

# CLIMATE INVESTMENT FUNDS

CTF/TFC.3/9

SCF/TFC.3/6

PPCR/SC.3/7

April 24, 2009

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Meeting of the Climate Investment Fund Trust Fund Committees and Sub-Committee  
Washington, D.C.  
May 11-15, 2009

## **UPDATE ON THE SELF SELECTION PROCESS FOR REPRESENTATIVES OF CIVIL SOCIETY TO OBSERVE MEETINGS OF THE CIF TRUST FUND COMMITTEES**

**Proposed Trust Fund Committee (Sub-Committee) Decision**

The Committee (Sub-Committee) welcomes the progress that has been made in advancing the self selection process for representatives of civil society to observe CIF meetings. The Committee (Sub-Committee) looks forward to the completion of the self selection processes that are underway and requests the organizations carrying out the processes to inform the CIF meetings in October 2009 of the results of the process and lessons learned.

## Introduction

1. The CTF Trust Fund Committee and the SCF Trust Fund Committee, at their meetings in January 2009, approved guidelines<sup>1</sup> to promote the participation of civil society in the Trust Fund Committee meetings in accordance with the Committees' rules of procedure.
2. The guidelines state that "each of the groups identified in paragraph 6 above should be invited to identify representatives through a self selection process."<sup>2</sup>
3. The guidelines further state that "a staff person of the CIF Administrative Unit should be designated as the focal point for civil society relations with the CIF... He/she would also be responsible for identifying a credible organization to run the self selection processes for each group of observers."<sup>3</sup>
4. The guidelines also state, as recommended by the CTF Trust Fund Committee at its January 2009 meeting, that, "the World Business Council for Sustainable Development (WBCSD) should be invited to help select the representatives from business associations for the Clean Technology Fund."<sup>4</sup>

## CIF Administrative Unit follow-up

5. Following the January 2009 Trust Fund Committee meetings, the CIF Administrative Unit duly designated a staff person who made contact with civil society organizations, indigenous peoples representatives and the WBCSD to present the decisions of the Trust Fund Committees to representatives of each constituency group and solicit expressions of interest to design and carry out a self selection process on behalf of their constituency.
6. The *Proposal for Inviting Civil Society Representatives to Observe Meetings of the Trust Fund Committee* (CTF/TFC.2/6, SCF/TFC.2/5), the IUCN background document *Review of Practices on NGO/CSO Participation and Recommended Measures for NGO Representation at Meetings of the CIF Trust Fund Committee Meetings* (CTF/TFC.2/inf.2, SCF/TFC.2/inf2) and the respective *Co-Chair Summaries* of the CTF and SCF Trust Fund Committees' January meetings were provided for reference.

## Status of self selection processes for civil society organizations

7. Several civil society organizations were contacted to determine their interest in designing and carrying out the self selection process, including the ActionAid, Bank Information Center, Birdlife International, Environmental Defense Fund, Friends of the Earth, Oxfam, Practical Action, World Resources Institute and IUCN.

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<sup>1</sup> See Guidelines for Inviting Representative of Civil Society to Observe Meetings of the CIF Trust Fund Committees, April 20, 2009

<sup>2</sup> See Guidelines, paragraph 12

<sup>3</sup> See Guidelines, paragraph 16

<sup>4</sup> See Guidelines, paragraph 13

8. These organizations were in turn invited to notify other qualified organizations that they felt might be interested
9. The only civil society organization to voice both interest and availability to design and carry out the self selection process was RESOLVE, a non-profit organization dedicated to advancing the effective use of consensus building in public decision making.<sup>5</sup>
10. The CIF Administrative Unit entered into discussions with RESOLVE and concluded an agreement with it in mid-April.
11. RESOLVE has provided an update on its self selection process, attached in Annex A. The process is scheduled to conclude in mid-July with final recommendations to the CIF Administrative Unit.
12. In consultation with stakeholders, RESOLVE will identify temporary civil society observers for the May Trust Fund Committee meetings.
13. In order to better understand the business functions of the CIF Trust Fund Committee Meetings and Sub-Committee Meetings, RESOLVE has been invited to observe the May meetings.

#### **Status of self selection processes for Indigenous Peoples**

14. The CIF Administrative Unit attended the United Nations Permanent Forum on Indigenous Issues (UNPFII) Intersessional Meeting (Karasjok, Norway, March 2009) and made a presentation on the CIF and the guidelines for observers.
15. The UNPFII was invited to take a lead in designing and carrying out a self selection process, and to designate temporary representatives if the process could not be concluded by the time of the May meetings.
16. The Chair of the UNPFII, stated that the UNPFII would undertake the task and requested that the group be given some time to design and carry out the self selection.
17. The Chair also designated two temporary observers to attend the May Trust Fund Committee meetings.

