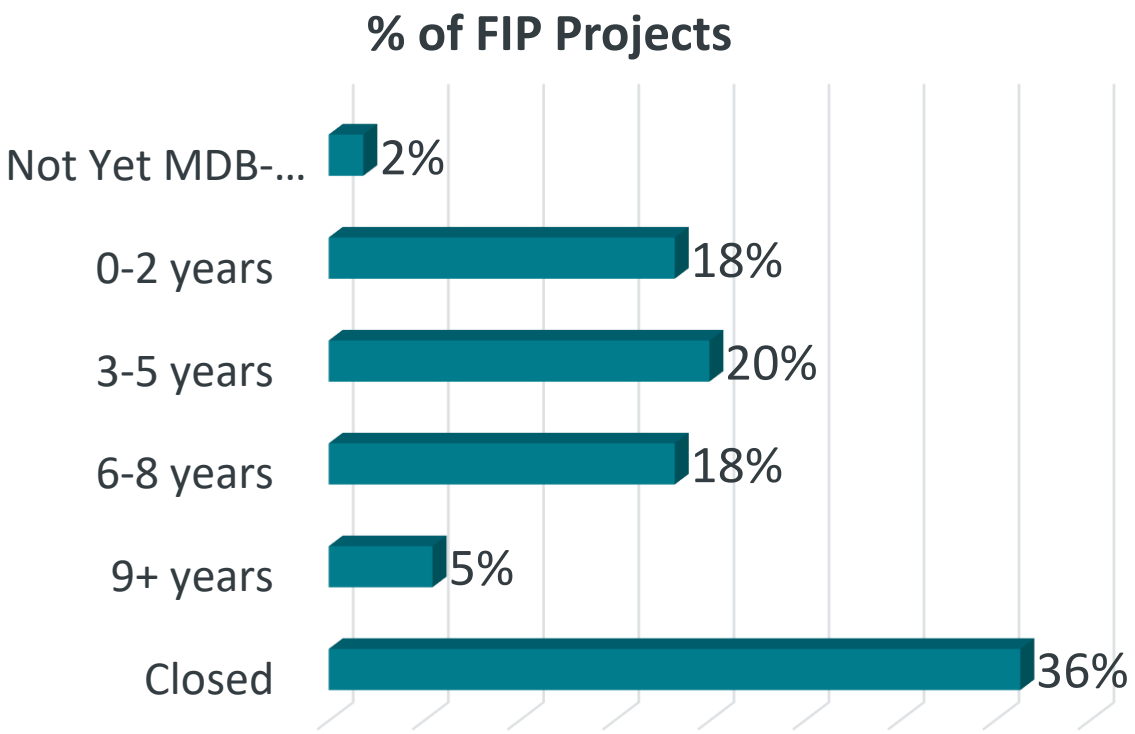
- MDB approval of Honduras bringing additional country into the portfolio
- Pipelining exercise
- Additional **FIP IP Close-Out workshops** to be held in FY25
- Latin America and Caribbean Region **Knowledge Exchange**

