



# CIF Partnership Forum Bulletin

**A Summary Report of the 2014 Climate Investment Funds (CIF) Stakeholder Day and 2014 Climate Investment Funds (CIF) Partnership Forum**

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## SUMMARY OF THE 2014 CIF PARTNERSHIP FORUM: 22-24 JUNE 2014

The 2014 Climate Investment Funds (CIF) Partnership Forum convened from 23-24 June, in Montego Bay, Jamaica, and was co-hosted by the CIF and the Inter-American Development Bank (IDB). A CIF Stakeholder Day preceded the Partnership Forum on 22 June. In addition, a Knowledge Bazaar enabled attendees to network, exchange ideas and participate in interactive learning.

The Partnership Forum brought together approximately 500 participants, representing governments, civil society, indigenous peoples, the private sector, development partners and researchers, to share lessons emerging from the CIF on how to foster partnerships and attract investment to deliver low-carbon and climate-resilient development. The Forum included plenary and breakout sessions, intended to address the multiple interests of participants and enable open discussions to explore ways to maximize CIF effectiveness.



L-R: Patricia Bliss-Guest, Program Manager, CIF Administrative Unit; Ian Hayles, State Minister in the Ministry of Water, Land, Environment and Climate Change, Jamaica; and Therese Turner Jones, IDB Country Representative in Jamaica, cut the ribbon for the grand opening of the Knowledge Bazaar.

## A BRIEF HISTORY OF THE CLIMATE INVESTMENT FUNDS

The CIF is a collaborative effort among the multilateral development banks (MDBs) and countries to initiate transformational change towards climate-resilient, low-carbon development. The CIF, formally approved by the World Bank's Board of Executive Directors on July 1, 2008, was designed through consultations with various stakeholders and is governed by donor and recipient countries, with active observers from the UN, the Global Environment Facility (GEF), civil society, indigenous peoples' organizations and the private sector.

Through two distinct funds, the Climate Technology Fund (CTF) and the Strategic Climate Fund (SCF), the CIF supports developing countries' efforts to mitigate and manage the challenges of climate change by providing grants, concessional loans and risk mitigation instruments, as well as through leveraging significant financing from the private sector, the MDBs and other sources. With CIF support, 48 developing countries are piloting low-emission and climate-resilient development, clean technologies, sustainable forest management and increased energy access through renewable energy. Thus far, donor countries have pledged approximately US\$8 billion to the CIF, administered through country-led programs and investments by the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), IDB and World Bank Group. A mix of grants, concessional funds and risk

mitigation instruments from the CIF are expected to leverage over US\$43 billion in financing from governments, the private sector, MDBs and other sources.

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The CTF and the SCF each have a specific scope and objective and their own governance structure. Each is governed by a separate Trust Fund Committee, with equal representation from contributor and recipient countries, which oversees the operation of the Fund, provides strategic direction, approves and oversees its programming and projects and advises on strategic direction. The SCF's three targeted programs, the Pilot Program for Climate Resilience (PPCR), the Forest Investment Program (FIP) and the Scaling Up Renewable Energy Program (SREP), are each governed by their own Sub-Committee. Decisions of the Trust Fund Committees and Sub-Committees are taken by consensus. "Active" observers from the UN, the GEF, the UN Framework Convention on Climate Change (UNFCCC), civil society, indigenous peoples' organizations and the private sector are invited to participate in Trust Fund Committee and Sub-Committee meetings.

The CTF provides developing and middle-income countries with positive incentives to scale up the demonstration, deployment and transfer of technologies with high potential for long-term greenhouse gas emission reductions. It focuses on large-scale, country-initiated renewable energy, energy efficiency and sustainable transport projects. Nineteen recipient countries are participating in the CTF, and around US\$5.5 billion has been pledged thus far.

The SCF supports developing country efforts to achieve climate-resilient, low-carbon development by piloting transformational approaches to scale up climate resilience. Pledges for the three SCF programs total approximately US\$2.5 billion.

The FIP provides financing to support developing country efforts to reduce emissions from deforestation and forest degradation, and to promote conservation, sustainable forest management and enhancement of forest carbon stocks (REDD+). The FIP finances large-scale investments and leverages additional resources, including from the private sector, and complements other REDD+ financing mechanisms. The FIP aims to reduce the underlying threats to the world's tropical forests and to the communities that depend on them, addresses governance deficits and is active in eight pilot countries. To date, approximately US\$639 million has been pledged to the FIP.

The PPCR helps developing countries mainstream climate resilience into development planning; offers additional funding to support public and private sector investments; provides incentives for scaled-up action and initiates a shift from "business as usual" to broad-based strategies for achieving climate resilience at the national and regional levels; and supports climate-smart investments to address priority vulnerabilities in highly vulnerable developing countries, including small island developing states (SIDS). PPCR priority areas include agriculture and food security, water security, climate services and infrastructure. Thus far, there are nine PPCR pilot countries and two pilot regions, and approximately US\$1.3 billion has been pledged.

The SREP aims to: scale up the deployment of renewable energy technologies and expand renewable markets in the world's poorest countries to increase energy access; build capacity; and pilot and demonstrate the economic, social, and environmental viability of low-carbon development pathways in the energy sectors of low-income countries. The program finances solar, wind, bio-energy, geothermal and small hydro technologies in eight pilot countries. To date, over US\$551 million has been pledged to the SREP.

## **CIF PARTNERSHIP FORUM**

As governments and institutions began designing the CIF, the need to share lessons and experiences became apparent. The CIF Partnership Forum was introduced to help ensure effective lesson sharing and the full engagement of all stakeholders in an inclusive, transparent and strategic manner.

Thus, a Partnership Forum was incorporated into the CIF process to serve as a regular venue in which all stakeholders could share CIF-related ideas and experiences, and engage in dialogue on the CIF's strategic directions, results and impacts. Stakeholders involved in the process include: representatives of donor and eligible recipient countries, MDBs, UN agencies, the GEF, the UN Framework Convention on Climate Change (UNFCCC), the Adaptation Fund, bilateral development agencies, NGOs, civil society organizations (CSOs), including indigenous peoples' organizations, private sector entities, and scientific and technical experts. At the Partnership Forum, donor and recipient countries select, within their respective constituencies, members to serve on the CIF Trust Fund Committee and Sub-Committees.

In October 2008, an initial CIF Partnership Forum was held at World Bank Headquarters in Washington, DC. It served as an early opportunity to explore how best to promote dialogue and open exchange on various aspects of the CIF and set the stage for convening the Forum on a regular basis.

**2010 CIF PARTNERSHIP FORUM:** The 2010 CIF Partnership Forum, held from 18-19 March 2010 at ADB Headquarters in Manila, the Philippines, provided a platform for stakeholders to reflect on the first year of CIF operations, engage in dialogue on knowledge gained to date, and extract useful lessons to inform further CIF implementation. It also enabled participants to share lessons learned from the CIF design process and early implementation of CIF-funded programs, in particular, from country-level activities of the CTF and the PPCR, which had both advanced to the implementation stage.

**2011 CIF PARTNERSHIP FORUM:** This meeting convened from 24-25 June 2011 in Cape Town, South Africa, and was organized by the AfDB and the World Bank, in consultation with other MDB partners. The Forum provided an opportunity for CIF stakeholders to: explain how the CIF is working in their respective countries; discuss what is most effective and how the CIF can be expanded or improved; share on-the-ground achievements, challenges and knowledge; and help other CIF stakeholders apply lessons learned. The 2011 CIF Partnership Forum also aimed to: raise awareness of the CIF and country selection process; provide feedback to CIF governing bodies; and identify opportunities for further stakeholder participation.

**2012 CIF PARTNERSHIP FORUM:** The 2012 Partnership Forum convened from 6-7 November 2012, in Istanbul, Turkey, and was co-hosted by the CIF and the EBRD. The Forum provided an opportunity for all stakeholders to contribute to a deepened understanding of the linkages between climate change and development. As all CIF programs were moving into the implementation phase, the Forum emphasized on-the-ground implementation, knowledge building and lesson sharing.

Prior to the Partnership Forum, the following convened: CIF Pilot Country Meetings, Sub-Committee and Trust Fund Committee meetings, a master class on wind and biodiversity issues, a Civil Society Forum, a Private Sector Forum, and a meeting on the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).



