

CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.5/3
October 29, 2010

Meeting of the Joint CTF and SCF Trust Fund Committee
Washington D.C.
November 11 and 12, 2010

PARTNERSHIP FORUM

Proposed Decision of Joint Meeting of CTF-SCF Trust Fund Committees

The joint meeting, having reviewed document CTF-SCF/TFC.5/3, *Partnership Forum*, welcomes the information highlighting views expressed at the meeting as well as the Proceedings of the 2010 Partnership Forum (CTF-SCF/TFC.5/Inf.3). The joint meeting expresses its appreciation to the Asian Development Bank for its hosting of, and generous contribution to, the Forum. The meeting requests the CIF Administrative Unit, in collaboration with the MDB Committee, to prepare for consideration at its next meeting in June 2011, a document elaborating proposals for adjustments and modifications to the CIF that usefully could be considered by the Trust Fund Committees to respond to lessons learned and emerging views with respect to partnerships, additional programs under the SCF, governance, financing, private sector and knowledge management and communications.

The joint meeting expresses its appreciation to the African Development Bank for its generous contribution as the host of the 2011 Partnership Forum and approves the proposal set forth in the document for the organization of the Forum.

INTRODUCTION

1. The annual Partnership Forum is an integral part of the design of the Climate Investment Funds (CIF). It provides a platform for dialogue and knowledge sharing among all CIF stakeholders. The purpose of this note is: (a) to summarize the highlights of the 2010 CIF Partnership Forum in Manila for discussion by the CTF and SCF Trust Fund Committees, and (b) to update the Committees on the organization of the next Partnership Forum to be held in Tunis, Tunisia, in March 2011 at the headquarters of the African Development Bank.

PARTNERSHIP FORUM

2. The overall objective of the 2010 Partnership Forum was to create a platform for knowledge sharing and broad based discussions on lessons learned from the CIF design process and early implementation of CIF-funded programs.

3. The Partnership Forum was hosted by the Asian Development Bank at its headquarters in Manila, on March 18-19, 2010. Around 400 people participated in the two day Forum, representing a wide range of CIF stakeholders including contributor and recipient countries, MDBs, UN agencies, NGOs and civil society organizations, and representatives of the private sector.

4. Other meetings organized in conjunction with the Partnership Forum included: CIF Trust Fund Committee and Sub-Committee meetings, CTF countries meeting, PPCR pilot countries meeting and high-level MDB and bilateral meetings.

5. The proceedings of the Forum were published and are available on the [CIF Website](#). The published proceedings are available as an information document for the joint meeting (document CTF-SCF/TFC.5/Inf.3).

6. The Forum program was organized around three main sessions. First, a plenary session, where all participants were invited to reflect, share views and discuss the early lessons of the design and implementation of the CIF; second, four separate and smaller panel discussions were held that focused on the different CIF programs, and third, a symposium on climate science and technology updates was organized by UNEP. In the concluding plenary, the overall results of the discussions in the different sessions were presented and briefly discussed.

7. To provide a general framework for the discussion, a study was commissioned to focus on the lessons learned from the CIF design and its early program implementation as reflected in interviews with a wide range of CIF stakeholders. The study was not an evaluation of the CIF and its programs, but based on interviews, it identified major themes and presented a preliminary analysis of the CIF's challenges and achievements and possible implications for future program activities.

8. At the end of the Forum, a survey was conducted to seek feedback from the participants on the value of the forum. All major categories of the Forum participants were represented in the response to the survey.

9. From responses to the survey, there was general support for the strong value of the Partnership Forum as a platform for open dialogue and a recognition of the importance of knowledge sharing for both improving the project implementation processes and the final results on the ground. A majority of the respondents indicated that all sessions had provided great value and the forum had met its stated overall objective.

10. Participants were generally satisfied with the arrangements, and no major issues were identified in the survey as impeding on the Forum's overall success. In terms of planning for future fora, lessons did emerge, mainly related to the sequencing of events, the information leading up to the Forum, and the structure of the agenda.

- (i) *Sequencing of events.* It was suggested that the CIF Committee meetings be held after the Partnership Forum in order to ensure that lessons learned can be considered in a timely fashion and reflected in future CIF programs and activities. More clarity as to how such a feedback process could be formulated was called for. It was also felt that having an informal NGO event the day before the Forum was helpful in preparing for the forum discussions. With regard to the duration of the partnership forum, it was suggested that it should be longer than two days, in order to give sufficient time for exchange of views and experiences, discussions and learning.
- (ii) *Information.* Based on the survey questionnaires, some concerns were raised about the level and timeliness of the information provided leading up to the Forum. It was felt that the website could have been more user friendly and provided better clarity as to where additional information could be found, and that some information was provided rather late to have been useful in preparing for the Forum.
- (iii) *Structure of the agenda.* Some stakeholders shared the view that the Forums should use more participatory techniques.

