



2010 CIF Partnership Forum Bulletin

A summary report of the 2010 Climate Investment Fund (CIF) Partnership Forum
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SUMMARY OF THE 2010 CLIMATE INVESTMENT FUND PARTNERSHIP FORUM: 18-19 MARCH 2010

The 2010 Climate Investment Funds (CIF) Partnership Forum took place from Thursday, 18 to Friday, 19 March 2010 at the Asian Development Bank (ADB) Headquarters in Manila, the Philippines. The Forum was organized by the ADB and the World Bank, in consultation with other multilateral development bank (MDB) partners. It brought together approximately 400 participants representing governments, non-governmental organizations (NGOs), intergovernmental organizations, indigenous peoples and the private sector in attendance. During the Forum, participants convened in a Voices of Stakeholders plenary session and CIF program sessions. A symposium was also held on climate science and technology.

The objective of the CIF Partnership Forum was to provide an open, transparent and constructive platform for all stakeholders to reflect on the first year of CIF operations, engage in dialogue on knowledge gained to date, and extract useful lessons learned to inform further CIF implementation. The Forum aimed to share lessons learned from the CIF design process and early implementation of CIF-funded programs, in particular, from country-level activities of the Clean Technology Fund (CTF) and the Pilot Program on Climate Resilience (PPCR), which have both advanced to the implementation stage.

The 2010 CIF Partnership Forum also aimed to: raise awareness of the CIF, provide feedback to CIF governing bodies, and identify opportunities for further stakeholder participation. The Forum was preceded by meetings of the: CTF and Strategic Climate Fund (SCF) Trust Fund Committees; PPCR pilot countries and CTF countries; and PPCR, Scaling Up Renewable Energy Program in Low Income Countries (SREP) and Forest Investment Program (FIP) Sub-Committees. Also prior to the Forum, an NGO roundtable, organized by the NGO Forum on the ADB, was convened, with participation of MDB representatives, as well as a Stakeholder Forum-organized lunch to give stakeholder representatives an opportunity to focus their expectations for the Forum.

A BRIEF HISTORY OF THE CLIMATE INVESTMENT FUNDS

Climate change is considered to be one of the most serious threats to sustainable development, with adverse impacts expected on the environment, human health, food security, economic activity, natural resources and physical infrastructure. It is expected to disproportionately affect the urban and rural poor in developing countries, thus making it a central consideration in poverty reduction and development efforts. Recognizing this, the United Nations Framework Convention

on Climate Change (UNFCCC) acknowledges the need to provide additional financial resources to developing countries in order to help them mitigate and manage the challenges posed by climate change.

The CIF, formally approved by the World Bank’s Board of Directors on July 1, 2008, are a collaborative effort among the MDBs and countries to bridge the financing and knowledge gap between now and a post-2012 global climate change agreement. The CIF were designed through consultations with various stakeholders, and are governed by a balanced representation of donors and recipient countries, with active observers from the UN, Global Environment Facility (GEF), civil society, indigenous peoples and the private sector.

The CIF are comprised of two Funds, each with a specific scope and objective and its own governance structure: the CTF; and the SCF. The CTF provides scaled-up financing for the demonstration, deployment and transfer of low-carbon technologies for long-term reductions in greenhouse gas emissions within country investment plans. The SCF supports developing country efforts to achieve climate-resilient, low-carbon development. It operates through a series of targeted programs with dedicated funding to pilot new approaches to climate action, and potential for scaled-up, transformational action aimed at a specific climate change challenge or sectoral response.

The three targeted programs under the SCF are: the PPCR, which helps countries mainstream climate resilience into development planning; the FIP, which aims to, among other things, support efforts to reduce emissions from deforestation

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and forest degradation (REDD) by financing investments to address drivers of deforestation and forest degradation; and the SREP, which aims to help low income countries exploit renewable energy potential to move toward low-carbon energy paths.

Thus far, donor countries have pledged over US\$6 billion to the CIF. The CIF, to be disbursed as grants, highly concessional loans, and/or risk mitigation instruments, are administered, through country-led programs and investments, by the African Development Bank, ADB, European Bank for Reconstruction and Development, Inter-American Development Bank, International Finance Corporation and World Bank.

The CIF Partnership Forum was introduced as a central element of the CIF process to help ensure effective lesson sharing and the full engagement of all stakeholders in the CIF process in an inclusive, transparent and strategic manner. In October 2008, an initial CIF Partnership Forum was held at World Bank Headquarters in Washington, DC, to begin the Forum process, as the structure of the CIF was still being reformed and refined. This first Forum 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 regular convening of the Forum. The first Forum also provided an opportunity for the selection of countries to serve on the CIF Trust Fund Committees and Sub-Committees.

REPORT OF THE FORUM

OPENING PLENARY

Katherine Sierra, Forum Co-Chair and Vice-President for Sustainable Development, World Bank, opened the 2010 Climate Investment Fund (CIF) Partnership Forum.

Naderev Saño, the Philippines, was elected Forum Co-Chair. Haruhiko Kuroda, Asian Development Bank (ADB) President, highlighted that more people are affected by climate change in the Asia and Pacific region than anywhere else, while at the same time, the region's energy demands and greenhouse gas emissions are increasing. He said the CIF have allocated more than US\$1 billion for the region since the Funds' inception one year ago. Kuroda said responses to climate change should break down knowledge barriers, and require strong, wide-ranging partnerships across organizations, sectors and borders, as well as open avenues of communication.

Heherson Alvarez, Commissioner and Vice-Chairman, Philippine National Climate Change Commission, said that while the US\$6 billion pledged to the CIF thus far was impressive, this amount is miniscule compared to the hundreds of billions of dollars needed to address climate change, and that a transformational undertaking was required.

Preety Bhandari, UNFCCC Secretariat, emphasized that the sixteenth Conference of the Parties to the UN Framework Convention on Climate Change (UNFCCC) will have to develop an architecture that enables developing countries to act on climate change. She stressed the need for long-term financial cooperation, noting that existing and new financial streams will have to be used, without compromising the central role of the multilateral negotiation process.