Session I panelists. L-R: John Clark, Principal, The Policy Practice Ltd.; Andrea Rodríguez, Inter-American Association for Environmental Defense (AIDA); Moderator Amal-Lee Amin, E3G; Jonathan Coony, InfoDev Climate Technology Program, World Bank Group; Grace Balawag, Tebtebba; and Milap Patel, World Resources Institute.

## 2014 CIF STAKEHOLDER DAY

The 2014 CIF Stakeholder Day convened on 22 June with participation from over 100 stakeholders, representing civil society, indigenous peoples, the private sector, governments, research institutions and MDBs, among others.

### SESSION I: REACHING INTO THE ROOTS OF PARTNERSHIP: EXPERIENCES FROM THE GROUND

This session was moderated by Amal Lee-Amin, E3G, who outlined the development of the CIF and its stakeholder engagement. Noting that the CIF initially addressed areas with great mitigation potential, with the CTF established first and working mostly with middle-income countries, she explained that the desire of many other developing countries to get involved led to the establishment of the PPCR, FIP and SREP. She noted less emphasis on stakeholder engagement in the CTF than in the other programs. She discussed other CIF objectives, including transforming the role and activities of MDBs, and explained that the CIF stimulates collaboration between the MDBs at the investment and programmatic levels. Referring to the Green Climate Fund (GCF) “the new kid on the block,” she noted its similar aims to those of the CIF, including driving innovation to deliver scaled-up domestic, international and private sector investment. She emphasized the importance of country ownership, including by stakeholders within countries, and of embracing sustainable development in the climate finance agenda.

**PANEL PRESENTATIONS:** Andrea Rodríguez, Inter-American Association for Environmental Defense-Americas, discussed the advantages of engaging with stakeholders in decision making, and the importance of enhancing transparency and accountability. She called for using climate finance resources in developing countries effectively, promoting the wellbeing of people and protecting human rights. She emphasized, *inter alia*: stakeholder participation in providing legitimacy to institutions and decision-making paths; the importance of technical input by stakeholders; and in-country ownership by both governments and stakeholders.

Jonathan Coony, infoDev’s Climate Technology Program, World Bank Group, identified private actors and small and medium enterprises (SMEs) as points of intervention to promote clean energy. He highlighted the role of the Climate Innovation Centers (CICs) in supporting clean technology and providing a range of services, including access to finance, technical facilities to produce prototypes, and information to understand market potential and the technologies themselves.

John Clark, Principal, The Policy Practice Ltd., spoke on multistakeholder partnerships. He cited increasing *ad hoc* iterative international initiatives by policy networks of governmental and nonstate actors to address global issues through collective actions. He noted that a mix of different actors with varied comparative advantages is key to success. He warned that partnerships may be asymmetric, necessitating efforts to empower rather than coerce weaker members, and said partnerships should focus on agreeing on strategies for action rather than on differences in worldviews.

Grace Balawag, Indigenous Peoples’ International Centre for Policy Research and Education (Tebtebba), spoke on indigenous peoples’ engagement, noting that their rights and interests differ from those of CSOs, being enshrined in UN agreements, and citing indigenous peoples’ history of sustainable forest management. She noted the achievement within the CIF of the DGM for indigenous peoples and local communities. She identified problems related to: the absence of regional-level guidelines for indigenous peoples and local communities for project financing; the need for direct distribution of funds to communities according to their own priorities; the small amount of funds available for implementation; and the environmental destructiveness and human rights violations of many CIF-funded activities, such as hydropower projects.

**Discussant:** Milap Patel, World Resources Institute (WRI), discussed key themes raised by panelists including: how global action is translated into national and local levels; challenges for indigenous peoples in reflecting international progress at the local level; and the nature of stakeholder engagement, particularly in the form of partnerships and meaningful consultations. Regarding the GCF, he underlined the need to consider balancing power, responsibility and accountability by engaging stakeholders. He called for attention to efficacy and efficiency of multilateral processes and to asymmetry of power in partnerships, and for a broader perspective on innovation.

Amin then asked panelists to respond to Patel’s comments. Rodríguez noted the need for every country engaging with the GCF to work with stakeholders at the national and local levels. On the role of intermediary and implementing entities, Coony described CICs as mechanisms that address individual company needs while channeling resources from global facilities. Clark discussed how MDBs could bring together NGOs and governments in a “trialogue” to have discussions that will be vital, particularly in the implementation stage.

Balawag highlighted efforts to demand space for indigenous peoples in national policy processes and described the incorporation of non-carbon benefits in international climate finance as a means by which traditional livelihoods could be enhanced.

**DISCUSSION:** During the discussion, one participant expressed concern over inadequate space for nonstate actors in the CIF process, and over the lack of emphasis on preserving and building local knowledge and traditional practices. Another called for discussing intellectual property rights (IPR), expressing concern over the high cost of implementing and using technologies. He lamented that large international NGOs are not helping to build capacity at the local level.

On the increasing plethora of stakeholders the challenge of including everyone at the decision-making table, Clark stressed that as the number of stakeholders increases, the rights and duties of various stakeholders must be addressed. He said “complex does not necessarily mean complicated.”

On constraints placed on NGOs by larger financial institutions, Clark responded that often NGOs are the only actors able to undertake certain efforts, and called for relaxing procurement rules when they are bidding for contracts. He said the World Bank and the MDBs are committed to community-driven development.

On traditional practices or technologies evolving from communities desiring IPR protection and adequate compensation, Coony said CICs can provide training for those that want to navigate the IPR regimes in their respective countries.

Regarding stakeholder engagement at different levels, Clark called for accountability of civil society representatives to their constituencies. Rodriguez noted that different stakeholders play different roles at the national and international levels and should work together to exploit their areas of expertise. Rodriguez noted growing transboundary networks to monitor development banks.

On technological innovation, Coony said that monetizing and commercializing traditional technologies already contribute to problems currently faced, yet valuing traditional technologies must entail packaging it for use by others. On transferable lessons from indigenous peoples’ engagement in the CIF, Balawag called for: separate discussions on the transfer or monetization of traditional technologies; and transfer of policies and guidelines for indigenous peoples’ engagement to the GCF and other initiatives.



Dana Goodson, RESOLVE

## **SESSION II: STAKEHOLDER ENGAGEMENT IN THE CIF: ADVANCES, CHALLENGES AND PROMISES**

This session was moderated by Milap Patel, WRI.

**BRIEFING AND PRESENTATION:** Dana Goodson, RESOLVE, briefed participants on the selection process for a new set of official active observers for the four CIF committees, each of which has four observer seats balanced by regions. She said that RESOLVE is facilitating the process and that some observer responsibilities include: representing a broad constituency and reporting to the CIF; and participating in meetings. She said that the final selections are balanced to meet gender, organization type and CIF pilot country criteria, and that the selection process will begin August with results expected in December 2014.

John Clark provided an overview of his work on strengthening country-level stakeholder engagement, noting that the shift from planning to implementation would introduce a new set of challenges. He said his report would produce pragmatic steps tailored to the country and context in question, and be directed at enhancing stakeholders’ specialist skills, local knowledge and public outreach.

Responding to a query regarding the possibility of a sectoral, instead of geographic, distribution of seats in the committees, Goodson encouraged making the recommendation through current observers and potentially utilizing linked sectoral interests by geographic region.

**PANEL PRESENTATIONS:** Judy Ndichu, Transparency International, Kenya, said that CIF guidelines and documents were readily available, but noted challenges in information



Session II panelists. L-R: Judy Ndichu, Transparency International, Kenya; Rose-May Guignard, Inter-Ministerial Committee for Land Use Planning, Haiti; David Kaluba, Ministry of Finance and National Planning, Zambia; Andrea Bacher, ICC; and Petra Kjell, Bretton Woods Project.

accessibility at the national level. She stressed the importance of: sharing information on investment plans and on progress in implementation; clear communication channels for enhancing transparency; private sector transparency and accountability; and stakeholder engagement in national policymaking.

Andrea Bacher, International Chamber of Commerce (ICC), explained the ICC is engaged in informal tutoring to improve networking among various processes and in creating a pipeline for informal capacity building for the next round of observers. She stressed that at the national level “no one size fits all,” and called for innovative partnerships with stakeholders not normally engaged.