HIGHLIGHTS OF FORUM DISCUSSIONS

11. During discussions at the forum five main themes emerged: climate change and development; inclusion of stakeholders; financing; private sector; and continued learning.

- (i) *Climate change and development.* There was general recognition that climate change is a development issue, and that for many, such as small island developing states, responding in an effective way is a question of survival and justice and equity. CIF can play a critical role in this regard through its knowledge generation

that should help multilateral development banks refocus their interventions to address the challenges of climate change.

- (ii) *Inclusion of stakeholders.* With regard to the country investment plans, it was noted that it is important to ensure they are country-owned and based on existing national development plans, and that country diversity and financial conditions should be reflected in the CIF processes. It was recognized that CIF needs to expand its efforts on the ground to build trust and capacity among government ministries (in particular governments' planning and finance agencies/ministries), civil society organizations and local communities so that they can benefit from CIF funds, recognizing that learning is best achieved through active participation and ownership. This would also help promote awareness of climate change issues, options and challenges, and expedite progress towards mainstreaming climate change in development policies and strategies. Others highlighted the need for ensuring that the gender dimension is reflected in the CIF programs. Indigenous people acknowledged the opportunity CIF provides for a transparent and real partnership with respect for the right, cultural diversity and traditions of indigenous peoples.

Overall, CIF's balanced governance structures and consensus-based decision making was welcomed, and it was pointed out that consensus requires compromise and cooperation.

While welcoming the opportunity for participation the forum provides, civil society representatives raised the question what an "active" observer to the CIF Committees and Sub-Committees means in practice.

- (iii) *Financing.* It was generally felt that current funding levels will not suffice to achieve what is necessary in terms of responding effectively to the challenges posed by climate change, and that there is a need to re-examine the use of loans in climate financing, as many developing countries feel that climate financing should be in the form of grants. It was noted that the goal of scaling-up in a limited number of pilot countries has led to gaps in the number and type of countries covered by the CIF programs. It was also noted that innovative financial instruments need to be designed to meet different needs: for example, establishing financial intermediaries could be an effective tool to manage and leverage resources from the private sector
- (iv) *Private sector.* A theme that was referred to in many sessions and discussions was the key role the private sector will have to play in finding solutions to clean technology and renewable energy related challenges through its financing and investments. Achieving a sustained involvement of the private sector requires stable and predictable environments, with adequate and transparent regulatory frameworks and clear division of responsibilities. It was recognized that CIF can play an important role in advancing these areas, and that risk mitigation through CIF finance could overcome private sector investment barriers.

- (v) *Continued learning.* The learning element forms an integral part of the overall rationale of the CIF, which was also clearly recognized at the forum, but an underlying question was how the feedback from the forum dialogue and other CIF related experiences will be integrated in the learning process. It was emphasized that CIF should strive for continuous learning based on ideas and feedback from a wide range of stakeholders, and that one of the most valuable sources of learning are the activities on the ground. The CIF should find the right incentives to promote stakeholder engagement, knowledge generation, and learning. The lessons need to feed into UN processes, including UNFCCC and the 2012 review of Agenda 21.

It was further underscored that the CIF should consider possible modifications to its processes and structures as needed, so as to be able to effectively respond to any challenges or gaps that have been identified.

- (vi) *Communication.* Linked to the issue of continued learning is the need for more effective and accessible communication. There was a call for an active engagement by the CIF to promote country-to-country exchanges and facilitate regional level sharing of experiences.

MOVING FORWARD

12. Taking into account the discussions at the Partnership Forum, the joint meeting of the CTF and SCF Trust Fund Committees might wish to initiate discussions of ways in which the CIF could be modified to respond to some of the issues raised by the stakeholders. Based on the consultative discussion paper, *Looking Ahead for Lessons in the Climate Investment Funds: A report on Emerging Themes for Learning*, prepared for the Partnership Forum, and the views expressed at the Forum, a preliminary list of potential areas to explore is presented below. The Joint Committees may wish to discuss whether it would be timely at their next meeting in June 2011 to allocate sufficient time in their agenda to explore these ideas and any others proposed by the Committee Members. Such ideas could be further developed by the CIF Administrative Unit and the MDB Committee in advance of the next meeting.

13. These ideas have been grouped under: partnerships, additional programs under the SCF, governance, financing, private sector, and knowledge management and communications.

