Terms of reference and guidelines

Private sector observers for the Forest Investment Program Trust Fund Sub-Committee

The World Business Council for Sustainable Development (WBCSD) was recommended by the Forest Investment Program (FIP) Trust Fund Sub-committee to design and facilitate a self-selection process that will appoint two observers and two alternates from the private sector to be active observers to the FIP subcommittee meetings.

This document presents the terms of reference and the guidelines for the application to the two observers and two alternates.

Background

The aim of the FIP is to support developing countries in reducing emissions from deforestation and forest degradation (REDD) efforts. This support will be delivered by providing up-front bridge finance to identified REDD efforts based on national strategy building efforts. It will consider opportunities to help developing countries adapt to the impacts of climate change on forests, as well as contributing to biodiversity conservation, protecting the rights of indigenous people and local communities, poverty reduction and rural livelihood enhancements. The FIP will finance efforts to address the underlying causes of deforestation and forest degradation and to overcome barriers that have hindered past efforts in this area.

The objectives of the FIP are, among others, to facilitate transformational change in developing countries forest policies and practices, to pilot replicable investment models, to facilitate the leveraging of additional finance resources and to provide valuable experience and feedback in the context of the UNFCCC deliberations on REDD. The FIP recognizes the need for a learning agenda that would draw on impact assessment, monitoring and evaluation of specific interventions.

Scope of participation at the meetings

The private sector has a vested interest in maintaining the value, and by extension the carbon content, of forests through sustainable management of forests. Involvement in the FIP Trust Fund Sub-committee gives an opportunity to business to identify capacity needs and forest governance, recommend investments in mitigation strategies as well as in indirect measures to enrich the FIP pilot program. The involvement of the private sector at the early stages of the design of instruments and on their application should increase ownership and enhance public-private cooperation and knowledge-sharing.

This self-selection process is directed at business associations to ensure that there is the broadest possible representation of the business community at the meetings. Business associations can be represented by a company from their membership.

The observers would be able to:
a) Request the floor during discussions of the FIP SC to make verbal interventions
b) Request that co-chairs add agenda items to the provisional agenda
c) Recommend external experts to speak on a specific agenda item to the FIP SC or the co-chairs.

The alternates can accompany the observers to the meetings.

**Roles and responsibilities of observers**

The role of the observers is to:

a) Provide business perspectives and relevant policy and investment experience in reducing emissions from deforestation and forest degradation in developing countries.

b) Advise on the design of instruments to enhance public-private cooperation in reducing emissions from deforestation and forest degradation planning and capacity building

c) Liaise and channel business perspectives to engage strategically with decision-makers and other stakeholders.

Observers will be responsible for:

a) Preparing for meetings and gathering input on the agenda items from stakeholders in their constituency and other business organizations

b) Representing the interests of these private sector stakeholders in the meetings, not just of their own organization

c) Disseminating information broadly to the private sector through existing channels

d) Organizing business representation at the annual meeting of a partnership forum (“Partnership Forum”). The Partnership Forum should be used to facilitate and promote business consultations and maximize business contributions to the objectives of the FIP.

**Duration of office**

Observers will normally serve a two-year term.

**Advisory Board**

To ensure transparency in the design and implementation on this selection process an advisory board (“Advisory Board”) has been created. The Advisory Board is formed of five recognized forestry and climate change experts who have been selected through consultations with the private sector, broad stakeholders, the CIF Administrative Unit

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1 The World Bank has established that the CIF Committee meetings shall operate in English. In order to participate effectively in meetings, observers need to be able to read, understand and communicate in English.
and the accredited UNFCCC business and industry NGOs. Further information on the selection process for the Advisory Board and members of the Board can be found at www.wbcsd.org/web/cif.htm

**Self-selection process and timeline**

The WBCSD has accepted to design and facilitate the self-selection process on the understanding that the organization would also apply to become an Observer or an Alternate and would not take part in the selection process. The WBCSD will only facilitate the process and provide adequate communications channels to ensure all the important and relevant business associations are involved in the process. In disseminating information, the WBCSD will seek to collaborate, as appropriate, with multilateral development banks.

The design and facilitation of the self-selection process has been undertaken in consultation with those managing civil society representation and the CIF Administrative Unit to ensure a transparent and fair process and continuity of criteria, timelines and processes.

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<tr>
<th>FIP selection process timeline</th>
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<tr>
<td>• October 2009: The WBCSD was requested to prepare a self-selection process for private sector observers to the FIP.</td>
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<td>• 1-20 November 2009: The WBCSD identified and invited a small group of recognized experts to join the Advisory Board.</td>
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<td>• 25 November-5 December 2009: Advisory Board prepares the guidelines and criteria for the self-selection process.</td>
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<td>• 5 December-5 January 2010: The call for applications is opened.</td>
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<td>• 5-15 January 2010: The Advisory Board assesses and selects.</td>
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<td>• 15 January 2010: The WBCSD communicates the decision of the Board to the CIF Administrative Unit and the applicants.</td>
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<td>• 1 February 2010: FIP SC Meeting in Washington, DC.</td>
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For more information and updates on the private sector self-selection process, please visit www.wbcsd.org/web/cif.htm
Self-selection criteria

The selection of observers will aim to achieve a targeted and balanced representation of perspectives and expertise from the business community across the CIF Committees and sub-committees. The Advisory Board has agreed on the following criteria to qualify as private sector on the FIP. Applications will be evaluated against these:

1. **Organization capacities:**
   - Expertise in the development of REDD projects in developing countries
   - Expertise in investment strategies for forest mitigation and the indirect drivers of forest management
   - Balanced geographic representation of business, in particular representation of developing country business associations where REDD plans are under consideration
   - Capacity and willingness to take a leadership role in the annual Partnership Forum.

2. **Individual capabilities.**
   - Proven business experience and knowledge of REDD investment strategies
   - Business experience in investing in developing country REDD projects
   - Ability to, interest in and capacity to consider the needs and concerns of the larger business community (not only own organization) and report back to them
   - Commitment to open and transparent communication and the ability and willingness to prepare for meetings, influence the process and stay engaged.

Conflicts of interest

To avoid conflicts of interest that will compromise the independence of private sector observers, the individual selected to represent the business associations should not belong to a company that is benefiting, or is seeking to benefit, from significant funding or direct financial relationships with The World Bank and multilateral development banks.

Candidates to the self-selection process are required to disclose current, pending or past contractual or direct financial relationships with The World Bank and multilateral development banks.

The WBCSD and the Advisory Board are not responsible for the accuracy of the information provided by the candidates.

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2 According to the Guidelines “travel costs for representatives from developing countries to attend the Trust Fund Committee meetings may be covered by the budget of the CIF Administrative Unit upon request.”