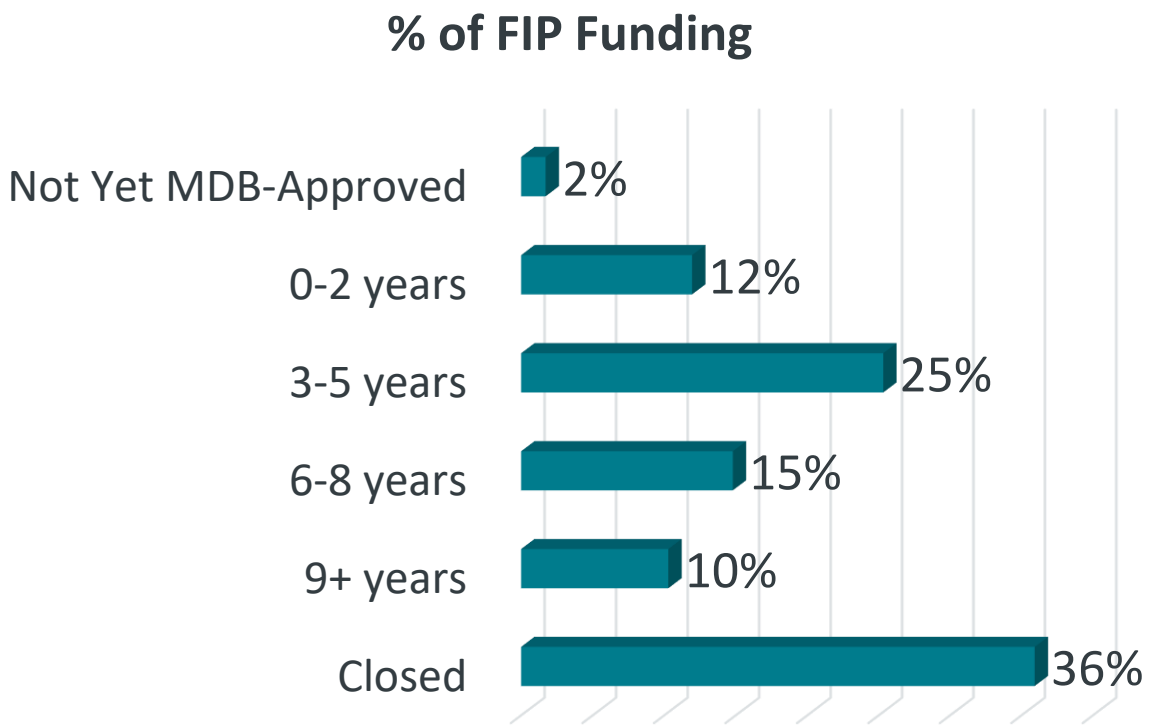
FIP Results 2023

FIP Results Overview

- **FIP Results – Real Progress in 2023 vs. Recalibration of Net Cumulative Results**
  - Incremental GHG emissions progress (1.1a), Notable real increases on sustainable land management (1.1b) and livelihood co-benefits (1.2) + biodiversity, governance, land tenure, and capacity development (2.1-2.4)
  - Net cumulative results for 1.1b and 1.2 revised down from last year
- Results from **54 MDB-approved projects in 14 countries**
  - 14 projects only reporting targets so far
  - DGM projects fully integrated into FIP M&R + separate DGM M&R cont'd
- **Category 1** results based mainly on project-level reporting from MDBs and **Category 2** results based on country reporting + MDB data
- **Ten (10) FIP countries** submitted a country results report
  - Brazil, Burkina Faso, Congo, Côte d'Ivoire, DRC, Ghana, Guatemala, Mozambique, Nepal, and Peru
- **One (1) FIP country** reported final results via IP close-out (Indonesia)