Co-Chair Sierra provided a short background to the CIF, highlighting its two funds: the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF), and explained that the purpose of the 2010 CIF Partnership Forum is to share lessons learned from CIF implementation so far, as well as to take stock and fill gaps where they exist.



L-R: Katherine Sierra, Forum Co-Chair and Vice-President for Sustainable Development, World Bank; Haruhiko Kuroda, Asian Development Bank President; Heherson Alvarez, Commissioner and Vice-Chairman, Philippine National Climate Change Commission; and Preety Bhandari, UNFCCC Secretariat

VOICES OF STAKEHOLDERS

Ann Quon, ADB, moderated the Thursday morning plenary session.

PLENARY PRESENTATION: LOOKING AHEAD FOR LESSONS LEARNED IN THE CIF: EMERGING THEMES FOR LEARNING:

James Radner, University of Toronto, presented a summary of his study undertaken on lessons learned from the design and early activities of the CIF. He said the CIF are trying to do “big things quickly,” and that knowledge must be “usable” for those working on climate and development.



James Radner, University of Toronto

Radner discussed, *inter alia*, transformational change, including through: integration of expertise to find effective solutions; experimenting with new ideas to break down barriers and establishing replicable programs; and concessional

financing to attract investors. He also addressed: aligning climate and development goals; speed and depth of the CIF; and enabling relationships and trust among stakeholders.

PANEL DISCUSSION OF CIF STAKEHOLDERS:

Zaheer Fakir, South Africa, emphasized that the CIF not only help stimulate investment in clean technology, but also enhance skills development, including in rural communities. On challenges, Fakir noted insufficient knowledge of the CIF, particularly among stakeholders not directly involved in the process, and highlighted the need to create mechanisms that enable the voices of a broader base of stakeholders to be heard.

Bhola Bhattarai, Federation of Community Forestry Users, Nepal (FECOFUN), noted a lack of clarity about the role of civil society and other observers, and called for, *inter alia*: a stronger focus on, and support for, vulnerable countries and communities; and equity in fund disbursement and decision making.

Juan Carlos Jintiach, Coordinator of the Indigenous Organizations of the Amazon Basin (COICA), called for increased exchange between indigenous peoples and the multilateral development banks (MDBs), stressed the importance of traditional forest management, and proposed that different stakeholder groups be given the opportunity to implement their own programs under the CIF.

Vicky Seymour, UK, said the CIF should be lesson-learning institutions. Calling on the CIF Trust Fund Committees to listen to discussions and proposals, she emphasized the need to: speed up the processes without losing the broad approach; allow for easier access by stakeholders; and engage the private sector in program design.

Barbara Black, World Business Council for Sustainable Development, emphasized the need to: reach the private sector globally, particularly in developing countries; involve the private sector in designing investment funds and country investment plans; and bridge knowledge gaps on issues, such as submitting proposals and accessing funds.

Smita Nakhoda, World Resources Institute, underscored the need for new ways to pool collective expertise. She said the CIF were grappling with what constitutes climate change and what constitutes development, and highlighted links between the two. She also underscored the need for coherence between the MDB portfolios and their climate finance activities, and noted the key role of creative engagement in overcoming policy and governance barriers.

Warren Evans, World Bank, said that: the CIF required a different engagement approach from normal development work; indigenous peoples live within different borders than governments; and the climate change agenda has brought the MDBs together more effectively. Looking forward, Evans asked how lessons learned can be optimized in real time and how key messages from the CIF can reach the UN system and those who will be developing the big funds, such as the Green Fund.

PLENARY DISCUSSION: During the discussion, participants stressed the need for meaningful and honest participation of civil society organizations in order to add value to the process. The World Harmony Foundation underscored



Panel discussion of CIF stakeholders

that CIF implementation should not be divorced from the larger UN system. The Indonesia National Council on Climate Change questioned the focus on mitigation, highlighting the urgent adaptation needs in most developing countries. Responding to this, Radner said adaptation is inherently a slower process, and suggested the CIF process can contribute early learning experiences. Evans pointed to insufficient information about climate change impacts, and explained that the PPCR aims to help countries integrate climate resilience considerations into the development process.

Addressing Radner's presentation, one NGO representative lamented the lack of civil society involvement in designing country programs. Radner suggested the establishment of regional fora to bring together stakeholders and governments in a less centralized form, and said the CIF can contribute to sharing experiences from different countries. The NGO Forum on the ADB noted their belief that Radner's study begins with the mistaken assumption of equating country ownership with government ownership.

Greenpeace said the MDBs are now trying to solve the problems they helped create, including those related to fossil fuel development and forest policies. She raised the issue of coherence within the World Bank, and asked what the Bank is doing to ensure that CIF interventions are not undone by other Bank-funded projects. Co-Chair Sierra responded that the sustainable development and climate change agendas are now a driving force filtering into all of the Bank's work, although results may not yet be seen. She also said, in the past, the Bank's aim was to increase access to energy, without taking into account the different technologies, but now the objective has changed and renewable energy programs have more than

tripled. Noting challenges regarding the forest sector, she said the Bank aimed to reduce impacts on biodiversity and decrease greenhouse gas emissions.

Participants also raised issues related to, *inter alia*: middle-income countries being left out of the CIF process; lack of emphasis on climate justice within the CIF process; whether other organizations, besides governments, can receive funding; clear financing policies that ensure equity in funding flows; and consistent and sustainable investments, rather than investing in reaction to oil and other commodity prices.

CIF PROGRAM SESSIONS

CLEAN TECHNOLOGY FUND: Enabling Environment: Incentives, Consistency and Transparency:

This session was moderated by Shilpa Patel, International Finance Corporation (IFC) on Thursday afternoon. She explained that the session's objective is for private sector practitioners to discuss drivers and constraints of clean technology investment.

