

Local stakeholder engagement (LSE) is one of the most important features of the Climate Investment Funds (CIF), and a key issue for climate finance more broadly. This evaluation aimed to better understand how LSE was envisioned and implemented in the CIF. It identified challenges, successes, and lessons that could increase the effectiveness of CIF's LSE approach in current and future CIF programming. It also highlighted good practice examples for effective LSE that could benefit other climate funds, multi-lateral development banks (MDBs), countries, and local stakeholders, seeking to promote effective LSE in their governance and operations.

CONTEXT

LSE is one of CIF's central design elements. It was conceptualized both as a means to advance CIF's programmatic goals and as an element of good development practice that would allow citizens of a country to influence decisions that affect them. By engaging local stakeholders, CIF aims to promote trust, ownership, and more effective action on the ground, particularly by adding value to national investment planning and implementation.

LSE is implemented in all areas of CIF's work: governance, investment planning, project design and implementation, and ongoing monitoring and reporting. Learning about the implementation of LSE in each of these areas is critical as together they influence the ultimate benefits that local stakeholders derive from being engaged.

KEY FINDINGS

1 LSE in governance

CIF provided substantial and innovative opportunities for representatives of local stakeholders to participate in CIF's governance and strengthened these opportunities through organizational learning. Since the first year of its operations, the CIF engaged a diverse and active group of representatives from civil society, private sector, and Indigenous peoples in its governance structures as CIF Trust Fund Committee/ Sub-Committee (TFC/ SC) Observers. Over the years, the CIF TFCs/SCs went through several rounds of policy development, feedback, evaluation, and refinement regarding Observer selection, support, and participation in the work of its TFCs/SCs. CIF's design and subsequent learning ensured and promoted the representation and active participation of a wide and diverse group of Observers. This approach to LSE in governance has been noted as a best practice among major climate finance institutions.



QUICK FACTS

PUBLICATION DATE

February 2020

RELEVANT CIF PROGRAM

All CIF Programs (CTF, FIP, PPCR, SREP)

EVALUATION FIRM

Consensus Building Institute (CBI)

RELEVANT COUNTRIES

Field visits in Indonesia, Tanzania and Tonga; other countries covered remotely

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Observers have been consistently engaged on local stakeholder issues in TFC/SC meetings; however, more could be done to ensure that Observers are able to sustain engagement with their constituencies. The TFC/SC rules of procedure enshrine a substantial role for active Observer participation. In a survey of governance participants, 85 percent indicated that Observers raised issues related to local stakeholder engagement and benefits in at least half of the CIF TFC/SC meetings reviewing proposed investment plans. Most respondents indicated that investment plans were changed directly in response to Observer interventions roughly 25 percent of the time. However, not all Observers who were selected had strong connections to their constituencies and there were challenges in sustaining engagement between Observers and their large and diverse constituencies.

2 LSE in investment planning

CIF's innovative programmatic approach created opportunities for local stakeholders to participate in investment planning, with variation across the four CIF programs. The programmatic approach was key to creating opportunities for LSE in national priority-setting to strengthen policies and institutions, incentivize and leverage private sector investment, and channel public and private resources to specific regions, technologies, and groups. Those opportunities were taken up unevenly across and within the CIF's four programs. The breadth and depth of LSE, and the impact of LSE on investment plans varied substantially due to differences in: a) the perceived relevance and centrality of LSE across CIF programs, b) the national and sectoral context for LSE, c) government and non-government stakeholder capacities for LSE, and d) the extent to which government and MDBs recognized and addressed LSE capacity gaps during the planning process. With regard to cross-program variation, LSE in investment planning in Pilot Program for Climate Resilience (PPCR) and Forest Investment Program (FIP) was most effective, followed by Scaling up Renewable Energy Program (SREP) and then Clean Technology Fund (CTF).

3 LSE in project design and implementation

In the implementation of investment plans, LSE was strongest where investment planning had laid the groundwork for effective stakeholder mapping and

engagement, capacity, and trust building. This correlation was in line with the theory of change framework for LSE developed for this study. LSE was also highly influenced by the extent to which a) MDBs and government implementing agencies had well-aligned commitments and capacities to use LSE in the project cycle, b) project stakeholders had capacity and access to engage effectively with government and MDBs, and c) government agencies and MDBs invested in building capacity for LSE to fill capacity gaps. Within the set of projects that had effective LSE, some offered substantial opportunity for local stakeholders to shape the use of resources at the local level (e.g. through participatory land and resource planning), while others were more focused on ensuring that potential negative environmental and social impacts were minimized and that some form of benefit or compensation was provided.

4 LSE in monitoring and reporting

LSE in CIF program monitoring and reporting varied significantly among the CIF's programs and across countries within programs. In general, PPCR and FIP aimed to involve local stakeholders more consistently in program monitoring, while CTF and SREP had more limited monitoring and reporting guidance for including LSE. In the PPCR and FIP sample countries, there were several examples where local stakeholders had been directly and meaningfully engaged in reviewing data on project implementation and had contributed to program reporting. In a smaller number of countries, local stakeholders had effectively engaged through coordination bodies.

OVERALL BENEFITS TO LOCAL STAKEHOLDERS

In more than half of the sample assessed, there was clear evidence of LSE in investment planning constructively influencing benefits to local stakeholders. There were also several well documented examples of LSE in the project cycle providing benefits to local stakeholders. It was equally clear that some efforts to reach marginalized groups, such as women and Indigenous peoples, had not been fully successful in overcoming deeply entrenched obstacles to their participation and empowerment. However, these findings should be taken as preliminary, as most projects in the sample for this study are still under implementation, and it is too early to clearly identify what benefits they may ultimately deliver.

RECOMMENDATIONS

The evaluation includes recommendations for enhancing Observer selection, onboarding, and constituent representation; increasing the meaningful and effective engagement of local stakeholders in investment planning; and improving local stakeholder involvement in program and project implementation and monitoring and reporting. These lessons and recommendations can help CIF and other funds enhance their support to LSE and also help local stakeholders and their representatives engage more effectively with the CIF and other climate funds.