



# CIF Partnership Forum Bulletin

A Daily Report of the 2011 Climate Investment Funds Partnership Forum

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## 2011 CIF PARTNERSHIP FORUM HIGHLIGHTS: FRIDAY, 24 JUNE 2011

The 2011 Climate Investment Fund (CIF) Partnership Forum opened on Friday, 24 June 2011, in Cape Town, South Africa. In the morning, an opening plenary was held, with opening remarks, followed by presentations from the pilot country meetings and a session on emerging lessons. In the afternoon, four parallel sessions were convened.

### OPENING PLENARY

**OPENING REMARKS:** Tumi Makgabo, Africa Worldwide Media, moderated the session. Bobby Pittman, Vice-President, African Development Bank (AfDB), reading a message on behalf of AfDB President Donald Kaberuka, emphasized the AfDB's work in sustainable forest management and energy access, and stressed: accessing climate finance to meet Africa's needs; and providing incentives to the private sector to leverage investment.

In his keynote address, Pravin Gordhan, Minister of Finance, South Africa, said that we should "break the shackles" of current ways of thinking and doing when dealing with climate change, and that the CIF was a pioneer in this respect. He emphasized that traditional paradigms of funding and aid need to be transformed, and the development trajectory reformulated.

**ELECTION OF PARTNERSHIP FORUM CO-CHAIRS:** Renosi Mokate, World Bank Board of Executive Directors, and Andrew Steer, World Bank and Strategic Climate Fund (SCF) Co-Chair, were appointed Partnership Forum Co-Chairs. Mokate called for stakeholders and delegates to engage in dialogue during the Partnership Forum, that results in constructive outcomes. Steer outlined the history of the CIF, and called for swift establishment of the Green Climate Fund, noting that it can learn much from the CIF as it is a "living lab."

### MESSAGE FROM PILOT COUNTRY MEETINGS:

**Forest Investment Program (FIP):** Victor Kabengele, Democratic Republic of Congo, noted that the FIP has identified challenges facing pilot countries including: creating and supporting national priorities; and identifying ways to increase private sector involvement.

**Pilot Program for Climate Resilience (PPCR):** David Kaluba, Zambia, said the complexity of programmes makes coordination across institutions and different government ministries a challenge and that, in Zambia, private sector involvement was a largely untapped resource.

**Climate Technology Fund (CTF):** Raul Delgado, Mexico, called for strong leadership and civil society involvement in the programme planning stage to minimize perceived risks to attract more private sector involvement.

**Scaling-Up Renewable Energy in Low Income Countries (SREP):** Narayan Prasad Chaulagain, Nepal, said SREP was concerned with the lowest-income countries, and that challenges include incorporating clean technologies in the provision of basic energy and electricity services, while trying to limit costs to ensure affordability.

Audience participants highlighted issues, including: aid effectiveness; low climate change literacy levels; the lack of greenhouse gas accounting systems; and lack of synchrony

between civil society and government actions. Kaluba stressed that business needs to understand how climate change impacts on them because the trend is for business to take a short-term view. Prasad Chaulagain observed that technology development has to be demand driven and take a bottom-up approach.

**EMERGING LESSONS: CTF Programming:** Robin Broadfield, Consultant, said the CTF has endorsed 14 investment plans involving 17 countries for US\$4.35 billion in two years. He outlined five themes on lessons learned, *inter alia*: continued country leadership; transformation of sectors concerned; inter-stakeholder partnerships; and increasing private sector involvement. Going forward, he called for sustaining leadership and setting market transformation activities and targets.

Elvan Ongun spoke on Turkey's experiences, noting the CTF was a catalyst for eliminating early adopter and funding barriers to clean energy programmes, while fostering unique partnerships between the private sector and the Multilateral Development Banks (MDBs). Raul Delgado underlined efforts in Mexico to coordinate measures across ministries and national programmes, making it easier to channel resources towards initiatives when a solid plan had been developed.