Frank Fass-Metz, Germany, underscored that the CTF can contribute to overcoming investment barriers by enabling the development of regulatory environmental, sectoral and incentive policies conducive to clean technologies. He highlighted increased private sector engagement in the process, as well as the need for stable political and economic conditions, public support for risk mitigation and incentives to overcome investment barriers. Marcondes Moreira de Araújo, Brazil, outlined some of his country's efforts to create an enabling environment for clean technologies, such as the country-wide auctions for renewable energy and the National Policy on Climate Change, which includes the



CTF panel discussion. L-R: Gary Pienaar, Institute for Democracy in Africa; Jean-Pascal Tranié, Aloe Private Equity; Shilpa Patel, IFC; Marcondes Moreira de Araújo, Brazil; and Frank Fass-Metz, Germany

objective of increasing the share of renewable energy in the country's overall energy matrix. He noted the potential for clean technologies and innovation to deal with issues of social inclusion and poverty alleviation. Jean-Pascal Tranié, Aloc Private Equity, underscored the need for the development and enforcement of effective regulatory environments. Gary Pienaar, Institute for Democracy in Africa, highlighted a clear policy environment and an agreed and ambitious transformative national agenda as elements of an enabling environment.

In the ensuing discussion, Senegal noted the social consequences of green power, stating that in many African countries, coal generation remains the least-costly option, while green power is very expensive. Nigeria asked about the role of microfinance in leveraging energy supplies in countries like his own, which are trying to increase the renewable energy percentage of electricity generation. Honduras stressed the need to change the attitudes and behavior of energy end users and the private sector. In response, Pienaar said that in South Africa, incentives are provided to promote a switch to renewable energy, and cited the example of ongoing negotiations with the CTF to subsidize the cost of one million solar water heaters. Fass-Metz urged clarity on the role of the private and public sectors, and underlined that the public sector, rather than the private sector, has a greater role to play in ensuring energy access for poor or low-income countries. Egypt noted that different technologies are appropriate for different countries and this needs to be taken into consideration. Tanzania emphasized the need to consider food security and the environment when discussing clean technologies.

Access to Financing: Creating Financially Sustainable Models: Masatsugu Asakawa, Japan, stressed the need to mobilize private financing to promote low-carbon technologies by providing incentives via public financing, such as concessional loans. Özgür Pehlivan, Turkey, outlined lack of proper lending, limited technical capacity and misconceptions of the risks and benefits of clean technologies as market barriers. He also noted that concessional funding should be temporary and only given to start-up investors to trigger local financing. Michael Gurin, Sol Xorce, said his solar power company has tried to create a product and technology that is not dependent on regulation, as this tends to be a barrier to growth.

In the ensuing discussion, the African Development Bank (AfDB) presented lessons learned from the ongoing preparation of Nigeria's investment plan. One participant stressed the importance of first ensuring public sector financial commitments before considering private sector involvement, which is often voluntary and unpredictable. Noting the need for a balance between private and public financing, Asakawa stated that public financing is not necessarily more predictable than private financing. The NGO Forum on the ADB asked about the experience of country ownership. The IFC responded that country ownership requires countries to endorse the investment plan and undertake stakeholder consultations, which must at least involve civil society.

FOREST INVESTMENT PROGRAM: Institutional Collaboration for REDD+ at the Country Level: This session, held on Thursday afternoon, was moderated by Hosny El Lakany, University of British Columbia. He pointed to the need for "real coordination" among forest finance mechanisms, and asked participants to address how FIP activities can complement other REDD+ (reduced emissions from avoided degradation and deforestation in developing countries, plus conservation, sustainable management of forests and enhancement of forest carbon stocks) efforts at the country level and maximize collaboration among stakeholders.

Werner Kornexl, World Bank, highlighted the FIP's coherence with the World Bank's Forest Carbon Partnership Facility (FCPF) in contributing to readiness and capacity building, and providing enhanced carbon payments. Kaveh Zahedi, UN-REDD, said FIP investments can only be effective if pre-investment requirements, such as removing barriers, have been fulfilled, and pointed to the need for comprehensive national REDD strategies and coordinating institutions at the national level. Gustavo Fonseca, Global Environment Facility (GEF), suggested the FIP can provide lessons learned with respect to: scaling up forest protection over a broad area; constraints to capacity building; possible impacts on the ground; and boosting private investments.

Juan Carlos Jintiach, COICA, called for increased recognition for the indigenous peoples who care for forests, and pointed to their efforts in knowledge sharing, stating that traditional knowledge may be "the key to save the world." Hadi Pasaribu, Indonesia, said the FIP can facilitate REDD+ readiness activities on the ground, and shared his country's experiences in organizing sustainable forest management practices. Stressing that the main challenge is to create channels that can absorb the available REDD+ funding, Andreas Dahl-Jørgensen, Norway, called for a legitimate, transparent and inclusive process, which would be open to all interested countries, civil society and indigenous peoples.

Participants then met in breakout groups and reported on the need to: support civil society, local communities and indigenous peoples in building national FIP strategies; develop a holistic REDD+ approach that integrates all forest functions; enhance coordination within countries; ensure transparency, particularly with respect to benefit sharing from REDD+; leverage private investments; support forest-based economic activities; integrate small projects into a broader framework; and facilitate collaboration between the private sector and other stakeholders, especially indigenous peoples. Participants also posed questions to the panel regarding the



Masatsugu Asakawa, Japan



Participants during the session broke into smaller groups to share experiences with forestry policies

coordination between UN-REDD, the FCPF and the FIP, and ways to resolve conflicts between governments and indigenous peoples.

FIP and Scaling-up Activities for REDD+ at the Country Level: Moderator El Lakany asked participants to discuss how FIP can leverage its efforts to promote additional activities



Hosny El Lakany,
University of British
Columbia

from other sources for scaled-up impact at the country level. Bhola Bhattarai, FECOFUN, shared experiences of creating a multi-stakeholder REDD+ forum in Nepal, reporting that his organization had to first build up capacity to be able to initiate alliances among different institutions and stakeholders, and to support indigenous peoples in organizing themselves so they are better able to participate in the FIP process. Donald Kanak, World Wide Fund for Nature (WWF), called for greater efforts in leveraging

additional sources of finance, suggesting that the private sector needs coherence of mechanisms and certainty about future demand.

