

CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.3/Inf1
October 13, 2009

Joint Meeting of the CTF and SCF Trust Fund Committees
Washington, D.C.
October 28, 2009

**PROGRESS REPORT
ON STUDY ON LESSONS LEARNED FROM CIF DESIGN PROCESS AND
EARLY IMPELEMENATION**

Introduction

- (i) The joint meeting of the CTF and SCF Trust Fund Committees in May 2009, in reviewing the proposal for the 2010 Partnership Forum, indicated that “in preparing for the Forum, an analysis should be prepared of the results to date for review by the Trust fund Committees”.
- (ii) Further to this guidance, and in preparation for the Partnership Forum, the CIF Administrative Unit in collaboration with the MDB Committee has commissioned a study on lessons learned from the design process and early implementation of the CIFs. The purpose of the study is to derive learning from the experience of the CIFs to date in a manner that is directly useful to the Funds and their stakeholders moving forward.
- (iii) The CIF Administrative Unit contracted Mr. James Radner, University of Toronto, Canada, to prepare the study. Mr. Radner has wide experience in civil society and international development, including positions at community health, education and economic development organizations; program and management work at Amnesty International U.S.A.; and consulting assignments for governments, aid institutions, businesses and civic organizations. Mr. Radner is a Senior Fellow at the Munk Centre for International Studies, where he directs the International Program on Social Entrepreneurship and Civil Society.
- (iv) The study will culminate in a report for the Trust Fund Committees and the Partnership Forum in Manila, so that stakeholders there can build upon and use its results. The report should serve as background to shape the dialogue and inform the outcomes of the Forum.
- (v) The following is a note by Mr. Radner on progress to date in preparing the study. This progress report complements the document *Climate Investment Funds - Partnership Forum 2010* (CTF-SCF/TFC.3/).

NOTE ON CLIMATE INVESTMENT FUNDS LESSONS LEARNT PROJECT

1. In August 2009, pursuant to the decision related to the discussion of the joint CTF-SCF Committee meeting on the *Partnership Forum 2010: Preliminary Design Proposal* (CTF-SCF/TFC.2/3), the Administrative Unit engaged a consultant to conduct a study of lessons learnt from the design and early operations of the Climate Investment Funds. The purpose of the study is to derive learning from the experience of the funds to date, in a manner that is directly useful to the funds and their stakeholders moving forward. The study will culminate in a report for the Partnership Forum in Manila, so that stakeholders there can build upon and use its results.

2. The study will necessarily focus on the design process and the start-up activities of the funds, recognizing that it is premature to have extensive operational lessons emerging at the country level. The study is not intended as an evaluation of any aspect of the Funds, but rather as a way to catalyze, from this early phase forward, a dialogue among all relevant stakeholders aimed at harvesting and applying learning from the Funds' experience. The study covers the period from the initiation of the multi-stakeholder design process for the Funds through the present, and continuing into early 2010 to provide the best possible opportunity to derive learning from early operations before the Partnership Forum.

Process

3. The principal methodology for the study is individual or small-group discussions with the consultant, under a protocol that welcomes open, thoughtful contributions without attribution of comments to individuals or organizations. The consultant aims to meet with a significant cross section of people who have participated in the design and early operations of the CIF, at the global level (design process, Trust Fund Committees and Sub-Committees) or country or regional level (pilots, investment plans), or both. Interviewees will include participants from governments, multi-lateral development banks, civil society, the private sector and indigenous peoples and local communities, in both developed and developing countries. Participants may have worked with one or more programs or funds within the CIF structure.

4. The consultant plans to identify major themes and broad lessons through an intensive round of interviews to be completed in November, 2009. A summary of the results will be shared with interviewees, the Trust Fund Committees and Sub-Committees and the Administrative Unit. The results of the first round will form the basis for a follow-up round of meetings that provide more detail around key lessons and stimulate further dialogue. This second round will also be an opportunity to better calibrate the conclusions from the first round to the views and experiences of participants.

5. Based on the results of the second round, the consultant will prepare a final report for discussion at the Trust Fund Committees and the Partnership Forum. The report will

be available on the CIF website, where comments will be invited, and in printed form. The report will be produced in English, French and Spanish.

Emerging Themes

6. Indications from the partially complete initial round of interviews suggest a range of major themes to be developed in the study. Very broadly, participants have pointed to a series of challenges the Funds faced at inception, in light of their overall objective to act as a practical, transitional financing vehicle with genuine impact:

- a. at a time when longer term architecture for climate finance is under negotiation in separate fora; and
- b. Given the special features of climate change mitigation and adaptation in the context of international development.

7. Participants saw the design of the Funds and their subsidiary programs as a response to these challenges; the interviews suggest that important lessons will emerge from the distinctive form those responses have taken, and from how they are functioning in practice.

8. Within this overall framework – challenge, response, and practical result – themes identified to date include:

- Governance, decision-making and country ownership.
- Meaningful engagement of diverse stakeholders, globally, regionally, nationally and locally.
- Transparency, communications, trust.
- Ability to pilot investments to generate impact at scale, to change “business as usual,” and to produce broadly usable knowledge for climate change mitigation and adaptation.
- Selection of country and regional pilots and effective targeting of limited funds.
- Coordination among MDBs and recipient country governments and stakeholders to yield a streamlined, country-led process.
- Combining strong capacity to fund *projects* with an overall *strategic and programmatic* planning at the country or regional level.
- Flexibility to respond to diverse country opportunities, capacities and needs.
- Achieving developmental benefits, including for the poor.
- Balancing speed of operations with depth of engagement at the planning stage and depth of impact at the implementation stage.
- Financing modalities (grants, concessional loans, equity) and financial leverage.
- Private sector involvement in finance and implementation.
- Effective design and use of results framework; monitoring and evaluation.

- Ways to catalyze a network that generates and shares practical knowledge from diverse, distributed sources, including “south-south” dialogue.

9. Each of these themes represents a challenge with which the Funds and their stakeholders have been grappling; each represents an area for early learning, the objective of the “lessons learnt” project. The project welcomes dialogue on these and other relevant topics.

Next Steps

10. Forthcoming events relating to harvesting learning from the CIFs, for example the PPCR Community of Practice meeting on October 26 and 27, 2009, Trust Fund Committee and Sub-Committee meetings and related sessions with stakeholders will provide important opportunities for participants to engage with the Consultant and for the dialogue on lessons learnt to move forward.

11. The immediate priority for the study is completion of the first round of interviews. Additional interviews with stakeholders in all categories are needed, but with a particular focus on representatives of governments of and organizations based in developing countries. This will enable the consultant to complete the first round and report back on general results, as a basis for continuing the dialogue in round two.

J. Radner
October 9, 2009
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