- a. *Partnerships.* The CIF is a global partnership established to contribute to an efficient response to the different challenges climate change poses to development. The following measures may be considered as ways to broaden the partnership:
 - i. Open a dialogue between the UNFCCC and the CIF – voluntary reporting by the CIF to the UNFCCC with the invitation to the UNFCCC to transmit its views to the CIF.
 - ii. Consider providing dedicated funding for “capacity building” related to the objectives of the CIF, and in particular, to mainstreaming climate change in

development planning and implementation; invite partners with a mandate in capacity building to collaborate in delivering these activities.

b. *Additional Programs under the SCF.* Are there additional sectors or approaches that could usefully be piloted through new targeted programs under the SCF, such as a program addressing agriculture, soils and climate change or programs focused on particularly vulnerable groups of countries, such as Africa or SIDS. Paragraph 11 of the SCF Governance Framework outlines criteria for agreeing to new SCF programs.

c. *Governance.*

- i. Should constituencies (such as those in the Boards of the MDBs) be established to allow more “voice” of countries on the CIF Committees and Sub-Committees?
- ii. How can the joint meetings of the CTF and SCF be used to allow for more strategic discussions on climate finance? Should membership of the joint meetings maintain the principle of an equal number of seats for contributor countries and recipient countries? Or should we seek to simplify the structure of the funds by combining the CTF and SCF Trust Fund Committees into one oversight committee for both funds?
- iii. Two independent reviews of the experience with self selected observers to the Trust Fund Committees and Sub-Committees have been commissioned and will be discussed at the joint meeting of the CTF and SCF Committees in November. Based on these reviews, suggested modifications regarding the observers may be considered.

d. *Financing* There was a fair amount of discussions around the topic of financing at the Forum, and as a preliminary response to some of the issues raised, the following interventions may be considered for further development:

- i. Encourage broader use of instruments available through the MDBs, such as development policy loans, country trust funds, results based financing. Invite the MDBs to explore innovative financing instruments to further the objectives of the CIF.
- ii. Allow for projects that are fully funded by the CIF (no blending with MDB lending) to be approved by the CIF governance board (i.e., there would not be a subsequent final approval by the MDB Board).
- iii. Recognizing the large unmet demand for CIF funding, should agreement be reached to actively seek additional funding for the CIF?

e. *Private sector.* Explore process and procedures to facilitate greater collaboration with, and leverage more financing from, the private sector.

f. *Knowledge management and communications.*

Develop a comprehensive and strategic communication plan to better disseminate the lessons learned from the CIF, including further promotion of country-to-country

exchanges and regional level sharing of experiences through the Global Support Program.

PARTNERSHIP FORUM 2011

14. Looking forward to the 2011 Partnership Forum that will be hosted by the African Development Bank in Tunis, Tunisia, the following arrangements are proposed for consideration and approval by the joint meeting of the CTF and SCF Trust Fund Committees.

Meetings sequence and duration

15. As noted above, many stakeholders are interested in ensuring that the CIF Trust Fund Committees are able to listen to the views expressed at the Partnership Forum and to deliberate upon them in a reasonable time after the meeting.

16. Furthermore, when the Trust Fund Committees discussed the planning of the Partnership Forum, Members expressed strongly the view that the Forum and associated meetings should be limited to a 5 day period.

17. As a major objective of the Partnership Forum is to exchange views and information on lessons learned, particularly from CIF-financed activities on the ground, it would be highly beneficial to ensure that the meetings of the pilot countries convened under the Global Support Program are held in conjunction with the Partnership Forum. In 2011, this will involve 5 meetings: a meeting for each of the programs (CTF, FIP, PPCR and SREP) as well as one meeting of all countries benefiting from the CIF (see document CTF-SCF/TFC.5/6, *Global Support Program*.)

18. It is therefore proposed that the Trust Fund Committees and Sub-Committees be held at the end of June separately from the Partnership Forum, and that the pilot country meetings and the Partnership Forum be convened in Tunis from March 14-18, 2011. See Annex A for a provisional schedule of meetings for the week.

19. The MDB Committee has recommended that it would be useful to hold more, and smaller, sessions during the 2011 Forum than the four held during the 2010 Forum. On the other hand, some stakeholders expressed concerns about too many parallel sessions, and there are limitations imposed due to the space of the conference facility as well as the costs of interpreting a large number of parallel sessions. As a compromise, it is proposed that there be a maximum of four parallel session held during the afternoon of the first day of the Forum and four sessions during the morning of the second day of the Forum, for a total of eight smaller sessions in which technical and substantive issues related to the implementation of the CIF programs can be discussed.

20. The CIF Administrative Unit and the MDB Committee are currently discussing themes for the sessions, taking into account the input of the multistakeholder consultative committee that has been established to provide input into the planning of the Forum. Representatives of the

MDBs, the UN, civil society, indigenous peoples and the private sector have been requested to identify representatives to participate in this group. Trust Fund Committee Members are also invited to submit to the Administrative Unit ideas for issues that could usefully be considered during the sessions.