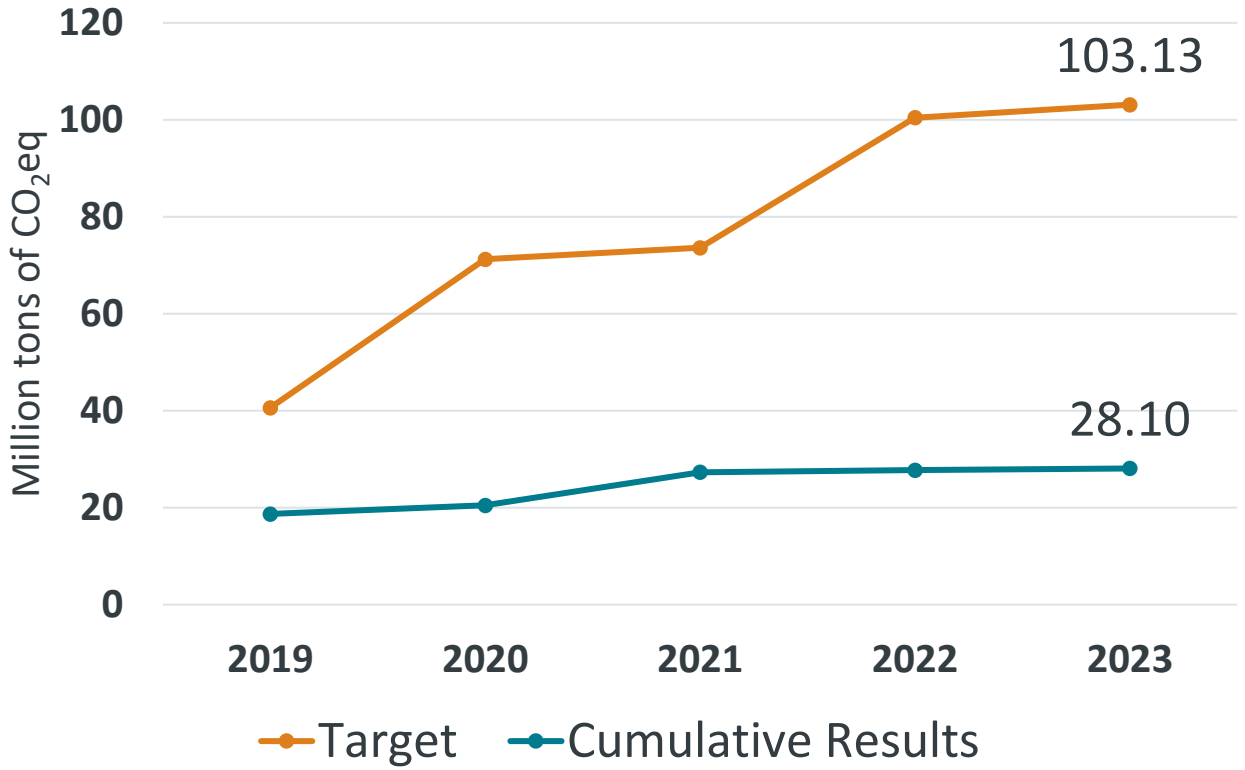
FIP Portfolio Maturity





Theme 1.1a: GHG Emissions Reduced/ Avoided or Enhancement of Carbon Stocks

- Cumulatively **28.1 million tCO_2eq** have been reduced/avoided (27% of target)
- Cumulative result **increased 1.3% and target increased 2.7%** from RY22 to RY23
- Results are from Burkina Faso, Côte d'Ivoire, DRC, Ghana, Guatemala (new), Indonesia, Lao PDR, and Mexico
- **Completed FIP projects are achieving 2/3 of their GHG targets on average**



Theme 1.1b: Area Covered by Sustainable Forest and Land Management Practices

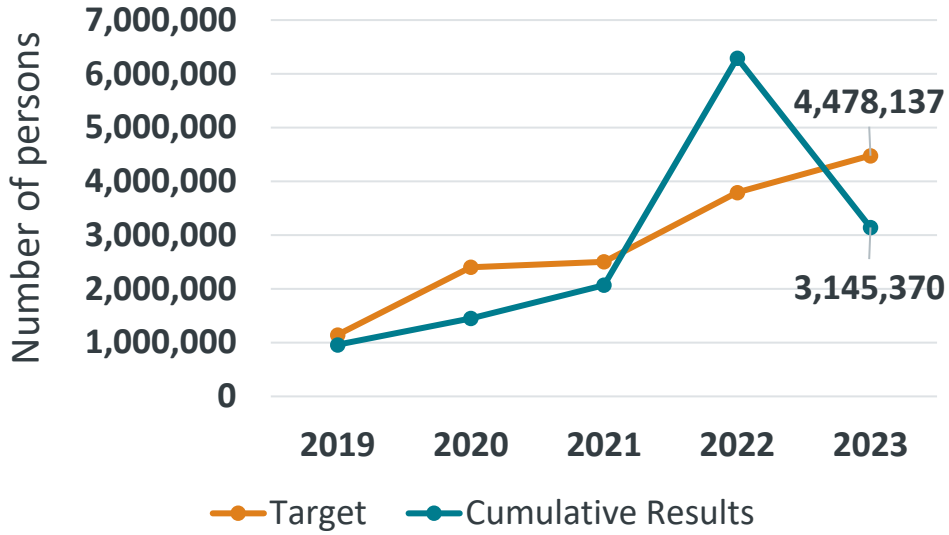
- Over **36.29 million hectares** covered (86% of target)

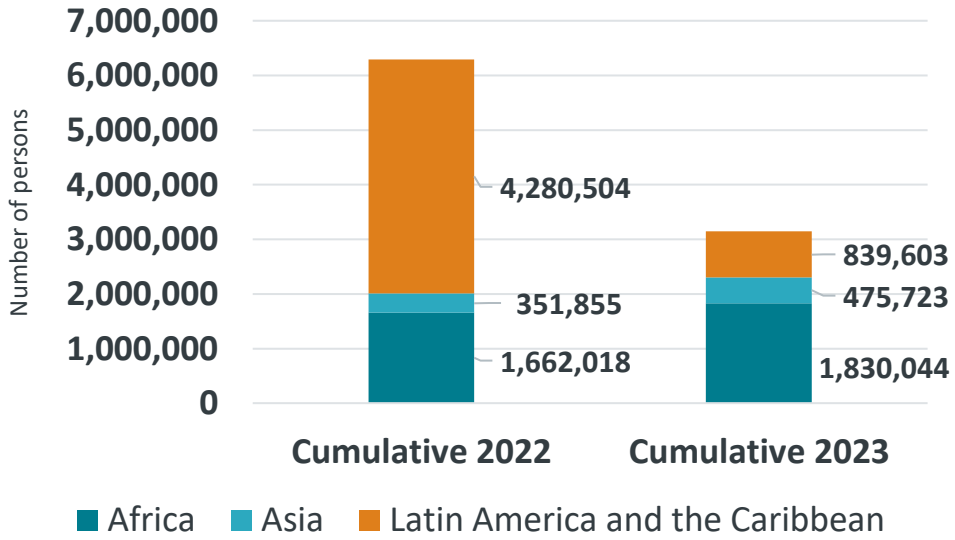
- **Real Annual Result:** 480,000+ new hectares in RY23
  - Mostly from Indonesia, DRC, Nepal
- **Adjusted Net Result:** Brazil CAR project revised final result to 26.29 million ha at completion (previously 362 million)
  - Represents 72% of FIP results