**PPCR Programming:** Erik Reed shared lessons on the early PPCR programming phase, observing that the PPCR is the only CIF programme focusing on adaptation. He highlighted lessons learned including: country leadership, where expectations need to be realistic; unique partnerships, with MDBs working closely together; engaging the private sector; and leveraging the comparative advantage and resources of partners.

Laverne Walker, Saint Lucia, and Dan-Bakoye Chaibou, Niger, provided overviews of the PPCR process in their respective countries. Walker noted that: local consultants were engaged in order to build capacity; and civil society had been engaged from the beginning. Chaibou said Niger's Ministry of Finance would take ownership of the PPCR process in consultation with other ministries. He noted the private sector had been involved in providing irrigation to farmers affected by climate change.

**Governance Panel:** On the effectiveness of the equitable governance structure of the CIF, Jan Sheltinga, Canada, said that the committees are functioning well, according to their mandates, with equal representation of donor and recipient countries, with Jean Bernard Carrasco, Australia, noting that members' levels of participation is not always equal. Ahmed Moosa, Maldives, commended the effective governance structure of the CIF.

On linkages between the CIF and long-term financing arrangements, Andrew Steer highlighted the administrative strength and effectiveness of the CIF secretariat, and recommended that the CIF could be used as a template for the Green Climate Fund.

On policy measures to reduce overall atmospheric carbon dioxide levels, Moosa said the CIF serves as a platform for developing countries to develop climate policies. On ensuring knowledge transfers between countries' CIF representatives, Moosa and Steer recommended developing capacity and leadership at the state level, and underlined the need to find additional resources for meeting mitigation targets.

**Expert Group Panel:** The panel shared experiences on selecting recipient countries to receive financing under the PPCR. Daniel Riley, US, noted that the selection process must be legitimate and use appropriate criteria. Rolf Zelius, Consultant, stressed improving the assessment of pilot country motivation and the ability to deliver results.

Responding to the challenges faced by the Expert Group, which makes recommendations on the selection of countries, Richenda Van Leeuwen, UN Foundation, explained that the Group's mandate was limited to evaluating countries and not specific transactions and projects. Carlos Manuel Rodrigues, Conservation International, highlighted challenges in addressing deforestation and forest degradation, and emphasized that a "huge" financial investment is required to reverse degradation.

## **BREAKOUT GROUPS**

**TAPPING GROWTH POTENTIAL IN CLIMATE CHANGE THROUGH INNOVATIVE PARTNERSHIPS:** Christopher Clarke, advisor to the US\$100 million Evolution One Cleantech Fund, South Africa, noted investment in emerging areas, such as climate change, involves higher risk than most commercial funding, and said the Fund is one of the first dedicated to clean technology investment.

Mohammadi Allach, Office National de l'Electricité, Morocco, discussed electricity generation in Morocco, explaining that to help meet demand, his office turned to Public-Private Partnerships (PPPs), which cover 50% of energy projects. He said the next phase is to mobilize hydraulic, solar and wind potential in Morocco.

Jose Salazar, SUNASS, Peru, discussed private sector participation and investment in providing access to drinking water in Peru, and noted Peru's attractiveness to investors and the aim of cleaner economic growth and social equity.

Mark Pickering, Meridian Economics, discussed the Renewable Energy Programme in South Africa, noting its impending launch. He said renewables would make up 42% of planned new energy capacity over the next 20 years. Noting that the government has no intention of breaking the monopoly that Eskom, the utility company, enjoys, he said that institutional reform and entry through public procurement processes were required.

**PUTTING SCIENCE TO WORK: STATE OF THE ART IN CLIMATE MODELING AND ITS ROLE IN THE CIF** Daniel Kammen, World Bank, moderated the session.

**Ongoing Challenges and Latest Developments in Climate Modeling:** Richard Jones, Hadley Centre, UK, presented on behalf of Neville Trotz, Caribbean Community Climate Change Centre, Belize, and highlighted climate scenarios generated to inform adaptation measures in the local tourism and agricultural sector.