Petra Kjell, Bretton Woods Project, stressed the need for, *inter alia*, timeliness and transparency of consultations; wide information-sharing, in appropriate languages; actions to follow up on consultations; capacity building for effective participation; and genuine consultations targeted at vulnerable populations and indigenous peoples, among others. She highlighted challenges including: that stakeholders are not homogeneous; the differences in treatment of stakeholders by the different funds and programs under the CIF; and the difficulties of tracking impacts and corruption related to the International Finance Corporation’s financial intermediaries. However, she said the CIF has set a standard for stakeholder engagement, and the sharing of learning among institutions.

Rose-May Guignard, Inter-Ministerial Committee for Land Use Planning, Haiti, reported on stakeholder engagement in creating Haiti’s Strategic Program for Climate Resilience (SPCR). She said the 18-month consultations first engaged different national government ministries and then different societal sectors within Haiti’s ten departments. On lessons learned during implementation, she highlighted: participants at the policy level are not necessarily those involved in implementation; and politically appropriate consultation methods are needed to help stakeholders make and implement decisions. She reported that the SPCR transformed thinking in Haiti about public involvement in decision making.

David Kaluba, Ministry of Finance and National Planning, Zambia, stressed comparative advantages of different stakeholders as the overarching principle for participation. He said that in Zambia the question is how much value

can be obtained from particular stakeholders to fill gaps in government institutions. He stressed the benefits of working with local NGOs that have resources, expertise and good track records with local communities.

**DISCUSSION:** Following the presentations, participants raised issues related to: the stakeholder consultation process in Indonesia; geothermal plant development in Kenya and its impact on the Masai community; government actions that supplement those of the private sector in Zambia; and the need to engage political actors from opposition parties alongside other stakeholders. Panelists underscored the importance of: engaging stakeholders from the outset, to gain legitimacy; establishing communication between government and stakeholders who may lack a history of engaging; and sharing accurate information with stakeholders.

### **BREAKOUT SESSIONS**

Participants then split into groups to discuss enhancing stakeholder engagement in the PPCR, the FIP, and the SREP and CTF. The breakout sessions addressed: challenges faced in engaging stakeholders at the country level; good practices or innovations in trying new approaches to engagement and lessons learned; and changes needed for stakeholder engagement as the CIF programs move into implementation.

**PPCR:** During this breakout session, participants identified challenges, including: lag time between project approval and disbursement of funds; lack of institutional memory in projects; disconnect between government understanding and World Bank safeguard policies; and lack of communication between some MDBs and government.

Participants emphasized: building community involvement into project design; a system of information flow and documentation to ensure project continuity over time; building upon traditional practices; identifying when and if stakeholder engagement is sufficient; reconciling short-term interests with long-term developmental impact; involving, not just consulting with, stakeholders; ensuring that money reaches the local level; and the importance of monitoring and evaluation.

One participant emphasized the need for establishing redress mechanisms and strong safeguards prior to project implementation. A representative from Samoa stressed the need



PPCR breakout session participants



FIP Breakout Session participants

to clearly define resilience, vulnerability and adaptation. He emphasized clear responsibility regarding PPCR management and the need for capacity for implementation.

**FIP:** During this session, participants identified challenges, including lack of: resources for attending stakeholder consultations; access to information at the national level; engagement not just by people with expertise but also by those who feel the impacts; accessible information with appropriate technical detail in the right languages and mediums; and well-defined criteria for participation.

On good practices, participants cited, *inter alia*: the functioning DGM pilot in Indonesia; the potential for the FIP mechanism to inform other CIF programs; and that information-sharing within the FIP is a two-way street, as opposed to just top-down. On implementation, participants called for outreach on how the CIF can deliver benefits to indigenous peoples and said that community-based monitoring systems must be developed in all regions for monitoring REDD+ activities.

**CTF and SREP:** In this breakout session, participants identified some of the challenges to effective stakeholder engagement, including accessing information, particularly regarding new technologies such as geothermal. Participants

also discussed good practices, such as: linking the contents of investment plans to government priority areas; creating a “good cop/bad cop” scenario where NGOs play different roles to maximize their effect on government; establishing institutional arrangements that support the supply of information and build capacity to access information across levels, for example, through right to information provisions; bringing the private sector, government, and stakeholders together through a protocol of intervention; and creating a country-level desk where CIF-related data is available. Proposals included: building country-level networks so that CIF information can be used productively; tracking finance; building portals for greater transparency; and exploring the role of stakeholders in the steering committees.

## 2014 CIF PARTNERSHIP FORUM

### OPENING PLENARY

The 2014 CIF Partnership Forum opened on Monday, 23 June. Steven Shalita, Senior Communications Officer, CIF Administrative Unit, welcomed participants.

Patricia Bliss-Guest, Program Manager, CIF Administrative Unit, noted that CIF disbursements are accelerating, funding is increasing and results are being achieved. She outlined ongoing



CTF and SREP Breakout Session participants



Patricia Bliss-Guest, Program Manager, CIF Administrative Unit



Hans Schulz, Vice President, IDB

will report to COP 20 in Lima, Peru, later this year.

Hans Schulz, Vice President, IDB, highlighted examples from Latin America and the Caribbean on catalytic changes achieved by partnerships between the IDB, the CIF, host governments and other stakeholders, including: the production of four GW of wind power with 95% of the equity funded by the private sector in Mexico, which has generated 11,000 sustainable jobs, and stimulated learning across the region; a LEED-certified hotel in Kingston, Jamaica; and flexible mechanisms to support small-scale projects.

Ian Hayles, Minister of State, Ministry of Water, Land, Environment and Climate Change, Jamaica, officially opened the 2014 CIF Partnership Forum. He called for viewing climate change not just from the standpoint of new, attractive investments, but also regarding what will be passed down to future generations. He highlighted that partnerships such as the CIF had benefited Jamaica tremendously, including through the installation of 20 weather stations.



Ian Hayles, Minister of State, Ministry of Water, Land, Environment and Climate Change, Jamaica

discussions on GCF policies and procedures and the CIF's contribution to fostering partnerships, mobilizing investment and achieving results, and described the CIF as a true "living laboratory."

Stefan Schwager, UNFCCC Standing Committee on Finance (SCF) Co-Chair, reported on the 2nd SCF Forum, which met in Montego Bay from 21-22 June. He explained that the SCF Forum tackled integration of adaptation into planning for, *inter alia*: private finance, cities, human health, water, agriculture, forests and ecosystem services. He said that Partnership Forum discussions will enlighten the SCF, which



Room view during the plenary

## LESSONS FROM THE CIF: FOSTERING PARTNERSHIPS, DELIVERING INVESTMENT, AND LEARNING BY DOING TO ACHIEVE RESULTS

This session took place on Monday morning and was moderated by Funke Oyewole, World Bank Group and former



Funke Oyewole, World Bank Group and former Deputy Program Manager, CIF Administrative Unit

Deputy Program Manager, CIF Administrative Unit, who introduced a five-year retrospective report: Learning by Doing: The CIF's Contribution to Climate Finance.

Participants then viewed a video, which provided perspectives from the early CIF founders, one of whom

explained that the CIF aimed to test the hypothesis that transformational change is possible.

On how the CIF has performed, Amal-Lee Amin, E3G, said that initially the CIF had been ambitious but naive in terms of what could be delivered, noting that transformational change is not easy nor simple, but requires transforming economies. She described transforming the MDBs as another challenge, noting that climate change was initially low on their agendas. Bliss-Guest said that collaboration among the MDBs was one of the CIF's "shining achievements."



Amal-Lee Amin, E3G

Guy Patrice Dkamela, Center for Research and Action toward Sustainable Development in Central Africa and the first self-selected observer in the CIF, provided a stakeholder's perspective, discussing advantages and challenges of observers from the North and South working together. He said the CIF governance arrangement favors partnership building.

Noting that adaptation is key to sustainable development in Mozambique, Rogeiro Mousse, National Council For Sustainable Development, reported the establishment of a Climate Change Coordination Unit to coordinate all adaptation-related activities across Mozambique. However, he bemoaned the lack of adequate funds for staffing the Unit.

Amin expressed hope that the GCF would evolve over time to allow for more active participation by observers. Bliss-Guest noted the evolution within the CIF to achieve a strong governance structure for stakeholder participation, based on observer desire to become more involved.

**DISCUSSION:** A representative from the Caribbean Farmers Network said many of his organization's six million members see the CIF and GCF as "elite funds" for politicians, bankers and big business, and questioned whether their



Guy Patrice Dkamela, Center for Research and Action toward Sustainable Development in Central Africa and the first self-selected observer in the CIF

investments positively affect the masses. He said NGOs form an inclusive buffer between politicians and the masses, creating a richer process.