- **Results Deep Dive** published in June 2023

Theme 1.2: Livelihood Co-Benefits

- Enhanced livelihoods of **3.14 million+ people** (70% of target)
- **Real Annual Result:** Almost 322,00 people in RY23
  - From DRC, Indonesia, Guatemala
- **Adjusted Net Result:** Brazil CAR project revised final result to 321,583 *(previously 3.79 million people)*
- **DGM Results:** 298,000 people
- **Regional Distribution**: Africa (58%), Asia (27%), LAC (15%)





Livelihood Co-Benefits by Gender

- **Enhanced gender analysis:** Relative gender gap but absolute gender-disaggregated targets reached

- **56.3% Men vs. 43.7% Women** in 2023
  - Gender gap reduced by 5.2% from RY22 to RY23
- **121% of men-specific target achieved vs. 148% of women-specific target achieved** in 2023
  - Men's achievement rate increased by 13% and women's increased by 23% from RY22 to RY23

- **Improved availability** of gender-disaggregated results data
  - 1.37 million men and 1.06 million women benefiting

Category 2 Themes: Results Highlights

Biodiversity

Results Deep Dive published in June 2023

- Identification of modalities and insights on FIP biodiversity results

- New results from Côte d'Ivoire (557 ha of biodiversity conservation) and Brazil (735,696 macauba trees planted) in RY23