Thaís Linhares Juvenal, Brazil, said achieving the diverse objectives of REDD+ requires different forms of funds and



Thaís Linhares Juvenal,
Brazil

financial instruments, and proposed that the FIP can play a fundamental role in blending public and private funds. She said Brazil is interested in combining its own Amazonas Fund with MDB governance structures and mechanisms. Marco Antonio Fujihara, Key Associados, focused on investment risks in relation to different rules and regulations, especially at the national level, and proposed that

the FIP can act as a building initiative by creating public-private partnerships and providing an investment perspective.

During the ensuing discussion, UN-REDD asked how to ensure that large-scale investment from the FIP does not crowd out the private sector or subsidize investments that would have taken place anyway. In the case of Brazil, Juvenal said no risk of crowding out existed, due to very little private sector involvement in Brazilian native forests. One participant asked whether Nepal has integrated climate change concerns into community forestry and developed indicators for monitoring such projects. Responding, Juvenal said that although conversion projects are attractive to investment, the opportunity costs of conversion should be considered. She suggested that payments should be made for units of carbon stocks instead of units of emission reductions.

PILOT PROGRAM FOR CLIMATE RESILIENCE:

This session was facilitated by Habiba Gitay, World Bank, on Friday morning. Daniele Ponzi, ADB, introduced the PPCR, and shared insights from the meeting of PPCR pilot countries, which was held immediately prior to the



Habiba Gitay, World Bank

Partnership Forum. He highlighted the need for: multi- and cross-sectoral planning; interministerial coordination; building on and reinforcing existing institutions; involvement of finance and planning ministries, civil society and NGOs, especially women and other vulnerable groups; and improved donor coordination.

Building Alliances for Climate Resilient Development:

Participants then heard reports from pilot country



Ilhomjon Rajabov,
Tajikistan

representatives on experiences in alliance building for PPCR strategy formulation. Ilhomjon Rajabov, Tajikistan, emphasized the creation of several platforms for dialogue in order to share knowledge between ministries, hear concerns from stakeholders, and learn about technical and financial assistance from international organizations. Neranda Maurice, Saint Lucia, said her country aimed to find a truly national, not just government,

response by organizing a multi-sectoral consultation process.

She identified main issues and challenges faced, including: collecting baseline information; clarifying priorities; and creating projects that are big enough to attract donor interest.

Responding to a question on country-level mechanisms to ensure stakeholder participation, Maurice and Rajabov elaborated on multi-stakeholder processes in their countries that aimed to channel ideas and proposals into the strategy design process. Several participants questioned the inclusion of loans in the PPCR, with Niger calling for clarification on financial issues to enable governments and stakeholders to work towards climate resilience. In response, the World Bank said loans were included in PPCR funding due to the legal terms of one donor country, emphasizing that the majority of financial flows under the PPCR will be via grants and that accessing the loan component is completely voluntary for countries. The NGO Forum on the ADB questioned the statement that countries are not pressured to accept loans in cases when grant funding is not sufficient. In response, the Inter-American Development Bank (IDB) pointed to the role of loans in engaging the private sector in adaptation activities and the PPCR. The World Bank offered to further discuss the issue with participants after the session.

Stakeholders then shared experiences on multi-stakeholder cooperation. Essam Nada, Arab Office for Youth and Environment, presented a civil society initiative to form climate change alliances in Djibouti, Egypt and Tunisia, which bring together different ministries, stakeholders and academia to develop strategies for disaster and risk reduction. Michael Schwarz, Swiss Re, highlighted systematic risk management as an important component for achieving climate resilience, and emphasized the role of public-private partnerships, stating the private sector has the know-how to shape effective solutions. Kenzo Ikeda, Japan, shared experiences with adaptation efforts in the Philippines, calling for a complementary strategy that aims to combine the strengths of different actors. Joyce Yu, United Nations Development Programme (UNDP), said the PPCR should revitalize and build on climate change efforts



Neranda Maurice, Saint
Lucia



PPCR session on building alliances for climate-resilient development. L-R: Ancha Srinivasan, ADB; Essam Nada, Arab Office for Youth and Environment; Michael Schwarz, Swiss Re; Kenzo Ikeda, Japan; and Joyce Yu, UNDP

that have been undertaken by other organizations, such as UNDP. She emphasized: the linkages between climate change adaptation and human development; and the need for new and improved delivery mechanisms on the ground, especially at the community level. Ancha Srinivasan, ADB, pointed to opportunities through the PPCR, such as aligning ministries with diverse knowledge and financial resources, creating a model for international finance mechanisms and creating a global learning network. He identified the main challenges faced as: building common understanding between network members; unrealistic expectations and conflicting interests of stakeholders; and creating transparent and inclusive processes.

Alliances for Transformational Change to Make Development Resilient: Participants then convened in breakout groups to discuss ideas for overcoming barriers and creating opportunities for transformational change to make development climate resilient, and effective ways to build alliances that can bring about change at the various levels. The groups then reported their main ideas back to the larger group. Some of the recommendations made by participants included:

- building alliances that go beyond symbolic participation with and between young people, and integrating climate change issues into school curricula;
- utilizing existing institutions instead of creating new ones;
- identifying and strengthening existing alliances and networks, and creating synergies between them;
- building “comfort zones” where existing groups can meet and share experiences, and emphasizing the importance of opening up a discussion space in order to build trust and mutual respect;
- building trust with communities and ensuring their involvement in the PPCR process;



Participants broke into small groups to share experiences and lessons learned on alliances for transformational change and climate-resilient development

- taking into account existing strategies and national plans, such as National Adaptation Programmes of Action (NAPAs), as well as local action plans;
- creating awareness and sharing information with the private sector;
- considering the opportunities of legislative intervention as a way to engage the private sector in PPCR activities; and
- scaling up NGO integration into the planning process by reducing mistrust, especially on the part of governments, and by formally recognizing the role of NGOs.