A representative of the AfDB said the CIF forced MDBs to work together despite their differences, and called for them not just to preach that national governments must consult with stakeholders before approving projects, but show countries that they are seriously engaged themselves.

Amin provided an example of overcoming blockages to integrate wind power into the Mexican grid by providing resources for studies to demonstrate its benefits. Bliss-Guest noted that governments must bring their populations along to achieve transformation, saying that although only a few stakeholder representatives can be selected for the CIF boards, countries should encourage as many as possible to contribute.

Dkamela noted the need to target the right participants for implementation in the field, where challenges exist regarding administration, geographical differences or remoteness. A government official from Bangladesh expressed concern regarding the slow pace of disbursement of PPCR funds and proposed a clearance mechanism to expedite them. A participant from India proposed establishing CIF country chapters that would bring together civil society actors, members of the private sector and government representatives to facilitate communication.

A representative of the UK's Department for International Development (DFID) highlighted the role of the CIF in, *inter alia*, fostering partnerships through equal representation of contributors and recipients in fund committees, and encouraging South-South exchanges, particularly through learning by doing. Amin noted that lessons from the CIF would shed light on the relationship between country ownership and transformational change, a link that has become a key focus for the GCF.

#### **MAINSTREAMING CLIMATE RESILIENCE: JAMAICA'S EXPERIENCE**

This session took place on Monday morning. Moderator Evan Thompson, Meteorological Service, Jamaica, said that natural disasters have significant consequences for economic development in Jamaica, affecting such sectors as agriculture and tourism. He noted efforts to mainstream climate change into national development through the Vision 2030 Jamaica – National Development Plan.

Michael Taylor, University of the West Indies, explained why Jamaica has emphasized the importance of science for building resilience, noting that Jamaica has extreme climate sensitivity, which translates into pervasive vulnerability. He explained that science tells us “why, when and how” we must act, saying that climate change is having real impacts on Jamaica, and that action must be taken now through adaptation, mitigation and educational measures.

Alicia Hayman, Natural Resource Management Specialist, discussed how Jamaica is mainstreaming climate change into the agriculture sector, citing examples of working at the local level on climate-smart agriculture. She noted the development of more resilient crop varieties, and said scaling up programs requires communication, analysis and monitoring.

Colin F. Bullock, Director General, Planning Institute of Jamaica, discussed mainstreaming climate change through the budgetary process, noting that governments must lead the way in adaptation and mitigation, and elaborated on Jamaica's Vision 2030. He discussed challenges and constraints, including public debt, the difficulty of maintaining infrastructure and lack of adequate resources for the national disaster fund.

During the ensuing discussion, participants shared experiences on adaptation strategies for farmers, including early warning systems and the intercropping of tubers, and the role of regional organizations, such as CARICOM, in the context of national planning. Responding to a question on the ease of achieving a 30% renewable energy target, Bullock highlighted the need to tackle the misperception of the high upfront cost of renewable energy. He outlined how a mix of grants and debt instruments could be used in cases of limited fiscal space, but underscored the importance of creating a debt sustainability program to avoid foreclosing options.

#### **“4°C TURN DOWN THE HEAT” PRESENTATION AND DISCUSSION**

The session was convened on Monday afternoon and was moderated by Shaanti Kapila, CIF Administrative Unit, who noted that the CIF is thinking bigger and taking action more quickly as scientific evidence becomes more compelling.

Hans Joachim Schellnhuber, Director, Potsdam Institute for Climate Impact Research, discussed the climate crisis and potential solutions, and provided an overview of the history of carbon emissions. He explained that the next El Niño



L-R: Colin Bullock, Planning Institute of Jamaica; Evan Thompson, Meteorological Service, Jamaica; Michael Taylor, University of the West Indies Mona; and Alicia Hayman, Natural Resource Management Specialist



is on its way, and if it fully develops, 2015 global mean surface temperature could hit an all-time high. He discussed tipping elements in the earth's system, noting that changes happen in a disruptive, rather than a gradual way, and said a temperature increase as low as 1.6°C could lead to irreversible melting of the Greenland ice sheet. Lamenting that the issue of ocean acidification has been ignored, Schellnhuber explained: there is no silver bullet; geoengineering will not work; and the only answer is to avoid emissions. He said the Caribbean and Jamaica in particular will experience extreme temperature change, coral bleaching, and impacts on fisheries and tourism.

He said costs will rise dramatically the longer climate change action is delayed. Noting that those countries that have caused most of the climate change are the least vulnerable to its impacts, he stressed the importance of ethics and dignity and creating a global initiative to stabilize the climate.

Dessima Williams, former Ambassador of Grenada to the UN, encouraged scaling up and integrating actions where policy, science and development intersect. She noted that such an effort could be "revolutionary" and would give the world a fighting chance to reduce emissions and foster development in developing countries. She advocated for: integrating climate change into policies; addressing vulnerability with a commensurate level of action; and addressing the deepening and accelerating vulnerability of island states.

During the ensuing discussion, Schnellhuber said that "avoiding the unmanageable" is the first priority, and stressed the need to end the climate crisis while simultaneously alleviating the worst impacts. On accelerating transformation, Williams and Schnellhuber called for new models of development, including micro-creativity and scaling up of innovation. Highlighting the potential of social media and the grassroots divestment movement, Schnellhuber said World Bank Group President Jim Yong Kim called for "a global social movement against carbon tyranny."



Hans Joachim Schellnhuber,  
Director, Potsdam Institute for  
Climate Impact Research



Dessima Williams, former  
Ambassador of Grenada to the UN

On "climate sceptism," Schnellhuber noted the 97-98% scientific consensus on climate change. He questioned if one would undergo treatment if medical experts said there was a 90% chance one had cancer, stating that not taking 97-98% scientific consensus as a signpost for decision making is either "criminal or mad."

On links between traditional knowledge and modern science, Schnellhuber agreed that universal principles of science can be married with "place-based wisdom" based on long-term observation. He called for a global open access pool of breakthrough technologies, including medical and low carbon technologies.

### INDEPENDENT EVALUATION OF THE CIF

The session was held on Tuesday morning and was moderated by Kenneth Chomitz, World Bank, who



Moderator Kenneth Chomitz,  
World Bank

explained the context of the CIF evaluation and steps in the process, including: the formation of an Evaluation Oversight Committee comprised of the independent evaluation offices of the MDBs; production of an approach paper; and contracting of ICF International to execute the evaluation.

He said the Joint Trust Fund Committee maintained a hands-off approach and that the evaluation's independence was enhanced by the appointment of an International Reference Group that provided comments at the initial stage and during the conduct of the evaluation itself.

Mark Wagner, ICF International, presented the evaluation and successes identified by it, including balanced representation of contributor and recipient countries and a consensus process that conferred legitimacy. He identified areas needing improvement, including: greater MDB collaboration at the field level; a stronger gender focus in programming; and streamlined governance structures to jumpstart programming.

On transformational change, Wagner emphasized: project replicability and scalability; a supportive policy and regulatory environment; and clarity on what transformational change really entails. His recommendations included: recognizing trade-offs, including between faster disbursement and accountability; building learning components into projects; and resolving uncertainty regarding the sunset clause, which would help clarify acceptance of additional countries, the second round of investment plans and future evaluations.



L-R: Mark Wagner, Senior Vice President, ICF International; Rachel Kyte, Vice President and Special Envoy for Climate Change, World Bank Group; Frances Seymour, Co-Chair of the International Reference Group, Center for Global Development; and Alvaro Umaña, CATIE and Co-Chair, International Reference Group

Rachel Kyte, Vice President and Special Envoy for Climate Change, World Bank Group, described how the CIF evaluation helped to bring forward key issues where little experience existed. She stressed the need to increase disbursement rates and realign the risk/reward balance to capture the rewards that the CIF could deliver. She cited a potential false dichotomy between transformational change and achieving fast results and recommended being more upfront and reflective about the requirements for transformational change, particularly regarding the regulatory environment. Describing the findings from the CIF as fodder for the GCF, she underlined the need to build on the evaluation culture to keep learning and to correct course.