Documentation for the Forum

21. Three studies have been commissioned which will provide a basis to prompt discussion at the Forum:

- a) Lessons Learned from the Development of the CTF Country Investment Plans
- b) Lessons Learned from the Development of the Strategic Programs for Climate Resilience under the PPCR
- c) Lessons Learned from the Use of Independent Expert Groups in the Selection Process of CIF Pilots

22. These studies should set the overall context for the plenary session on the first morning of the Forum.

23. In addition to these three lessons learned briefs, additional material will be prepared by the MDBs and other interested partners as background for the eight sessions once the themes of the sessions have been agreed.

Budget

24. During the October 2009 joint CTF-SCF Trust Fund Committee meeting, the Committee approved a CIF Administrative Unit budget of \$1.129 million for the 2010 Partnership Forum. The actual expenses incurred by the CIF Administrative Unit for this Partnership Forum was \$1.062 million, a slight under-run of \$67,000. The Asian Development Bank (ADB) proposed an initial estimated budget of \$250,000 to cover in-kind costs of hosting the Partnership Forum. The actual costs for ADB totaled \$182,581: in-kind costs of \$164,425, and cash expenses of \$18,156.

25. During the March 2010 joint CTF-SCF Trust Fund Committee meeting, the Committee approved a preliminary cost estimate of \$1.35 million for the planning and organization of the 2011 Partnership Forum, a figure based on the best estimate of the costs of the Second Forum in Manila. Expenses incurred by the CIF Administrative Unit for the Second Forum have been finalized and the CIF Administrative Unit has revised the estimated costs for the 2011 Partnership Forum from \$1.35 million to \$1.26 million. A breakdown by budget line-item is provided below in Table 1. AfDB has submitted a breakdown of anticipated costs for the Partnership Forum, with in-kind costs of \$33,000 and cash costs of \$217,000, for a total anticipated budget of \$250,000. The overall provisional budget for the 2011 Partnership Forum for both the CIF Administrative Unit and AfDB is \$1.51 million.

Table 1: Preliminary Budget for 2011 Partnership Forum - Tunis, Tunisia

March 14- 18, 2010					
	CIF AU Estimated Costs	AfDB Estimated Costs			Total Forum Costs
		Cash	In-Kind	Total	
Venue (Facilities, interpretation booths, microphones etc.)		147,300	10,000	157,300	157,300
Personnel - temporary	35,000	27,250	20,000	47,250	82,250
Travel (Participants, CSO, Panelists)	799,180				799,180
Stakeholder Outreach and Communications	130,000				130,000
Food Services	39,000	13,000		13,000	52,000
Telecommunications		5,000		5,000	5,000
Translation (documents)	30,000				30,000
Interpretation (Fr/Eng/Spa)	105,340				105,340
General Operations Costs (equipment, storage, freight, etc.)	4,000	4,723		4,723	8,723
	1,142,520	197,273	30,000	227,273	1,369,793
Contingency (10%)	114,252	19,727	3,000	22,727	136,979
Total	1,256,772	217,000	33,000	250,000	1,506,772

Annex A: Provisional Schedule of Partnership Forum and Associated Meetings - March 14 - 18, 2011

Monday March 14, 2011		Tuesday March 15, 2011		Wednesday March 16, 2011		Thursday March 17, 2011				Friday March 18, 2011							
Pilot Countries Meetings						2011 CIF PARTNERSHIP FORUM											
9.30 am - 1.00pm	All Pilot Countries	9.30 am - 1.00 pm	PPCR Pilot Countries	SREP Pilot Countries	9.30 am - 1.00pm	FIP Pilot Countries	CTF Countries	9.30 - 10.30pm	Opening Ceremony (Introduction, election of Co-Chairs, speeches)				9.30 am - 1.00pm	Session 5	Session 6	Session 7	Session 8
								10.30 - 11.30 am	Introduction of Lessons Learned Briefs (3)								
								11.30 - 1.00 pm	Voices of Stakeholders								
Lunch 1.00pm-2.00pm		Lunch 1.00pm-2.00pm		Lunch 1.00pm-2.00pm		Lunch 1.00pm-2.30pm				Lunch 1.00pm-2.30pm							
2.00 - 5.30pm	All Pilot Countries	2.00 - 5.30pm	PPCR Pilot Countries	SREP Pilot Countries	2.00 - 5.30pm	FIP Pilot Countries	CTF Countries	2.30 - 5.30pm	Session 1	Session 2	Session 3	Session 4	2.30 - 4.00 pm	UNEP - Science and Technical Knowledge			
														Wrap-up and Key Messages			