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<sup>5</sup> See [www.resolve.org](http://www.resolve.org)

### **Status of self selection processes for private sector**

18. The CIF Administrative Unit contacted the WBCSD who indicated interest in designing and carrying out the identification of business associations to serve as observers for the CTF, the SCF and the PPCR committees.
19. The CIF Administrative Unit has been working with the WBCSD designated focal point on a draft proposal for the self selection process.
20. The WBCSD has provided an update on its self selection process, attached in Annex B.
21. In consultation with stakeholders, the WBCSD will identify temporary private sector observers for the May Trust Fund Committee meetings.

### **Further support to the process**

22. As stated in the Guidelines, the CIF Administrative Unit and the MDBs and their private sector arms may collaborate in dissemination and outreach relating to the respective self selection processes through their respective civil society, private sector and other outreach and/or web platforms.

### **Conclusion**

23. Because identification of appropriate organizations to undertake the self selection processes and subsequent discussions were time consuming, temporary observers will be identified to attend the May Committee meetings.
24. Despite the time constraint, both RESOLVE and the WBCSD have indicated that every effort will be made to ensure a transparent and inclusive process in identifying the temporary observers for the May Committee meetings.
25. The temporary observers should contribute the experience they gain at the May Committee meetings to developing the self selection process for their constituency group.
26. The self selection processes for civil society and the private sector are scheduled to be completed by end-July, in time for observers to prepare for active and constructive participation in the next Committee meetings tentatively scheduled for October 2009.
27. The CIF Administrative Unit will follow up with the UNFPPII in a timely fashion to ascertain its plans and schedule for designing and carrying out a self selection process for indigenous peoples.
28. Once observers have been identified through the self selection process, the Administrative Unit will engage with those individuals to design and plan the next Partnership Forum, tentatively scheduled for March 2010 in Manila.

## Annex A

### Update on Self-Selection Process for Civil Society Observers to the CIF Trust Fund Committees

1. RESOLVE, a nonprofit organization specializing in stakeholder involvement, multi-stakeholder consensus-building, and facilitation, is providing process design, management and facilitation support and services for the self-selection process for civil society on two CIF committees (Clean Technology Fund - CTF and Strategic Climate Fund - SCF) and one sub-committee (Pilot Program for Climate Resilience – PPCR – under the SCF).
2. There are four civil society observer seats for each of the committees and the subcommittee. The PPCR sub-committee has also designated a seat for a representative from a community dependent on adaptation approaches to secure livelihoods. RESOLVE will draft a proposal to be presented to the Trust Fund Sub-Committee outlining a selection process for this representative. Furthermore, the CTF committee has specified that its civil society observers may be representatives of NGOs, development and environment institutions and “think tanks,” local communities, and indigenous peoples’ groups. RESOLVE will make an effort to conduct outreach to all of these groups.
3. In providing services to support a successful self-selection process, RESOLVE aims to achieve the following objectives:
  - a) Robust and diverse involvement from the civil society sector through general outreach to existing networks and targeted outreach to key actors and constituencies;
  - b) Transparency of the design and implementation of the selection process, criteria, and outcomes through ongoing documentation and communication; and
  - c) To the greatest extent possible, buy-in from civil society sector on the approach to and outcomes of the self-selection process, through various efforts to seek input from and build consensus among interested parties.
4. RESOLVE will carry out the self-selection process in the phases outlined below. An estimated timeframe for each step is indicated in parenthesis.
  - a) **Develop Plan for Civil Society Observer Self-Selection Process (April 16 – May 8).** RESOLVE will refine the plan for the self-selection process through initial conversations with stakeholders. Given that a number of issues need further exploration and definition, and the importance of diverse involvement, transparency, and buy-in from interested parties, we will seek to solicit input on the process design, management and facilitation. To accomplish this, RESOLVE proposes to identify a 5 – 7 member Advisory Committee from the civil society sector. Based on conversations with the Advisory Committee and others, we will begin drafting straw documents for review that will describe the selection process, terms, criteria, etc. We will seek broad stakeholder input (via email) on the draft selection criteria in order to ensure input.
  - b) In the design phase, we will be guided by the Trust Fund Committees’ decisions and also look at a number of key issues, including the following: the number of potential

applicants; the length of the appointment to the observer seat; how to design an efficient process that achieves the goals of gender, regional and perspective diversity within a limited number of seats; how to fill the PPCR seat for a representative from a community dependent on adaptation approaches to secure livelihoods; how best to organize the selections across the three committees; the dynamics of holding a vote or a consensus approach; and/or how to work from a vote to consensus or a general sense of satisfaction among constituents with their representation.

