

# CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.6/5  
June 15, 2011

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Joint Meeting of the CTF and SCF Trust Fund Committees  
Cape Town, South Africa  
June 27, 2011

Agenda Item 6

## **OBSERVERS IN THE CIF GOVERNING BODIES**

### **Proposed Decision by the Joint CTF and SCF Trust Fund Committees**

The joint meeting of the CTF and SCF Trust Fund Committee reviewed document CTF-SCF/TFC.6/5, *Observers in the CIF Governing Bodies*, and takes note of the short term improvements that have been put in place by the CIF Administrative Unit. The joint meeting welcomes the feedback and recommendations from the stakeholder consultations among the CSO groups, private sector groups, and indigenous peoples groups and agrees that the following steps should be taken to strengthen the engagement of observers in the CIF Trust Fund Committees and Sub-Committees:

## **I. BACKGROUND**

1. At its joint meeting in November 2011, the CTF and SCF Trust Fund Committee reviewed document CTF-SCF/TFC.5/7, *Review of the Self-Selection Process for Observers to CIF Committees and Effectiveness of Participation*, and took note of the results of the independent review of the self-selection process for, and effectiveness of participation of observers to the CIF Committees.
2. It welcomes the recommendations by the current observers for short and long-term improvements of the process and requested the CIF Administrative Unit to implement proposed short-term actions immediately. With regards to the proposed modifications, the joint meeting requested the CIF Administrative Unit to organize further consultations with interested stakeholders during the 2011 CIF Partnership Forum, and to report on those consultations together with costed proposals, for further consideration by the joint CTF and SCF Trust Fund Committees at their joint meeting in June 2011.
3. This paper has been prepared in response to that request. The document includes information on
  - (i) steps that have been taken on short-term measures
  - (ii) consultations for CSO observers during the 2011 CIF partnership Forum in Cape Town, South Africa; and
  - (iii) the process for the self selection of CIF observers for the upcoming term.

## **II. SUMMARY FROM THE REVIEW OF THE SELF-SELECTION PROCESS AND THE EFFECTIVE PARTICIPATION OF OBSERVERS IN CIF COMMITTEES**

4. Two reviews of participation of observers were conducted in 2010: IUCN was commissioned to review the process for observers from non-profit civil society, including the self selection process which was facilitated by RESOLVE, and the IISD was commissioned to prepare a review pertaining to the private sector observers and their self selection process which was facilitated by the World Business Council on Sustainable Development. The reviews recognized that the CIF had initiated a new and promising model of observer participation in the international context of climate finance that could contribute to a new relationship with non-profit civil society organizations and the private sector.
5. Both reviews concluded that substantial changes were needed in the selection process and engagement of observers in meetings of the CIF governing bodies to ensure continued active engagement and interest in the CIF. In this context, the reports call for clarity on the roles and responsibilities of observers and expectations in the deliberations of CIF meetings.
6. It was emphasized that both constituencies, non-profit civil society as well as the private sector, have great potential to engage in a more meaningful way in the deliberations of the CIF governing bodies. It was concluded that this potential needs to be better understood to be fully beneficial to the CIF process.

7. The reviews brought forward several recommendations concerning the selection process and proposals to improve engagement of the private sector with the CIF. The majority of the recommendations pertaining to the functions of the CIF Administrative Unit has been implemented or is in the process of being implemented. Other recommendations concerning the civil society observer process will require, as anticipated, further consultations during the Partnership Forum.

8. The following matrix summarizes the recommendations and proposals for follow-up. The matrix includes additional measures that were initiated by the CIF Administrative Unit to respond to the request of the joint meeting.

| Recommendation   | Status  | Proposed Next Step  |
|--|---|---|
| <b>Access to information</b>   |   |   |
| Post meeting documents on the CIF website at least two weeks prior to the meetings (4 weeks for FIP policy documents)  | Efforts are continuously being made to meet this deadline   |   |
| Post dates for scoping and Joint Missions, TORs for country programming activities and mission reports on the CIF website 2 weeks in advance of the departure of the mission (4 weeks for FIP) | This is consistently done   |   |
| Provide disbursement data  | It has been agreed that the CIF Administrative Unit, in collaboration with the MDBs and the Trustee, will report disbursement information by CIF program on a semi-annual basis and prepare a first disbursement report by the end of February 2011. Disbursement data by program were disseminated on March 1, 2011. The next report will be published in July 2011. |   |
| Provide observer orientation sessions  | Was done when observers were first identified.  | CIF Administrative Unit to organize orientation meeting when new observers selected. With the recent appointment of a stakeholder relations officer, the CIF Administrative Unit proposes |