SCALING UP RENEWABLE ENERGY PROGRAM IN LOW INCOME COUNTRIES: This session was moderated by Bart Edes, ADB, on Friday morning. Brigitte Cuendet, Switzerland, presented an overview of the SREP, highlighting that it aims to initiate a process where promoting renewable energy in countries becomes business-as-usual. She said the SREP aims to help address and overcome the challenges to scaling up renewable energy, *inter alia*, by enabling sharing of experiences and lessons learned.

Understanding the Challenges Facing Renewable Energy Scale Up in Low Income Countries: Moderator Edes asked the panelists to discuss their experiences in promoting renewable energy, including challenges faced in the process. Anthony K. Ng’eno, Winafrique Technologies Limited, identified lack of skills and awareness, component selection and designing systems based on cost, as challenges to scaling up renewable energy, particularly in relation to the private sector. Naceur Hammami, Rwanda, identified elements for successfully scaling up renewable energy, including a regulatory framework that supports development and investment, incentivizing the private sector and availability of sufficient levels of financing. Elsie Paz, Honduras, said lack of awareness and knowledge within the private sector is a challenge that must be overcome, and noted several institutional and financial barriers that arise due to Latin America being regarded as a high-risk region with problems of corruption and transparency.

Jesus T. Tamang, the Philippines, outlined lessons learned from his country’s efforts to promote renewable energy, including the need to conduct resource assessments, encourage buy-in by local communities, and establish a strong regulatory framework. Takao Shiraiishi, Newjtec Inc., highlighted three key considerations: technological, including assessment of country-appropriate technologies; institutional, including training, awareness raising and education; and financial, such as imposing higher tariffs in urban areas to offset the cost of supplying rural areas with renewable energy.



Panelists addressing renewable energy financing. L-R: Georg Grüner, KfW Banking Group; Govind Raj Pokharel, SNV Netherlands Development Organization; Donald Morales, Nicaragua; Ambachew Fekadeneh Admassie, Carbon Finance Working Group; and Bart Edes, ADB

In response to a question by the World Harmony Foundation about the impact of tropical storms, Tamang noted that renewable energy development in the Philippines is affected by tropical storms, which impact wind and solar energy supplies, as well as on the transmission lines used to transport the energy. He acknowledged the need for climate change adaptation in this regard. The United Nations Environment Programme (UNEP) underlined the importance of resource assessments, proper training, awareness raising and an enabling environment, including an appropriate policy framework. Nicaragua underscored the need to move from the use of loans to grants, particularly for poor countries. Tanzania pointed out that the cost of renewable energy development and use cannot really be considered a barrier because of the higher environmental costs of non-renewable energy sources. Shiraishi noted the possibility of using the Clean Development Mechanism (CDM) to motivate private sector interest in renewable energy.

Addressing Renewable Energy Financing: New Opportunities and Success Stories: Moderator Edes invited panelists to comment on how the SREP can be used to leverage additional co-financing. Georg Grüner, KfW Banking Group, noted the need for investment in sales, service and financing infrastructure in rural areas to promote renewable energy. He highlighted the possibility of setting up viable business models for the private sector and aggregating demand to allow for private sector investors. Govind Raj Pokharel, SNV Netherlands Development Organization, addressed the need for financing for capacity building and policy framework development for decentralized and small-scale renewable energy solutions. Donald Morales, Nicaragua, provided examples of Nicaragua's efforts to promote renewable energy development and use, including through: the national

development plan, which aims to address poverty in an integrated way; the investment plan for the energy sector; and the energy law. Ambachew Fekadeneh Admassie, Carbon Finance Working Group, underlined the need to address issues such as creating an enabling environment, policy adjustments and financial challenges. He also noted the possibility of using other funds or programs to address renewable energy issues, such as using the PPCR to address both energy access and climate resilience.

In the subsequent discourse, the Pro-Environment Consortium said that in many situations the funding provided by the MDBs is channeled through local agencies, such as banks, which then pass it on to investors at much higher costs and with less favorable conditions. WRI asked how low-income countries can address energy access while addressing climate change, and what innovative financing mechanisms and options can be used. In response, Pokharel cited the use of soft loans and Admassie said the CDM can be used as an innovative financing mechanism. Senegal said that with regard to the SREP and innovative funding, three categories of participants require consideration: the private sector, which requires renewable energy to be profitable enough to be selected over conventional energy sources; end users, who are off-grid and require support through microcredit or other means; and state or public companies, which require support to select renewable over traditional energy. One participant said lack of seed financing is a major barrier to the promotion of renewable energy, and another asked how SREP financing can be obtained for small renewable energy projects. Several participants highlighted the importance of ensuring that SREP investment plans include both public and private sector projects.

CLIMATE SCIENCE AND TECHNOLOGY UPDATE

This symposium was organized by UNEP. Kaveh Zahedi, UNEP, moderated this session on Friday afternoon. Gemma Shepherd, UNEP, discussed the Symposium's objectives and structure, noting that the aim was to promote learning and engage with the CIF.

ENERGY TECHNOLOGY ROADMAPS: CHARTING A COURSE FOR A LOW CARBON FUTURE: Thomas Kerr, International Energy Agency (IEA), presented on the IEA's energy technology roadmaps, which include milestones and actions for specific technologies. He said the energy technology revolution is already underway, and the CTF is contributing to some of the needed transformations, which must be sustained over time. He noted carbon capture and storage (CCS), end use efficiency and renewable energy are playing a big role. Kerr explained that technology roadmaps: are a useful tool to identify and address technology-specific barriers to achieving such low-carbon technology pathways; help in understanding the magnitude of the challenge and what is needed; can be compared to country investment plans, which can help to identify red flags and other things that may need to be addressed; and could be linked with the UNFCCC and any future technology mechanism. He also noted that NGOs are trusted by communities and can assess community impacts for technologies and tradeoffs.