- c) Given the short timeline between the beginning of the project and the May meetings, RESOLVE is proposing to consult with stakeholders on the seating of temporary representatives for the May meetings. A full, robust process will be undertaken to accomplish the seating of the representatives who will fill two-year terms for the October meetings.
- d) **Finalize and Formally Announce Selection Process (May 11 – May 29).** RESOLVE will continue to consult with participants/stakeholders to refine and finalize the terms and conditions of the selection process. This may include individual discussions, facilitated conference calls, and, if possible, in-person meetings. We will analyze and respond to feedback on the selection criteria. We will then draft all of the final selection process documents, including the announcement, final criteria, process description, and ballots or other instructions.
- e) **Manage the Self-Selection Process and Submit Recommendations to CIF Administrative Unit (June 1 – July 10).** RESOLVE will then issue a call for applications and distribute the criteria for the observer seats. RESOLVE will work to develop an approach that balances input from all, with an effort to reach overall consensus on the full slate of selected candidates. In doing so, it may be necessary to balance the option of voting with some form of guidance or decision-making from an advisory committee. The exact form and structure will be an outgrowth of the consultations from #1 and #2 above. Once the representatives have been identified, RESOLVE will submit the results of the self-selection process to the CIF Administrative Unit.
- f) **Draft Proposal for Future Self-Selection Processes (July 10 – August 7).** Based on the development of the self-selection process and consultation with the Advisory Committee and other stakeholders, RESOLVE will draft a proposal that outlines how future self-selection could occur in the framework of the annual Partnership Forum.

5. **Project Status Update as of April 20:** RESOLVE was authorized to begin work on April 16, 2009. We have prepared a set of convening questions and have begun initial conversations with stakeholders in an effort to identify potential Advisory Committee members and temporary representatives for the May meetings. We are preparing documents to be posted on a dedicated page of the RESOLVE website. Finally, we are planning to take advantage of the presence of a number of stakeholders at the spring World Bank meetings during the week of April 20<sup>th</sup> by holding a consultation session during the meetings and possibly hosting an

additional session at RESOLVE, with the goal of providing as many opportunities to obtain stakeholder input as possible.



## **Annex B**

### **Update on Self-Selection Process for Private Sector Observers to the CIF Trust Fund Committees**

*This draft covers the preliminary elements that should be included in the terms of reference of the three self selection process. In particular, it designs the elements to be included in the Clean Technology Fund self selection process.*

*23 April 2009*

### **TERMS OF REFERENCE FOR THE SELECTION OF PRIVATE SECTOR OBSERVERS FOR THE CLEAN TECHNOLOGY FUND TRUST FUND COMMITTEE**

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#### **Scope of participation at the meetings**

1. The Clean Technology Fund (“CTF”) aims to finance transformational actions by providing positive incentives for the demonstration of low carbon technologies through public and private investment, promoting scale up deployment of clean technologies, and promoting international cooperation in climate change. The CTF supports programs including sectors such as renewable energy, supply and demand of energy efficiency, transport efficiency and modal shifts.
2. The private sector is responsible today for 80% of world investments. Business will play a significant role in climate change mitigation and adaptation. The IEA estimates that USD 1,2 trillion will be needed for annual incremental investment to reduce emissions in 2050 by 50% and bring them back to 2005 levels. The CTF seeks to provide incentives to mobilize private capital to meet these incremental investments. Inviting the private sector to participate in the meetings of the CTF Trust Fund Committees provides an opportunity to enhance public-private cooperation and knowledge sharing on the lessons learned by businesses that are executing those investments.
3. Business associations and group representatives are invited to participate in the meetings of the CTF Trust Fund Committees as “active” observers, similar to the status of UN agencies, as already decided by the Trust Fund Committee.
4. Observers would be able to:
  - a) request the floor during discussions of the Trust Fund Committee to make verbal interventions,
  - b) request the Co-Chairs to add agenda items to the provisional agenda, and
  - c) recommend to the Trust Fund Committee or the Co-Chairs external experts to speak on a specific agenda item

#### **Terms for observers**

5. The World Business Council for Sustainable Development (“WBCSD”) has been recommended by the CTF Trust Fund to design and facilitate a self selection process that will

appoint two representatives from the private sector to be “active observers” (“Observers”) to the CTF Trust Fund Committee meetings.