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|   |   | to hold virtual briefings for observers in advance of CIF meetings. |
| Provide interpretation of meetings and translation of documents   | <p>At November 2010, it was agreed that simultaneous interpretation in English, French and Spanish would be available for CIF Committees and Sub-Committees. Beginning with the June 2011 meetings, simultaneously interpretation will be available.</p> <p>Short summaries of major policy and programming documents prepared for CIF meetings will be translated prior to the meetings.</p> |   |
| <b>Observer Reporting to Constituency</b>   |   |   |
| Observer representatives to report back to their constituency on the outcomes of the CIF meetings.  | Observers' responsibility   |   |
| Observers to send the Co-Chair Summary to their constituency as a record of the meeting decisions.  | Observers' responsibility   | To be considered further during consultations                       |
| <b>Participation in Discussion of Investment Frameworks:</b>  |   |   |
| Discuss investment frameworks under the SCF targeted programs in a transparent manner.  | Investment plans under the SCF are discussed in open sessions   |   |
| Observers of the discussion on investment frameworks to provide feedback on Sub-Committee discussion to their constituency in the pilot country for which the investment framework was discussed. | <p>Summaries of the meetings are posted on the CIF website after the meetings.</p> <p>Observers' responsibility</p>   | To be considered further during consultations                       |
| <b>Observer Needs:</b>  |   |   |
| Conduct needs assessment on how observer constituencies want to be involved in the CIF  | CIF Administrative Unit has commissioned RESOLVE and WBCSD to prepare for the stakeholder consultations in  |   |

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|   | June 2011. One activity is canvassing constituencies for their views. Their reports will be submitted to the consultations to be held in conjunction with the Partnership Forum. |   |
| Cost-Sharing arrangements for observers from Northern NGOs and the private sector                       |  | To be considered further during consultations   |
| Rapid approval of the Private Sector Business Guide prepared by the WBSD                                | The Private Sector Business Guide was posted on the CIF website in March 2011.   |   |
| Change terminology: “self-selection” process  |  | To be considered further during consultations   |
| <b>Building Observer Constituencies:</b>  |  |   |
| Use of an advisory group for selecting observers  |  | To be considered further during consultations   |
| Use the Partnership Forum as platform for the observer selection process                                |  | The CIF Administrative Unit was informed by CSO representatives that they did not want to carry out a selection process during the 2011 CIF Partnership Forum as the period of time involved would be insufficient for a full fledged selection process. The CSOs will discuss proposals for a self-selection process during their consultations and provide a proposal to the CTF and SCF Trust Fund Committees at their joint meeting in June 2011. |
| Allow business associations or a roster of private sector companies as observers for the Private Sector |  | To be considered further during consultations   |
| Use private sector representatives as technical experts to review                                       | To be considered in discussions of quality review  |   |

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| investment frameworks and projects | of investment plans |  |
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### **III. STATUS OF CIF CSO OBSERVER CONSULTATIONS AT THE 2011 CIF PARTNERSHIP FORUM AND SELF SELECTION PROCESS**

9. The CIF Administrative Unit, building on the experience gained by RESOLVE<sup>1</sup> and World Business Council for Sustainable Development<sup>2</sup> (WBCSD) in carrying out the first self selection process for CSOs and the private sector, respectively, commissioned these two organizations to assist in preparing the stakeholders consultations in Cape Town as well as advancing views on the self selection process. Consultations with Indigenous Peoples Groups and Local Communities were initiated as part of the consultative process for the design of the *Dedicated Grant Mechanism* under the FIP<sup>3</sup>. Provision has been made in the schedule for all three stakeholders group to convene on Thursday, June 23, in advance of the Partnership Forum.