Amal-Lee Amin, IDB, as the respondent, said a continuum of actions is required, from development of technologies, to bringing them to the market, to ensuring they are used effectively and efficiently. She stressed the need for rapidly scaling up investments in existing low-carbon technologies, noting the CTF and the SREP's role in this regard. She said a new technology mechanism could bridge the gap between technology development and deployment. She also discussed: future increase in south-north technology transfer; strengthening existing technology centers; strengthening collaboration at the regional level; and accelerating access to energy and adaptation technologies.

Discussion: The IDB asked whether sustainable transport strategies had been considered in the roadmaps. The Maldives lamented that technologies for marine renewable energy were not addressed in the roadmaps. One participant asked Kerr whether, in addressing nuclear energy, the issue of nuclear waste had been considered. Kerr responded that the cost had been taken into account.

Society for Rural Development asked about ways to reduce solar energy costs to make it more accessible to the rural poor. Kerr pointed to a recently published rural electrification study, and noted some penetration of low cost solar technologies.



L-R: Thomas Kerr, IEA, and Amal-Lee Amin, IDB

Greenpeace said the hundreds of billions of dollars calculated as the cost of CCS should instead be used to supply poor people with clean energy through locally-adapted clean technologies. Kerr responded that CCS does not aim to supply energy, but to clean up pollution, and said this problem cannot be solved with renewables alone.

Sri Lanka asked how to provide the most underserved sectors of society, including women and children, with low-carbon technologies that are affordable and usable. Kerr suggested centers of technical excellence and adaptation technologies could facilitate this. WRI noted the benefits of feeding technology roadmaps into country investment plans. Responding to the presentations, she raised the issue of coherence and coordination of a future technology mechanism with existing mechanisms, and asked what that new technology mechanism might look like. Amin responded that the mechanism should be under the UNFCCC and provide coherence and coordination across levels. Kerr called attention to the Coordinated Low Emission Assistance Network (CLEAN), which aims to improve communication and coordination and avoid duplication of efforts by bringing together organizations that assist developing countries in preparing and implementing low greenhouse gas emission plans and strategies.

CARBON BENEFITS OF SUSTAINABLE LAND MANAGEMENT – SCIENCE, TECHNOLOGY AND ECONOMICS OF MODELLING, MEASUREMENT AND MONITORING: David Skole, Michigan State University, discussed monitoring, reporting and verification for climate work relating to forests. He discussed the GEF-UNEP Carbon Benefits Project, which give opportunities to large numbers of small holders to participate in the carbon market, through increasing the amount of carbon in soil and biomass in small holder systems. He said carbon markets can contribute to reducing poverty, but they require assurances and rigorous protocols. He discussed “forester’s” and “ecologist’s” approaches to quantifying carbon, and the process for collecting data to measure carbon. He discussed a satellite imaging program for REDD, noting that once the initial investments are made, measuring costs are low. Skole said that multiple communities could be measured at the same time, and provided various examples using satellite imagery, including where logged areas had been deforested. He also discussed the Carbon2Markets project, which leverages two ecosystem services and market value chains, including carbon conservation and sequestration, and natural products. Highlighting the benefits of thinking at a smaller scale, he discussed a small-scale biodiesel plant using jatropha.



L-R: David Skole, Michigan State University, and Reiner Wassmann, IRRI

Reiner Wassmann, International Rice Research Institute (IRRI), as the respondent, said other agricultural systems, such as rice, cereals and vegetables, could not be ignored, and non-carbon dioxide greenhouse gases must also be addressed. He discussed transaction costs, participation of local communities, dealing with risk, and proper training to ensure tools are used after the project has ended.

Discussion: Participants stressed the need to work with established community networks and engage local community forestry and agricultural experts. Noting benefits for FIP work, the AfDB said carbon stocks in forests should be calculated and left intact by communities, and that community forests should be worked around. Denmark discussed involving communities as forest stewards, and said REDD+ provides opportunities for involving local communities in monitoring forest carbon and channeling finance. Benin lamented that farmers were being encouraged to grow jatropha, which takes land for food out of production. Participants also discussed the difference between old growth forests and plantation storage, and scale and capacity of community-scale biofuel production. Skole discussed how community-scale biofuel could be turned into an offset. Society for Rural Development asked whether wasteland was being developed into forests. Reiner reiterated other options for renewable energy such as agricultural residues.

REPORTS FROM VOICES OF STAKEHOLDERS AND CIF SESSIONS

VOICES OF STAKEHOLDERS DIALOGUE: Patricia Bliss-Guest, World Bank, reported on the results from the Voices of Stakeholders Dialogue. She said there was widespread recognition among participants that climate change is a development issue and that for many, particularly the small island developing states, responding to climate change is also an issue of survival. She said other issues raised during the dialogue included:

- governance and inclusion issues, such as consensus-based decision making, consideration of gender dimensions, and increased private sector engagement in CIF design and implementation;

- financing issues, such as the use of grants rather than loans, and inclusion of middle-income countries in CIF activities;
- implementation on the ground, including: ensuring that civil society organizations and local communities can benefit from CIF funds; promoting learning through active participation and ownership; and developing mechanisms to support climate change-related capacity building in local communities; and
- learning issues, such as ensuring continuous learning based on ideas and feedback from a broad range of stakeholders, promoting stakeholder engagement, generating knowledge and learning on-the-ground, establishing effective and accessible communication mechanisms, and feeding CIF lessons into other UN processes, such as the UNFCCC.

CLEAN TECHNOLOGY FUND: Claudio Alatorre, IDB, reported that this session focused on the role of the private sector, and that the main message is the need for a stable and predictable enabling environment, comprised of: an adequate country-specific regulatory framework; multi-stakeholder buy-in to ensure successful program design; knowledge and capacity building for all stakeholders; and use of country-appropriate technologies. On financing issues, he said the session highlighted that: the CTF architecture can assist in mitigating investment risk, thus helping to overcome one of the barriers to private sector investment; and links to the UNFCCC could enhance government buy-in.