Land Tenure, Rights, and Access

Results Deep Dive published in Dec 2023

- New framework and insights on FIP land tenure security results

- New results from Indonesia, Peru, Lao PDR, and Mozambique in RY23

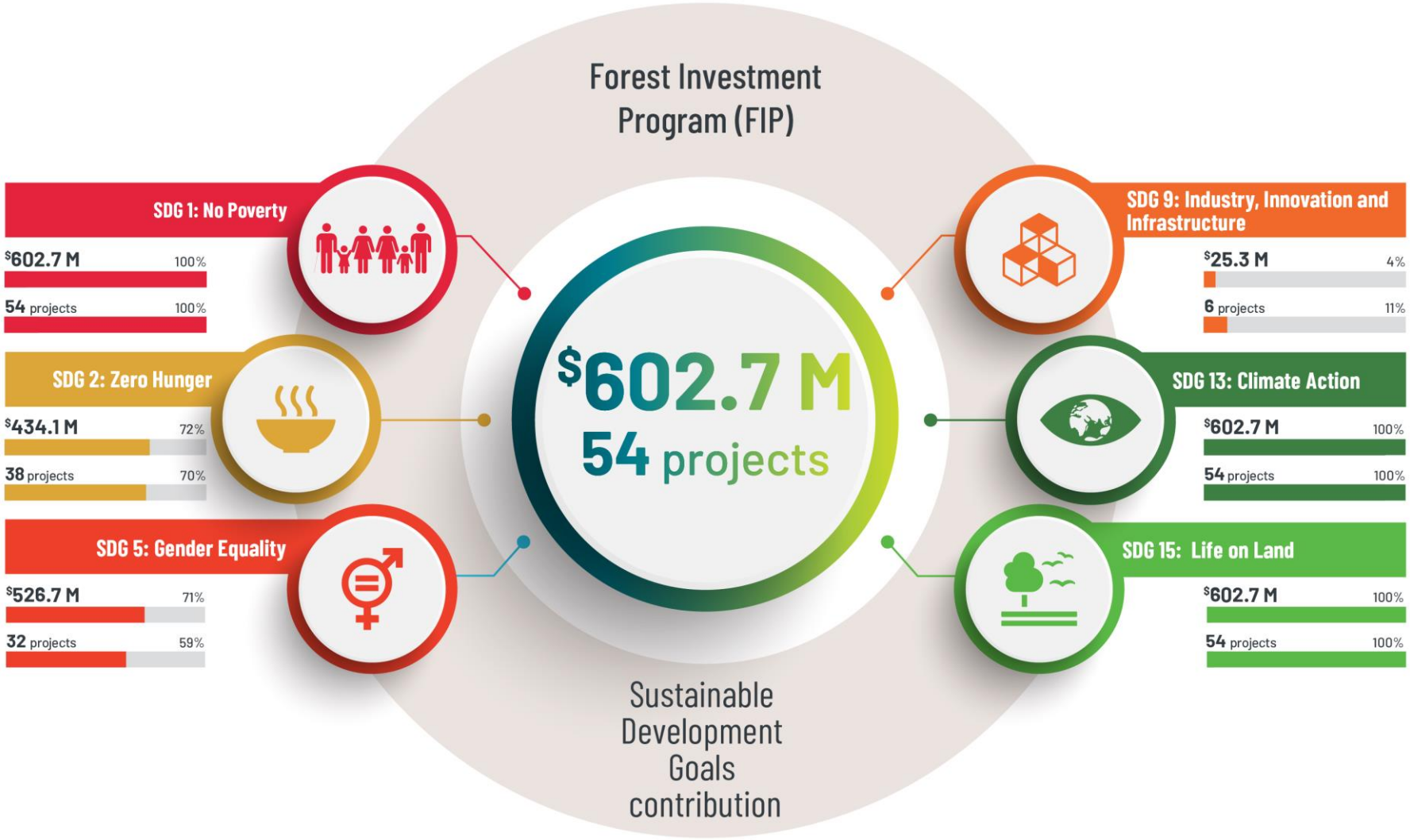
Forest Governance

- New results from Indonesia, DRC, Peru, Guatemala, Lao PDR, and Mozambique in RY23

Capacity Development

- New results from Indonesia, Nepal, Guatemala, Republic of Congo, Burkina Faso, Brazil, Ghana, Mexico (DGM), and Peru in RY23

FIP's Contribution to SDGs



Analysis of Completed FIP Projects

FIP Reporting Theme	Final Results of Completed Projects	Final Target of Completed Projects	Achievement Rate (%) of Completed Projects	Achievement Rate (%) of Full Portfolio
GHG emissions reduced/avoided, or enhanced carbon sequestration (Mt CO_2 eq.)	16.24	24.74	66%	27%
Land area covered with improved sustainable forest or land management practices (ha)	35,262,693	38,854,444	91%	86%
People receiving monetary or nonmonetary livelihood co-benefits—TOTAL	2,583,739	1,812,526	143%	70%
Men	1,086,379	692,637	157%	121%
Women	879,393	335,083	262%	148%

FIP Investment Plan Close-Out

A new country-level mechanism to officially close out IPs after all projects have reached completion

First **FIP IP Close-Out** conducted in **Indonesia** (March 2024) with more to come in FY25

Objectives

- Formally **conclude FIP M&R** country reporting
- Validate, document, and interpret **multi-dimensional results** achieved with diverse FIP stakeholders
    - i.e., widening and deepening understanding
- Compile **lessons** and **build consensus** on key messaging
- Provide **operational closure** for IPs
- Inform FIP's adaptive **sustainability** and new investments
- Expand country visibility and **communications** to mobilize new climate financing

FIP IP Close-Out in Indonesia

- **Final FIP Results** from 3 projects in Indonesia
  - **GHG: 1.8 million $tCO_2eq.$** reduced, avoided, or sequestered, and counting
  - **Land Area: 160,000+ hectares** of more sustainable forest and land management
  - **Livelihood Benefits:** Nearly **240,000 people** benefited
- Consensus-building on **11 key takeaways**

1. FIP played a catalytic role in **transforming forest management** in the FMUs it targeted and operationalized, demonstrating the viability of this localized model for replication and scale-up throughout the country.

2. FIP's quantifiable impact on **mitigation** was achieved primarily through community-based forest management, with additional effects from forest fire prevention and minor impacts from agroforestry pilots.

3. FIP and DGM support to the **social forestry scheme** helped increase access to forest resources, strengthen alternative livelihoods, provide land security for IPLCs, and reduce tension between stakeholder groups.

- **Next Steps:** TFC decision, Webpage, Other Outputs, More in FY25

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