### **IV. CONSULTATION PROCESS FOR NON- PROFIT CIVIL SOCIETY**

10. RESOLVE sent a list of questions to all current CIF CSO observers and initiated small-group conference calls during the weeks prior to the Partnership Forum with all interested current observers and alternates. The purpose of these calls was to discuss the recommendations from the IUCN review and collect observers' ideas for how to improve the upcoming observer selection process. RESOLVE will prepare a summary document of the feedback generated in all of the small-group conference calls with a view to capture suggestions, areas of agreement, and areas that require additional discussion. During the 2011 CIF Partnership Forum, prior to a half day consultation with a larger group of observers, RESOLVE will facilitate a half-day meeting of current observers to discuss and agree on a way forward. RESOVLE will then prepare a final report with recommendations.

### **V. CONSULTATIONS PROCESS FOR PRIVATE SECTOR**

11. The WBCSD developed an e-questionnaire for current observers, business organizations and selected companies. The questionnaire, directed at a mixture of business and organizations was sent to all WBCSD members and regional networks, ICC circulation lists, and to BINGO organizations under the UNFCCC. A follow-up webinar to communicate and discuss results was

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<sup>1</sup> RESOLVE is an NGO founded in 1977 to facilitate the consultative process for non-profit civil society. RESOLVE has been a pioneer in helping diverse interests engage in collaborative decision-making and collaborative action to develop improved solutions to public issues. The depth and diversity of RESOLVE's experience is reflected in its project work and the significant impact these projects have had on a wide range of issues, both at the local level and nationally. As a leader for 30 years in designing and supporting collaborative decision-making processes, facilitating policy dialogues, and mediating site-specific disputes, RESOLVE is known for helping parties analyze and work through difficult issues, particularly those involving highly visible and political dynamics, complex scientific and technical information, and cultural differences.

<sup>2</sup> The WBCSD is a CEO-led, global association of some 200 companies dealing exclusively with business and sustainable development. The Council provides a platform for companies to explore sustainable development, share knowledge, experiences and best practices, and to advocate business positions on these issues in a variety of forums, working with governments, non-governmental and intergovernmental organizations.

<sup>3</sup> see document FIP/SC.5/6, *Update on the Development of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities*.

held with some CIF observers from the private sector and the CIF Administrative Unit. Based on the results of the questionnaire, WBCSD will develop a set of recommendations for discussions during the private sector consultations and agree on next steps. WBCSD will also design and organize the private sector consultation session during the 2011 CIF Partnership Forum to (i) facilitate the development of proposals for short and long term improvements of the self selection process for private sector observers and (ii) enhance the effectiveness of participation by the private sector in the CIF. Recommendations from the business community will be formulated as a basis to launch the next self-selection process.

## **VI. CONSULTATION PROCESS FOR INDIGENOUS PEOPLES GROUPS**

12. During the global meeting of **Indigenous Peoples Groups and local communities** for the development of the *Dedicated Grant Mechanism for Indigenous Peoples and Local Communities* under the Forest Investment Program which took place in Bangkok, Thailand in April 2011, the indigenous peoples groups received a full briefing on the observer seats in the SCF Trust Fund Committee and Sub-Committees as well as the roles and responsibilities of observers in the CIF process. The indigenous peoples groups took note of this input and decided that the legitimate forum for making the decision on IP representation in these governing bodies is the UN Permanent Forum for Indigenous Peoples Issues (UNPFII). The meeting of the UNPFII was held in May 2011 in New York. Results from that process are to be shared with the CIF Administrative Unit shortly.

13. The IPs requested the CIF Administrative Unit to collate all relevant information on “active observers”, including a list with current observers, the observer guidelines and seat distribution by Committee into one document. This document was shared with the indigenous peoples groups in April 2011.

## **VII. STATUS OF SELF SELECTION PROCESS**

14. In consultations with CIF observers prior to the 2011 CIF Partnership Forum, the CIF Administrative Unit was informed that the CSO observers did not want to carry out a selection process during the Partnership Forum as the period of time involved would be insufficient for a full fledged selection process. The non-profit civil society organizations and private sector organizations will discuss proposals for a self selection process at the 2011 Partnership Forum and provide a proposal to the joint meeting of the CTF and SCF Trust Fund Committee at its meeting in June 2011. It should be noted that provision has not been made in the current budget proposal to finance a self selection process in FY12, and if any of the approved recommendations have budgetary implications, additional funds will need to be requested.