Frances Seymour, Center for Global Development and Co-Chair, International Reference Group, commented that as little CIF money has been disbursed, the evaluation addresses intent, not results. She noted the evaluation's breadth and ambition and resulting selectivity, but opined that its conclusions are sound. She said the CIF governing bodies need to clarify: the CIF's tolerance to risk; the climate/development trade-off; and the timing for invoking the CIF sunset clause.

Alvaro Umaña, Tropical Agronomic Center for Research and Higher Education in Turrialba (CATIE) and Co-Chair, International Reference Group, called for a framework to judge whether the CIF has been able to leverage funding from other entities. He noted costs incurred from the CIF's complex architecture, observing the CIF was conceived as an interim mechanism before COP 15. He said the CIF: must clarify whether and when to invoke the sunset clause; and will endure at least until disbursement to current projects is complete in 2020. He called for CIF windows to be structured according to risk, including higher rewards for taking greater risks, and said if finance becomes a roadblock there is little chance for a universal climate agreement in 2015.

**DISCUSSION:** During the question and answer session, Chomitz said the evaluation cost US\$1.8 million. Amin questioned if the evaluation highlighted the positive outcome of MDB collaboration, and Wagner explained that while collaboration observed among MDBs at the central level, this had not filtered down to the country offices. Kyte cited advantages of both collaboration and competition for stimulating the most creative and innovative ideas and projects.

Regarding safeguards for human and indigenous peoples' rights, Wagner said that MDBs have strong safeguard processes, but noted room for improvement, citing the inclusion of a gender specialist in the CIF. Kyte said that while almost all MDBs have incorporated free prior informed consent into their safeguards, operationalization is still a problem. Seymour expressed disappointment that the DGM was not evaluated in depth.

A representative from Bangladesh asked if the multiple funds addressing climate change would be collapsed into one fund. Umaña supported one universal fund, but said different windows with different conditions and types of projects could exist. He noted the GCF would make loans through intermediaries, supported simple reporting requirements for countries, and said both loans and grants were needed.

### **BREAKOUT SESSIONS**

Ten breakout sessions were held during the Partnership Forum, four on Monday and six on Tuesday.

**I: UNLOCKING CLIMATE FINANCE FOR THE PRIVATE SECTOR:** This session took place on Monday afternoon and was moderated by Ethan Zindler, Bloomberg New Energy Finance. Raymond Carlsen, Scatec Solar AS, reported on his company's solar energy projects in Rwanda, noting expeditious financing thanks to the CIF, despite the challenges faced. He commended the CIF for closing the gaps between project developers and implementers.

Narek Harutyunyan, Rengy Development, reported on his company's solar energy projects in Ukraine, financed with help from the EDRB and CTF. He stressed the importance of researching funding sources and technical skills to understand such sources to make projects bankable.

Kağan Aktan, Yapı Kredi Bank, Turkey, noted that unique Turkish legislation defines leasing companies as the owners of equipment, which helps unlock financing and which encouraged the establishment in 2008 of Yapı Kredi Leasing to finance the development of small renewable energy alternatives.

Enrique Nieto, Nacional Financiera SNC, Mexico, reported on his bank's involvement in large renewable energy projects, and said instruments have been developed to support contingencies, such as tariff drops or lack of wind. He added that competition in this field is now growing, with private equity funds seeking investment opportunities.

Regarding risks, Carlsen noted that his company financed hiring a counterpart negotiator for the government to negotiate an agreement that could withstand any change in government. Aktan noted the need for technology consultants and keeping in mind the benefits of being a "first mover" if a market develops. Narek Harutyunyan cautioned that business should never take a 100% risk-averse approach in innovative projects.

Regarding the development of financially viable projects, panelists stressed, *inter alia*, replication and simplification, and being aware of the needs of new investors and operators. On challenging a strong fossil fuel industry, Nieto said Mexican energy reforms in 1994 and 2014 have changed the landscape favorably and banks are now begging for renewable energy projects.



Panelists of the breakout group on "Unlocking Climate Finance for the Private Sector." L-R: Moderator Ethan Zindler, Bloomberg New Energy Finance; Narek Harutyunyan, Rengy Development; Kagan Aktan, Yapı Kredi Bank; Raymond Carlsen, CEO, Scatec Solar GmbH; and Enrique Nieto, Nacional Financiera, SNC.



Room view during the “Preparing and Implementing a Programmatic Approach to Climate Resilience: Lessons Learned from the PPCR” session

## II: PREPARING AND IMPLEMENTING A PROGRAMMATIC APPROACH TO CLIMATE RESILIENCE: LESSONS LEARNED FROM THE PPCR:

This session took place on Monday afternoon and was moderated by Smita Nakhoda, Overseas Development Institute.

Camille Bann, Consultant, CIF Study on PPCR Phase I, described how overlapping Phases 1 and 2 had helped to avoid potential gaps. She also stressed: how a low level of readiness delays the formulation of SPCRs; close coordination among the MDBs; and the challenges of engaging the private sector, particularly to identify investment opportunities.

Xavier Agostinho Chavana, Ministry of Planning and Development, Mozambique, said his country viewed PPCR-related finance as demand driven. He said transitioning from Phase 1 to Phase 2 was difficult, but is assisted by policy and institutional reform and a dedicated support team in the Ministry.

Bhuban Karki, Ministry of Finance, Nepal, remarked that a high level of readiness meant lower amounts of funding were needed in Phase 1. He said his government was discussing both the use of loans for adaptation and non-revenue generating activities, and predictability of MDB funding.

Litara Taulealo, Ministry of Finance, Samoa, said that the Climate Resilience Investment Coordination Unit is housed in her Ministry, which: gives the issue greater prominence; facilitates addressing climate resilience as a development issue; and integrates climate change planning into budgetary and development planning.

Claire Bernard, Planning Institute of Jamaica, said her Institute is mandated to carry out macro socioeconomic planning, manage external cooperation arrangements, undertake post-disaster impact assessment and coordinate agencies.

In the ensuing discussion, participants discussed: getting donors and the private sector to visit affected areas, such as in Bangladesh; the advantages of soft loans; the process for developing appropriate indicators; and capacity-building activities to enhance private sector participation in adaptation activities.

Karki said the PPCR is currently donor-driven, and called for more country ownership and resolution of contentious issues before proceeding with implementation. Bernard said responsibility for climate change issues must go beyond environment ministries, and advocated strengthening capacity of other ministries to address climate change. Chavana said transformational change must happen at the sectoral level, and noted the establishment of a knowledge management institute in Mozambique where scientists partner with the government.

Participants also discussed, *inter alia*, a vulnerability index as a potential outcome of the Third International Conference on SIDS meeting convening in September 2014, and the need to balance country ownership with velocity of project development.

Panelists then identified what they would do differently, including: increasing information availability; improving management of procurement processes; engaging political stakeholders; and enhancing capacity development.

## III: MULTI-NATIONALS AND SMES WORKING TOGETHER: SUSTAINABLE SUPPLY CHAINS FOR THE FUTURE:

This session took place on Monday afternoon. Moderator Jason Clay, World Wildlife Fund (WWF-US), said high food price increases have led to riots and thousands of deaths, and called for, *inter alia*, doubling net food availability by 2015. He also noted that increased concern about company reputations has led to more spending on sustainability.

Isabel Studer, Tec de Monterrey, Mexico, reported on her IDB-funded project to help SMEs that supply Walmart and FEMSA. She said Walmart’s interest in more sustainable supply chains is reducing costs and improving its reputation. Regine Labrousse, Brasserie Nationale d’Haiti-BRANA, Subsidiary of Heineken, described the Smallholder Alliance for Sorghum in Haiti (SMASH), which provides farmers with innovative techniques to increase sorghum yields and then purchases it to produce beverages. Marcelo Vieira, AdecoAgro, Brazil, described the business case for more sustainable supply chains. He emphasized minimizing the environmental impact of, and insuring market access for, expanded production.

On environmental externalities, Vieira noted higher incomes and costs resulting from expanded production. Studer called for instructing suppliers in eco-efficiency practices. On climate



A view of the dais during the breakout session on “Multi-Nationals and SMEs Working Together: Sustainable Supply Chains for the Future.” L-R: Moderator Jason Clay, WWF; Isabel Studer, Tech de Monterrey; Regine Labrousse, Brasserie National d’Haiti-BRANA; and Marcelo Vieira, AdecoAgro.

change impacts, Labrousse said Haiti’s sorghum production increases environmental sustainability and is socially responsible. Vieira applauded the contribution of sugarcane to restructuring soil profiles after cattle ranching, but said convincing traditional farmers takes time.