6. To ensure transparency in the design and implementation on this selection process an advisory board (“Advisory Board”), made up of 5 to 7 recognized energy and climate change experts, will be selected through consultations with the private sector, broad stakeholders, the CIF Administrative Unit and the Civil Society Observer selection process. The Advisory Board will agree upon criteria and process for choosing the observers, prepare the final application form, establish the final deadlines, perform the evaluation process and agree on the Observers to recommend to the CIF Administrative Unit. A business association that is part of the Advisory Board cannot participate in the self selection process.<sup>6</sup>

7. This self selection process is directed at business associations to ensure that the business community is represented in the meetings. However, business associations can select from within their constituency an individual coming from a company to represent the business association. To avoid conflict of interest the individual selected to represent the business associations should not belong to a company that is applying for, or that may in the future apply for, any of the financial support directly linked to Investment Plans under the CTF. The selected business associations should provide the platforms to ensure that information provided by the individuals attending the CTF is shared among their constituencies.

8. The Observers will be in the role for a fixed time period of two years. The Observers’ role may be renewed once for a further two year period. Renewal would be subject to a review by the Advisory Board on how the representative has fulfilled its functions.

### **Roles and responsibilities of Observers**

9. The role of the Observers is to:

- a) Communicate to the Trust Fund the enabling frameworks necessary to develop private investment in clean technologies for low carbon development paths.
- b) Advise on the financial instruments that will be most cost effective to leverage private funding for the development of clean technology projects.
- c) Liaise and channel business perspectives, to engage strategically with decision-makers and other stakeholders.

10. Observers will be responsible for:

- a) Consulting with other stakeholders in their constituency and other business organizations.
- b) Representing the interests of these private sector stakeholders in the meetings, not just of their own organization.
- c) Complying with agreed consultation guidelines/standards developed by the Advisory Board.
- d) Reporting to the private sector stakeholders through established channels.

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<sup>6</sup> WBCSD does not intend to serve on the Advisory Board.

- e) Organizing business representation at the annual meeting of the Partnership Forum. This forum should be used to facilitate and promote business consultations and maximize business contributions to the objectives of the CTF.

### **Provisional self selection process and criteria**

11. Business Observers will be identified through a self selection process. The WBCSD has accepted the recommendation of the CTF Trust Fund Committee and will design and facilitate the self selection of observers from the business sector.

12. Since the WBCSD would like to apply to be eligible to be an Observer, the organization will not take part in the selection process and will only design and facilitate the process and provide adequate communication channels to ensure all the important and relevant business associations are involved in the process. In disseminating information about the self selection process, the WBCSD will seek to collaborate as appropriate with the MDBs.

13. The design and facilitation of the self selection process will be done in consultation with those undertaking the Civil Society self selection process and the CIF Administrative Unit, to ensure a transparent and fair process and continuity of criteria, timelines and processes.

14. The selection of Observers will aim at achieving a targeted and balanced representation of constituencies and expertise from the business community across the CIF Committees. For the CTF Observers the selection criteria could include the following parameters (subject to discussions with the Advisory Board):

- a) Organization expertise on technology and finance issues related to the UNFCCC process
- b) Proven expertise on clean technologies in any of the three targeted areas: renewable energy; supply and demand; and energy efficiency and transport.
- c) Balanced geographic representation of business, in particular representation of developing country business.
- d) Individual representative expertise and economic resources allocated to this project. The candidate selected from the organization should have proven experience in technology and finance issues and an ability to communicate business perspectives.

### **Determination of temporary Observers for the May 2009 meeting**

15. Due to the limited time available to complete an adequate self selection process ahead of the next meetings in May 2009, WBCSD, in consultation with stakeholders and the CIF Administrative Unit, will recommend two temporary Observers to attend the meeting. This will provide an opportunity for the private sector to better understand the CTF committee's processes and will provide feedback for the final design of the self selection process.

### **Dissemination Phase**

16. The WBCSD will prepare a dedicated web page for the self-selection process. The WBCSD will broadly disseminate the self selection process through a number of channels, including UNFCCC accredited observers, WBCSD regional network and partners, weekly and monthly newsletter (8.000-12.000 subscribers), WBCSD website and the ICC communication channels.

17. The private sector self selection process may also be announced publicly through the CIF website, the Multilateral Development Banks, and their private sector arms.

**Timelines**

18. Observers shall be identified following this provisional process:

Public announcement of Advisory Board: May 2009

Dissemination phase: May 2009

Application phase: June 2009

Selection phase: July 2009

Recommendation to the CIF Administrative Unit: July 2009

Attending CIF meetings: October 2009