Jones presented on advancements in Global Climate Models (GCMs), noting that GCMs were becoming increasingly complex and that increased information sharing is taking place on research and studies.

Bruce Hewitson, University of Cape Town, presented on using climate projection data for robust decision making. Hewitson pointed out limitations to the accuracy of downscaled GCM data and underlined the challenges for regional climate models.

Francisco Doblas-Reyes, Institut Català de Ciències del Clima, Spain, presented research into short term climate prediction, and described the empirical methods being used to generate inter-seasonal and short term climate data.

**Initiatives to Develop Regional and Local Climate Projections:** Joseph Daniel Intsiful, UNDP, described initiatives for climate data and climate projections, and highlighted UNDP's involvement in the African Adaptation Programme and the National Communications Support Programme.

Mohammed Sadeck Boulahya, the African Centre of Meteorological Applications for Development (ACMAD), presented on African efforts to generate climate projections

and highlighted the Global Framework for Climate Services to enable more effective information dissemination to inform adaptation decisions.

**FINANCING TRANSFORMATION:** This session was moderated by Hela Cheikhrouhou, AfDB.

**Programmatic Approach to Financing Transformation:** Carlos Manuel Rodriguez presented on the environmental payment programme in Costa Rica, explaining that environmental services generated by nature should be accounted for. He also emphasized that this programme had been implemented in conjunction with the establishment of appropriate institutions and the elimination of perverse incentives.

Naoko Ishill, Japan, discussed scaling up low emissions development. She highlighted the potential role of CIF in assisting countries during a "readiness" phase to prepare them to receive funds from the Green Climate Fund once it is operationalized.

**Finance for the Poor and Underserved:** Mustafa Hussain, World Bank, presented on service delivery to the poor, where output-based aid links the payment of aid to the delivery of specific services or outputs. He observed that under this scheme, service delivery is usually contracted out to a private firm, which receives a subsidy. The service provider is responsible for pre-financing the project until output delivery. Hussain explained that the subsidy is performance-based and verified by an independent agent.

Japhet Aritho, Safaricom, presented on transformation through innovation, and lessons from M-PESA. He explained that M-PESA, a mobile phone based money transfer service in Kenya, is also used to pay bills and purchase goods and services.

**GREENING CLEAN ENERGY SOURCES: MANAGING THE SOCIAL AND BIODIVERSITY TRADE-OFFS FOR WIND ENERGY:** Session moderator Gary Allport, Birdlife International, said that although wind energy is a clean form of energy, the negative trade-offs for biodiversity and social life are becoming increasingly clear. George Ledec, World Bank, said the main impacts of onshore wind power include: biodiversity impacts, such as bird collisions and bat deaths; local nuisance impacts, such as noise and visual interference; and socioeconomic and cultural impacts.

Ana Maria Sandoval, Empresas Públicas de Medellín, Colombia, outlined the construction and implementation of the Jeparachi Wind Project. She highlighting the establishment of intercultural dialogue to identify site placement, and the creation of a buffer zone around sacred places and residential areas to avoid interference with daily life.

Claudio Alatorre, Inter-American Development Bank, stressed that real development, such as the construction of schools and other social infrastructure, needs to occur in addition to monetary transfers for leasing land and labor.

Edward Arnett, Bat Conservation International, lamented that while his organization is not against wind power generation, it should not compromise wildlife, highlighting the unforeseen consequences of bat fatalities.

Mohamad Yasser Sherif, Environics, Egypt, outlined a number of surveys to assess bird migratory patterns in Egypt. He noted this has led to the designation of "no construction zones," which are increasingly under pressure from wind power developers.

Aline Kühl, Convention on Migratory Species (CMS), stressed that wind power has been an issue of concern for CMS and has been in the agenda since 2002. She underscored the impact of off-shore wind farm development on the ocean due to ocean noise.

**SUMMARY:** The *CIF Partnership Forum Bulletin* will be available on Tuesday, 28 June 2011, at: <http://www.iisd.ca/yimb/climate/cif/2011/>