Noting that the “reputation of the whole industry is only as good as the worst player,” Clay asked panelists if they see an increased willingness of companies who are often competitors to work together to tackle challenges such as disease. Studer noted efforts to help SMEs learn from others, as it is often expensive and difficult for SMEs to get relevant information. Studer said that in Mexico 95% of SMEs are lagging in competitiveness due to inefficiency, but that the government is working to develop SME capacity. Labrousse said the Haitian economy is still growing and stressed the importance and challenges of maintaining low prices. On the future of small farmers in global supply chains, Vieira said they need to focus on high-value products to be successful.

Studer said eco-efficiency practices throughout the supply chain should be normal business practice.

Labrousse expressed concern with NGOs giving “gifts,” noting it stifles innovation and sustainability and does not lead to climate-smart agriculture, and referred to the “tractor graveyard” where such gifts are often not maintained.

On cooperatives, Vieira said some actors become efficient providers of services to their neighbors. Clay provided a model for equity financing in processing plants, with the equity vesting in smallholders as a loan is repaid.

Concluding, Vieira advocated intensification of food production and conversion of less efficient areas back into forest reserves; Studer said corporations must invest more resources in small suppliers and work with partners and consumers to reduce emissions; and Labrousse said profit is not the main goal. Clay advocated sovereign funds reversing monetary flows to make production more sustainable, said the private sector cannot do everything and called for more government support.

**IV: DE-RISKING THE EXPLORATION PHASE OF GEOTHERMAL DEVELOPMENT:** This session took place on Monday afternoon. Pierre Audinet, Energy Sector Management Assistance Program, moderated the session, underlining that geothermal energy has been a key investment area for the CIF and that more efforts were needed to understand how to manage resource risk. Julian Richardson, Parhelion Underwriting Ltd., identified public-private partnerships as having the potential to balance high-risk exploration with capital-intensive development. He suggested viewing insurance markets as another source of capital along with the regular debt and equity markets.

Mekuria Lemma Tulu, Ethiopian Electric Power, noted: Ethiopia’s capacity challenges in negotiating and implementing contracts; the risk aversion of the Ethiopian government due to the wide availability of hydropower; and the positive effects of assistance from the AfDB, the US Agency for International Development and the World Bank.



View of the room during the “De-Risking the Exploration Phase of Geothermal Development” session



L-R: Barbara Buchner, Senior Director, Climate Policy Initiative; Berenice Hernández Toro, Director of Financing, International Affairs and Financing Unit, National Forestry, Commission, Mexico; Simten Öztürk, Manager, Project and Acquisition Finance, Garanti Bank, Turkey; and Penny Herbst, Corporate Renewables Specialist, Eskom

Guido Capetti, Empresa Nacional de Geotermia and Geotermia Del Norte, urged participants not to view the exploration phase as the final one, underscoring the importance of securing power purchase agreements, and the quality of the regulatory environment. Simten Öztürk, Manager, Project and Acquisition Finance, Garanti Bank, Turkey, discussed the landscape of geothermal power in Turkey and said her bank provides long-term structured finance.

In the ensuing discussion, Öztürk said that in the exploratory phase, corporate finance could be used and project finance could kick in during the development phase. On the ideal number of wells to drill for exploration, Richardson said this depends largely on the economics of the equipment. Audinet underscored that mobilization of public support is critical and there is no way to “cut corners.”

**V. BILLION VS. MILLION DOLLAR CIF PROJECTS: DOES SIZE MATTER IN TRANSFORMATIONAL CHANGE?** This session took place on Tuesday morning. Barbara Buchner, Climate Policy Initiative, opened the panel by asking: what does transformational change mean; and why do we need it? She said it entails: having a significant impact on mitigation and adaptation; addressing existing market barriers; providing business models that can be replicated elsewhere; and enhancing sustainability so projects can function without public finance.

Raymond Carlsen recommended addressing distribution and consumption of renewable energy in order to obtain projects that can deliver transformational change. He said that small power generators need to be accommodated to achieve serious reductions in pollution.

Penny Herbst, Eskom, South Africa, said her country desired a transformation in the form of a diversified energy mix that would address emissions. She stressed the importance of a programmatic approach allowing diverse actors to work towards a common purpose regardless of project size.

Simten Öztürk discussed the ongoing transformation in Turkey’s energy sector, including solar power’s potential to play a larger role, and the CIF’s role in fostering renewable energy in general.

Berenice Hernández Toro, National Forestry Commission, Mexico, highlighting lessons from the FIP, asserted that any transformational change in the forest sector will have to improve economic opportunities for forest-dependent people and coordinate actions for integrated land management.

In the ensuing discussion, Öztürk highlighted the CIF’s transformational impact on Turkish banks, noting they had realized the feasibility of environmental safety standards and social responsibility.

Toro highlighted factors that contribute to the transformational nature of projects: technical assistance and institutional capacity building to facilitate replication; community involvement; and institutional coordination.

Carlsen said private funds must be protected and risk mitigated. Regarding opportunities to influence big investors and the energy sector, Carlsen stressed simplicity and replicability, and not “changing the goal post” with each new project. On improving the CIF’s structure, Herbst stressed better internal engagement from the beginning.

Participants also highlighted cost reductions achieved with longer contract timeframes, and use of existing commercial banks and client information to offer credit lines for renewable energy. Öztürk said the attractive rates of CIF financing were crucial in helping to launch new products.

**VI: THE DOLLARS AND SENSE OF SOCIAL ENTREPRENEURSHIP: DOES IT ALL ADD UP?** This panel convened on Tuesday morning and was moderated by Ethan Zindler, who noted the need for local-level solution models which can be tested for eventual scaling up.

Niki Armacost, Arc Finance, outlined social enterprises funded by her organization which demonstrate that small amounts of finance can leverage big results with the help of MDBs.

Paul Needham, Simpa Networks, described his company’s solar energy service to replace expensive and dangerous kerosene lanterns through a prepaid metering technology, which eliminates expensive upfront costs.

Sagun Saxena, CleanStar Ventures, described his company’s venture to develop and market a proprietary biofuel to replace reliance on charcoal for cooking in Mozambique.

Marion Allet, Participatory Microfinance Group for Africa, described her organization’s micro-finance services to the poor in Ethiopia who are excluded from the banking sector. She said



L-R: Niki Armacost, Managing Director, Arc Finance; Paul Needham, President and Co-Founder, Simpa Networks; Marion Allet, Senior Programme Officer, Agence Française de Développement, PAMIGA; and Sagun Saxena, Managing Partner, CleanStar Ventures

that microfinance institutions can be a channel for clean energy but need technical assistance, funding and awareness-raising among stakeholders.

Amsalu Alemayehu, Wasasa MFI, Ethiopia, described his institution's small loans and flexible repayment system for rural farmers, and its current expansion into solar energy and biogas lending and into sourcing investment for technologies and start-up enterprises.

During the ensuing discussion, on using ethanol as alcohol, Saxena recommended denaturing the alcohol and rendering it nonpotable. On the illegality of ethanol in many countries, he said the Global Alliance for Clean Cookstoves is working to establish enabling environments for it. He contrasted ethanol favorably with the baseline carbon intensity of charcoal and called for local, sustainably certified production using different sources of feedstock, such as bagasse. On competition from natural gas, he cited room for both at opposite ends of the cooking fuel market.

On tension between profit and social goals, Needham stressed the need for balance and the right kinds of investors. Allet recommended tracking the most important metrics for social impact and building common trust among diverse investors. Sagun said that getting a major international development finance institution on board early helped him mobilize capital.

**VII: MINI-GRID MANIA: ARE MINI-GRIDS THE NEXT MOBILE PHONE REVOLUTION?** This session took place on Tuesday afternoon and was moderated by Paul Needham, who noted that 1.3 billion people still lack access to electricity. He cited enthusiasm over solar microgrids, but outlined some initial problems in collecting payments by users.

Niki Armacost noted the importance of assessing the client's ability and willingness to pay, and of mechanisms to ensure payment. Pavel Oimeke, Energy Regulatory Commission, Kenya, said close to 80% of Kenya's population lacks access to electricity, citing potential benefits from minigrids.

Jiwan Acharya, ADB, noted problems with the regulatory regime, and said that investors need protection. Gianluca Signorelli, Empowered by Light, described his organization's work on minigrids in Zambia, and said users valued the electricity more if they had to pay for it.