FOREST INVESTMENT PROGRAM: David McCauley, ADB, reported that discussions in the FIP panels revolved around two key issues:

- collaboration at the country level, where participants called for: an inclusive REDD+ approach; country-driven processes; avoiding duplication and overlaps between mechanisms; a specific role for indigenous peoples; a conflict resolution mechanism; and enhanced south-south cooperation.
- leveraging of resources, where participants: pointed to the need for strengthening the links between forest issues and climate politics, especially with regard to newer issues like



L-R: Patricia Bliss-Guest, World Bank; Claudio Alatorre, IDB; Co-Chair Naderev Saño, the Philippines; Forum Co-Chair Katherine Sierra, World Bank; David McCauley, ADB; Joyce Thomas-Peters, Grenada; and Jiwan Acharya, ADB

land-use change; and emphasized that the private sector needs more clarity and less complexity in order to build trust for forest investments.

PILOT PROGRAM FOR CLIMATE RESILIENCE:

Joyce Thomas-Peters, Grenada, summed up the PPCR session, focusing on three major issues:

- financing, with participants highlighting ongoing uncertainties with respect to: the issue of loans and grants; allocation of resources for countries and regions; and access for local communities.
- national level policy issues, with participants pointing to the importance of: data collection for determining baselines; institutional strengthening; raising awareness of climate change, for example through schools; and working towards a clearer understanding of climate resilience; and
- alliance building, with participants emphasizing the need for: early engagement of stakeholders; building on existing institutions and networks; incentives for network building; trust and understanding as a precondition for active engagement; and the creation of several alliances instead of only one.

SCALING UP RENEWABLE ENERGY PROGRAM IN LOW INCOME COUNTRIES: Jiwan Acharya, ADB, explained that the session had focused on the main barriers to scaling up renewable energy, and that these relate to institutional and technical capacity, regulatory frameworks and financial issues. He highlighted the following key messages:

- to achieve SREP objectives, successful experiences of renewable energy development and use should be leveraged to build capacity and extend the reach of SREP funding by partnering with the private sector, other development partners and civil society;
- successful examples should be replicated and experiences shared, not only at the local and national levels, but also at the regional and global levels;
- governments should help facilitate private sector involvement, such as by creating an enabling environment and providing positive incentives;
- the private sector is a critical partner in creating markets and providing sustained investments in renewable energy;
- innovative financial instruments should be designed to suit different needs;
- establishing financial intermediaries can be an effective tool to manage and leverage resources; and
- grant money should be used to catalyze renewable energy interventions.

CLOSING PLENARY

Co-Chair Saño highlighted transparency, coherence, stakeholder participation and transformational change at all levels as key messages emerging from the Forum. Co-Chair



Ursula Schäfer-Preuss, Vice-President, Knowledge Management and Sustainable Development, ADB

Sierra noted that when the CIF was designed, there was a desire to move fast and recognition that not everything would be perfect immediately. She underlined that the purpose of the Forum was to reflect on the CIF and to obtain feedback from stakeholders. Closing the Forum, Ursula Schäfer-Preuss, Vice-President, Knowledge Management and Sustainable Development, ADB, thanked the organizers for their work, and all participants for their input and contributions. The Forum adjourned at approximately 5:40 pm.

PRESS BRIEFING

A press briefing was held on Thursday afternoon. Ann Quon, ADB, opened the press conference and said countries in the Asia-Pacific region are taking the lead in moving toward a low-carbon economy. Ursula Schäfer-Preuss, ADB, said more people are impacted by climate change in the Asia-Pacific region than in any other region of the world, while the region's energy demand is expected to double by 2030. She explained that unless production and consumption patterns shift, the region will be the greatest greenhouse gas emitter, which could undermine progress made by the MDBs. She said over US\$1 billion from the CIF has been pledged for Asian countries since the CIF's inception, and that the CIF can help achieve transformative change at the country level by directing funds to areas with the highest needs.

Forum Co-Chair Katherine Sierra, World Bank, said the CIF are moving into high gear, with the contours of programs becoming clearer as the CIF transition toward the implementation stage. She highlighted four new investment plans under the CTF in Colombia, Indonesia, Kazakhstan and Ukraine, bringing the total number to 13. She said about US\$4 billion of CTF co-financing has been allocated, with an estimated additional US\$36 billion to be leveraged from public and private sources in the coming years, which would bring the total to US\$40 billion.

Regarding the PPCR, she said two pilot countries, namely Zambia and Nepal, were moving toward planning and implementation. She also highlighted the particular challenges in Haiti, noting that work in climate resilience was continuing during the disaster recovery following the earthquake. Regarding the FIP, she said five pilot countries had been selected under the FIP, namely Burkina Faso, Ghana, Indonesia, Laos, and Peru. She said the FIP had also approved a consultation process for designing a special grant mechanism for indigenous peoples and local communities. Sierra said the SREP was officially opened in December, 2009, in Copenhagen, and that it focused less on reducing greenhouse gases, and more on ensuring that low-income counties are not left behind in the energy revolution.

She said the ultimate solutions for climate financing remain in the hands of negotiators under the UNFCCC, but that lessons learned from the CIF can be fed into that process, particularly lessons regarding governance, leveraging and scalability.

The floor was then opened to reporters, many of whom were from the Earth Journalism Network. They asked questions related to funding breakdowns per country for the various funds and programs. Regarding a question on plans in the Philippines, Schäfer-Preuss responded that thus far, US\$250 million has been pledged, but that up to US\$1.8 billion was expected. Regarding a question on CTF allocation to Thailand, she noted active involvement of the private sector and plans to turn Bangkok into a "green" city.