During the ensuing dialogue, Armacost said the sector is young and cautioned against overregulation of businesses just starting out. Oimeke encouraged the installation of minigrids, but said: tariff models must be submitted for approval; owners overcharge because they have a monopoly; and regulators must ensure the system is fair and users are not shortchanged.

Participants raised issues related to: the need to regulate diesel-run microgrids, given their contribution to climate change; difficulties with regulating millions of minigrids; financial sustainability of national grids in developing countries;

and implementing payment systems that work best for users. A World Bank representative cautioned against having a national regulator set prices for minigrids.

Armacost underscored the importance of considering the political dynamics of communities, understanding local and state level politics, and determining who will operate the system and collect the money. An EU representative questioned the role of traditional funders and donors and how much funding the sector can absorb. Signorelli highlighted the challenge of financing fragmented portfolios and the need for aggregation and standardization of designs and scales.

Needham concluded with an example of a successful model to incentivize people to pay, which entails group liability and self regulation by the community whereby: customers join self-selected groups; and if one member does not pay, the whole grid gets shut off.

**VIII: ENGAGING STAKEHOLDERS FOR CLIMATE-SMART DEVELOPMENT:**

Moderator John Clark summarized messages from the CIF Stakeholder Day on 22 June, highlighting, *inter alia*, the need to: tailor approaches by mapping key stakeholders, including their strengths and needs, particularly when moving from planning to project implementation; balance between competing priorities; and reach out to stakeholders early.

He outlined challenges, including: changes in government; monopolization of the microphone by the loudest voices; control of the process by elite capital-based groups with little connection to local communities; and the need to engage with members of the political opposition, parliament and different government ministries.

He mentioned stakeholders' own needs for, *inter alia*: a stronger sense of discipline, transparency, downward accountability, accuracy of messages, stronger processes to select civil society representatives, and "peer review" mechanisms through which civil society members can voice conflicting views. He queried whether other funds could emulate the FIP's DGM model.

He said stakeholder recommendations included: building on existing structures where possible to enhance efficiency, synergies and continuity; creating respectful coordination mechanisms between the MDBs, with common sets of program requirements; and embracing a cultural shift toward a "partnership-smart climate" that recognizes strength in diversity.

Guy Patrice Dkamela identified three needs: broad national consultations with all stakeholders, followed by focused consultations with key stakeholders, in designing investment plans, identifying and validating projects, and selecting project sites; attention to issues, such as feedback between the design and project levels; and aids for moving forward,



L-R: Moderator Paul Needham, President and Co-Founder, Simpa Networks; Niki Armacost, Managing Director, Arc Finance; Pavel Oimeke, Director, Renewable Energy, Energy, Regulatory Commission, Kenya; and Gianluca Signorelli, Co-Founder, Empowered by Light



Panelists of the session on "Engaging Stakeholders for Climate-Smart Development"



L-R: Moderator Mark Bynoe, Senior Economist and Head, Program Development and Management Unit, CCCCC; Amjad Abdulla, Director General, Climate Change, Maldives; Andrea Volentras, Program Manager, PPCR Regional Track, SPREP; and Hopeton Peterson, Operations Officer, Environmental Sustainability, Caribbean Development Bank

including mapping of all actors, exploring ways to use existing platforms and institutions, involving more vulnerable and less visible groups, and developing effective conflict resolution mechanisms.

Bessy Bendaña, Honduran Association of Smallscale Renewable Energy Producers, said communities' expectations differ from those of project implementers, and they must become part of the community for that period. She also called for performance-based criteria for stakeholder accountability.

Abigail Demopolus, US Department of the Treasury, noted that the US, as a CIF contributor, values stakeholder participation and called for greater clarity on: the MDBs' role in the investment plan consultation process; engagement with members of the political opposition for project sustainability; and complementing CIF efforts by mobilizing more actors in the process.

David Kaluba highlighted the importance of identifying relevant stakeholders, noting particularly those with a genuine stake in the project. He defined effective stakeholder engagement as utilizing the unique strengths of stakeholders to achieve the aims of the project in question. He highlighted the need to engage with stakeholders from the outset in a transparent manner.

During the ensuing discussion, participants stressed: engaging stakeholders in monitoring and evaluation; involving local communities even where NGOs are not operational; and establishing a technical assistance window for NGOs within the CIF.

**IX: ADAPTATION CHAMPIONS IN THE SIDS:** This session took place on Tuesday afternoon and was moderated by Mark Bynoe, Caribbean Community Climate Change Center. Dessima Williams highlighted the extreme events already faced by Caribbean countries, particularly Grenada. Providing examples of protected marine areas and an integrated program for adaptation, she underscored the need to cluster climate change and biodiversity interventions within the sustainable development framework. Williams asserted that a SIDS vulnerability index would be useful only if it captured the common vulnerability of SIDS.

Amjad Abdulla, Ministry of Environment and Energy, Maldives, highlighted the impacts of climate change on water resources, critical infrastructure, and economic sectors such

as tourism and fisheries in his country. He listed some of the adaptation actions taken by the tourism sector in the Maldives, including over-water villas and underwater restaurants and spas.

Andrea Volentras, Secretariat of the Pacific Regional Environment Programme, discussed recent developments by Pacific regional organizations to integrate efforts on climate change, including the Working Group on Resilience and Development.

Hopeton Peterson, Caribbean Development Bank, identified challenges, such as: a financing gap caused by a shortage of concessional resources; high indebtedness, which hinders the financing of robust capital programs; information gaps; and lack of capacity building.

Bynoe concluded by reflecting on the need for innovation by the private sector and the role of government to facilitate private sector participation.

**X: GREEN LINKS: REDD+ READINESS AND IMPLEMENTATION:** This session took place on Wednesday afternoon. Frances Seymour moderated the session, which explored relationships among the three REDD+ phases.

Charlie Parker, Climate Focus North America, presented on REDD+ readiness in FIP pilot countries. He identified criteria for Phase 2 success as: political will and institutional capacity, interministerial coordination, and a REDD+ plan. He called for: entry and exit criteria for Phase 2; consideration of which countries meet the criteria; flexibility to change plans; donor coordination and reliance on in-country systems; and formal links between the REDD+ financing phases.

On whether undergoing Phase 1 is necessary before embarking upon Phase 2 and whether the potential for Phase 3 financing increases effectiveness in Phases 1 and 2, participants were divided.

Katie Berg, US Department of the Treasury, called for theories of change in project proposals, noting that Phase 2 projects can inform Phase 1 readiness preparations.

Putera Parthama, Ministry of Forestry, Indonesia, stressed the need to address the drivers of deforestation in Indonesia.

Samual Yeye, Ministry of the Environment and Sustainable Development, Burkina Faso, described his country's successful experience alternating between Phases 1 and 2, citing good communication and investments in grassroots communities.



L-R: Frances Seymour, Center for Global Development; Charlie Parker, Executive Director, Climate Focus North America; Neeta Hooda, Senior Carbon Finance Specialist, World Bank; Katie Berg, Policy Advisor, U.S. Department of the Treasury; Putera Parthama, Special Advisor to the Minister on Economics and International Trade, Ministry of Forestry, Indonesia; and Esombo Flory Botamba, REDD+ Focal Point and Project Manager, Democratic Republic of Congo, WWF

Participants' questions highlighted indigenous peoples' and women's participation, indicators of community implementation and corruption. Seymour noted Phase 3 is stalling and queried the possibility of indigenous peoples' participation in planning given the late implementation of DGM financing.

Parker said the Phases reflect differing country capacities. Putera noted that Indonesia conducted 50+ consultations and that local people decide how to use DGM funds. Neeta Hooda, Carbon Finance Unit, World Bank, cautioned that community engagement in monitoring is also an issue for monitoring, reporting and verification (MRV) in Phase 3. Parker noted divergence in country attitudes towards, and difficulties in reaching Phase 3. Other questions focused on, *inter alia*: constraints to moving forward; the private sector's absence in the FIP; and donors backtracking on funding commitments.

On double paying, Berg noted that financing under Phase 3 should fund reductions additional to those in Phase 2. Parker noted that the private sector is focusing on supply chains rather than carbon markets.