UPCOMING MEETINGS

NINTH SESSION OF THE AD HOC WORKING GROUP ON LONG-TERM COOPERATIVE ACTION UNDER THE CONVENTION (AWG-LCA 9) AND THE ELEVENTH SESSION OF THE AD HOC WORKING GROUP ON FURTHER COMMITMENTS FOR ANNEX I PARTIES UNDER THE KYOTO PROTOCOL (AWG-KP 11):

These meetings will convene from 9-11 April, 2009, in Bonn, Germany. For more information, contact the UNFCCC Secretariat: tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int>

FIRST HIGH LEVEL MEETING OF THE AFRICA-EU ENERGY PARTNERSHIP AND NINTH GLOBAL FORUM ON SUSTAINABLE ENERGY (GFSE): These events will take place on 21 April and 22 April, respectively, in Vienna, Austria. For more information, contact the conference Secretariat: tel: +49 30 726 14 213; fax: +49 30 726 14 22 213; email: participants@aecip-conference.org; internet: <http://www.gfse.at/> and <http://www.aecip-conference.org>

ASIAN DEVELOPMENT BANK ANNUAL MEETING:

The 43rd Annual Meeting of the Board of Governors of the ADB will be held from 3-4 May 2010, in Tashkent, Uzbekistan. A seminar will also be held on 2 March on Implementing the Copenhagen Climate Change Agreement in Asia and the Pacific. For more information, contact Jill Drilon, ADB Annual Meeting Coordinator: tel: +632 632 5999; fax: +632 636 2483; e-mail: annualmeeting@adb.org; internet: <http://www.adb.org/AnnualMeeting/2010/>

32ND SESSION OF THE UNFCCC SUBSIDIARY BODIES, AWG-LCA 10 AND AWG-KP 12: The 32nd session of the Subsidiary Bodies of the UNFCCC will take place from 31 May-11 June 2010, in Bonn, Germany. At the same time, the AWG-LCA and AWG-KP will convene. For more information, contact the UNFCCC Secretariat: tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int>

18TH COMMONWEALTH FORESTRY

CONFERENCE: This meeting will convene from 28 June- 2 July 2010 in Edinburgh, Scotland. The theme of this conference is "Restoring the Commonwealth's Forests: Tackling Climate Change." For more information, contact the conference organizers: tel: +44-131-339-9235; fax: +44-131-339-9798; e-mail: cfcc@in-conference.org.uk; internet: <http://www.cfc2010.org>

2010 INTERNATIONAL CLIMATE CHANGE

ADAPTATION CONFERENCE: This event will be held from 29 June-1 July 2010 in Gold Coast, Australia, and will focus on preparing for the unavoidable impacts of climate change. For more information, contact the Conference Secretariat: tel: +61-7-3368-2422; fax: +61-7-3368-2433; e-mail: nccarf-conf2010@yrd.com.au; internet: <http://www.nccarf.edu.au/conference2010>

SECOND INTERNATIONAL CONFERENCE ON CLIMATE, SUSTAINABILITY AND DEVELOPMENT IN SEMI-ARID REGIONS: This meeting will take place from 16-20 August 2010, in Fortaleza, Brazil, and focus on ways to promote secure and sustainable development in semi-arid regions of the world. For more information, contact the Executive Secretariat: tel: +55-61-3424-9634; e-mail: contact@icid18.org; internet: <http://icid18.org>

DELHI INTERNATIONAL RENEWABLE ENERGY CONFERENCE (DIREC): This event will be held from 27-29 October 2010, in New Delhi, India, with the objective of advancing renewable energy for sustainable development. For

more information, contact Rajneesh Khattar: tel: +91 11 4279 5054; e-mail: rajneeshk@eigroup.in; internet: <http://direc2010.gov.in/>

CLIMATE CHANGE IMPACT ASSESSMENT SPECIAL SYMPOSIUM: This symposium will be held from 16-17 November 2010, in Washington, DC, US, and focus on practical examples and guidance for project design and operational management of climate change mitigation and adaptation related projects. For more information, contact the International Association for Impact Assessment: tel: +1-701-297-7908; fax: +1-701-297-7917; email: info@iaia.org; internet: www.iaia.org

SIXTEENTH SESSION OF THE UNFCCC COP AND SIXTH MEETING OF THE COP SERVING AS THE MEETING OF THE PARTIES TO THE KYOTO PROTOCOL: This meeting is scheduled to take place from 29 November-10 December 2010, in Mexico. For more information, contact the UNFCCC Secretariat: tel: +49-228-815-1000; fax: +49-228-815-1999; e-mail: secretariat@unfccc.int; internet: <http://unfccc.int>

THE FIFTH INTERNATIONAL CONFERENCE ON COMMUNITY-BASED ADAPTATION TO CLIMATE CHANGE: This conference will take place from 21-27 February 2011, in Dhaka, Bangladesh. For more information, contact the International Institute for Environment and Development: tel: +44-20-7388-2177; fax: +44-20-7388-2826; e-mail: info@iied.org; internet: <http://www.iied.org/events>

THIRD CIF PARTNERSHIP FORUM: This Forum will be held in Tunis, Tunisia, in 2011, and hosted by the African Development Bank. For more information, contact the CIF Administration Unit: tel: +1-202-458-1801; e-mail: cifadminunit@worldbank.org; internet: <http://www.climateinvestmentfunds.org/cif/>

GLOSSARY

ADB	Asian Development Bank
AfDB	African Development Bank
CCS	Carbon Capture and Storage
CIF	Climate Investment Funds
CTF	Clean Technology Fund
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
GEF	Global Environment Facility
IDB	Inter-American Development Bank
IFC	International Finance Corporation
MDB	Multilateral Development Bank
PPCR	Pilot Program for Climate Resilience
REDD	reduced emissions from avoided degradation and deforestation in developing countries
REDD+	REDD plus conservation, sustainable management of forests and enhancement of forest carbon stocks
SCF	Strategic Climate Fund
SREP	Scaling Up Renewable Energy Program in Low Income Countries
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change