### CLOSING CEREMONY

In closing, Bliss-Guest said while climate change requires urgent action, it will take a long time to achieve a low-carbon economy, and that nothing short of transformation is required. She reiterated the CIF's contribution to transformational change, which she said is "a marathon, not a sprint." Noting this was her last CIF Partnership Forum, she thanked participants, and MDB and CIF Administrative Unit colleagues, and passed the baton to Mafalde Duarte, AfDB, who will take over as Program Manager of the CIF Administrative Unit in August.

In her remarks, Duarte said she hoped to build on the energy and learning that occurred in Jamaica to ensure the CIF's impacts are real and measurable.

Therese Turner Jones, IDB Country Representative in Jamaica, said climate change can only be tackled through joint efforts, that the CIF was tracking efforts in a transparent and



L-R: Patricia Bliss-Guest, Program Manager, CIF Administrative Unit, passes the baton to Mafalda Duarte, Incoming Program Manager, CIF Administrative Unit

honest way, and that, while the IDB only began looking at climate change as a regional priority in 2009, it had come a long way.

Rachel Kyte said climate change is the greatest leadership challenge of this generation and that the steady hand of government and regulatory certainty is essential. She said risks must be taken for rewards to be realized, and stressed that important lessons can be learned from failure. She emphasized that the cost of inaction is greater than the cost of action, highlighted the many co-benefits offered by climate change action, and cautioned that a deal in Paris would be elusive unless climate finance flows were quantified and tracked. She called for putting a price on carbon, and hoped world leaders would express ambition levels at the UN Climate Change Summit in September.

Ian Hayles, Jamaica, said governments must change the way they work, given the nature and complexity of climate change. He highlighted key takeaways from the Forum, including: the importance of county ownership of climate response programs; the necessity of stakeholder partnerships, including the integration of local actors; and the importance of engaging the private sector.

The 2014 CIF Partnership Forum closed at approximately 6:00 pm, after which participants attended a reception hosted by the Government of Jamaica.

### UPCOMING MEETINGS

**Africa Carbon Forum:** The sixth Africa Carbon Forum, organized by the UNFCCC, the UN Environment Program (UNEP) along with UNEP Risoe Centre, the International Emissions Trading Association, the World Bank Group and the AfDB, will convene in Windhoek, Namibia. **dates:** 2-4 July 2014 **location:** Windhoek, Namibia **contact:** Fatima-Zahra Taibi, UNFCCC Secretariat **email:** ftaibi@unfccc.int **www:** <http://africacarbonforum.com/2014/english/index.htm>

**Pre-Pre-COP Ministerial Meeting for UNFCCC COP 20 and CMP 10:** This event is organized by the Venezuelan Government and aims to examine: the role of local governments in climate change; how to engage local governments and citizens on the ground; and how local actions can be an integral part of the global agenda. **dates:** 15-18 July 2014 **location:** Caracas, Venezuela **contact:** Cesar Aponte Rivero, General Coordinator **email:** precop20@gmail.com

**National Adaptation Plan (NAP) Expo:** This year's Expo, convened by the Least Developed Countries Expert Group (LEG) under the UNFCCC, will provide a platform for countries to showcase progress in their NAP processes and offer an opportunity to exchange experiences, methods and tools. The event will target both LDCs and non-LDCs and a wide range of stakeholders, including country representatives, organizations, civil society and the private sector. **dates:** 8-9 August 2014 **location:** Bonn, Germany **contact:** Batu Uprety, Chair of the LEG **email:** napexpo@unfccc.int **www:** [http://unfccc.int/meetings/unfccc\\_calendar/items/2655.php](http://unfccc.int/meetings/unfccc_calendar/items/2655.php)



### Ninth Meeting of the Technology Executive Committee:

The Technology Executive Committee (TEC) of the UNFCCC meets at least twice per year. Its meetings are open to attendance by accredited observer organizations and observers from Parties, except where otherwise decided by the TEC. **dates:** 18-21 August 2014 **location:** Bonn, Germany **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** [secretariat@unfccc.int](mailto:secretariat@unfccc.int) **www:** [http://unfccc.int/ttclear/templates/render\\_cms\\_page?TEC\\_meetings](http://unfccc.int/ttclear/templates/render_cms_page?TEC_meetings)

**2014 Climate Summit:** This event is being organized by UN Secretary-General Ban Ki-moon with the aim of mobilizing political will for an ambitious legal agreement through the UNFCCC process. **date:** 23 September 2014 **location:** UN Headquarters, New York **www:** <http://www.un.org/climatechange/summit2014/>

### TEC Workshop on National Systems of Innovation:

The TEC is organizing this Workshop on National Systems of Innovation. **dates:** 13-14 October 2014 **location:** Bonn, Germany **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** [secretariat@unfccc.int](mailto:secretariat@unfccc.int) **www:** [http://unfccc.int/ttclear/templates/ttclear/pages/ttclear/templates/render\\_cms\\_page?s=events\\_main](http://unfccc.int/ttclear/templates/ttclear/pages/ttclear/templates/render_cms_page?s=events_main)

**UNFCCC ADP 2-6:** The *Ad Hoc* Working Group on the Durban Platform (ADP) will convene for the sixth part of the second session in October 2014. **dates:** 20-25 October 2014 **location:** Bonn, Germany **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** [secretariat@unfccc.int](mailto:secretariat@unfccc.int) **www:** <http://unfccc.int>

**IPCC-40:** This IPCC meeting will adopt the AR5 Synthesis Report and approve its Summary for Policymakers. **dates:** 27-31 October 2014 **location:** Copenhagen, Denmark **contact:** IPCC Secretariat **phone:** +41-22-730-8208 **fax:** +41-22-730-8025 **email:** [IPCC-Sec@wmo.int](mailto:IPCC-Sec@wmo.int) **www:** <http://www.ipcc.ch/>

**Pre-COP Ministerial Meeting for UNFCCC COP 20 and CMP 10:** This event, organized by the Venezuelan Government, aims to revisit the engagement of civil society in the UNFCCC negotiations. **dates:** 4-7 November 2014 **location:** Caracas, Venezuela **contact:** Cesar Aponte Rivero, General Coordinator **email:** [precop20@gmail.com](mailto:precop20@gmail.com)

**CIF TFC & SC Meetings:** The CIF Trust Fund Committee and Sub-Committee meetings will take place in Washington, DC **dates:** 17-21 November 2014 **location:** Washington, DC, United States **contact:** CIF Administrative Unit **phone:** +1-202-458-1801 **email:** [cifevents@worldbank.org](mailto:cifevents@worldbank.org) **www:** <http://climateinvestmentfunds.org/cif/>

**UNFCCC COP 20 and CMP 10:** The 20th session of the Conference of the Parties (COP 20) to the UNFCCC and the 10th session of the Conference of the Parties serving as the Meeting of the Parties (CMP) to the Kyoto Protocol will take place in Lima, Peru. **dates:** 1-12 December 2014 **location:** Lima, Peru **contact:** UNFCCC Secretariat **phone:** +49-228-815-1000 **fax:** +49-228-815-1999 **email:** [secretariat@unfccc.int](mailto:secretariat@unfccc.int) **www:** <http://unfccc.int>

**CIF TFC & SC Meetings:** The CIF Trust Fund Committee and Sub-Committee Meetings will take place in Washington, DC, United States. **dates:** 11-15 May 2015 **location:** Washington, DC, United States **contact:** CIF Administrative Unit **phone:** +1-202-458-1801 **email:** [cifadminunit@worldbank.org](mailto:cifadminunit@worldbank.org) **www:** <http://www.climateinvestmentfunds.org/cif/>

## GLOSSARY

ADB	Asian Development Bank
AfDB	African Development Bank
CIC	Climate Innovation Center
CTF	Clean Technology Fund
DGM	FIP Dedicated Grant Mechanism for Indigenous Peoples and Local Communities
EBRD	European Bank for Reconstruction and Development
FIP	Forest Investment Program
GCF	Green Climate Fund
ICC	International Chamber of Commerce
IDB	Inter-American Development Bank
IPR	intellectual property rights
MDB	Multilateral Development Bank
PPCR	Pilot Program for Climate Resilience
SCF	Strategic Climate Fund
SIDS	small island developing states
SME	small and medium enterprise
SPCR	Strategic Program for Climate Resilience
SREP	Program for Scaling-Up Renewable Energy in Low Income Countries
UNFCCC	United Nations Framework Convention on Climate Change
WRI	World Resources Institute



Field trip to the Discovery Bay Marine Lab