



# STAKEHOLDER VOICES



# CIF PARTNERSHIP FORUM • 2010

*A COLLECTIVE DIALOGUE FOR CLIMATE ACTION*



## **Climate Change is a Development Challenge**

Widespread recognition that climate change is a development issue. For many, such as Small Island Developing States (SIDS), responding to climate change is an issue of survival. Climate change also involves issues of justice and equity.

It is critical for the CIF to keep high standards – to show what is possible.

MDBs should strive for coherence within their programs. Are the Banks truly trying to learn the lessons generated through the CIF? CIF should inform/change the regular portfolios of the multilateral development banks.

### **Governance and Inclusion**

CIF balanced governance structures and consensus-based decision making are welcomed: consensus requires compromise and cooperation.

Civil society representatives recognize the opportunity provided to express their voice in the deliberations, but, what does “active” observer mean in practice?

The gender dimension should be incorporated into the CIF governance and operations.

Indigenous people welcome the efforts of the CIF to provide opportunity for transparent and real partnership that will require respect for the rights, cultural diversity and traditions of indigenous peoples.

Private sector should be more engaged in design and implementation.  
Potential tools: increased formal consultations, meetings on specific themes, engagement of private sector in country missions.

## **Financing**

Need to re-examine the use of loans in climate financing. Many stakeholders feel that climate financing should only be in the form of grants.

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 CIF programs.

CIF are not adequately piloting activities in low-middle income countries and low income countries.

## **CIF on-the-ground**

Need to develop trust so that civil society organizations and local communities working on the ground can benefit from the CIF funds.

Learning is best achieved through active participation and ownership.

Need to build mechanisms to help local communities build capacity to address climate change.

### **Learning**

CIF should strive for continuous learning, based on ideas and feedback from a broad range of stakeholders, and should consider modifications to respond to gaps and identified challenges.

On-the-ground activities are the most valuable source of learning, and the CIF should find the right incentives to promote stakeholder engagement, knowledge generation and learning.

There is a need for more effective and accessible communication. CIF should promote country-to-country exchanges and regional level sharing of experiences.

CIF lessons need to feed into UN processes, including UNFCCC and 2012 review of Agenda 21 and “green economy” planning. Learning should inform design of future climate financial architecture.



## **CTF Panel:** Private Sector Role in CTF



## Need for a stable, predictable, enabling environment

- **An adequate country-specific regulatory framework**
  - Strong regulations are needed to plan long-term investments
  - Transparency in regulatory procedures
  - Clear mandate and division of responsibilities
  - Adequate enforcement
- **Multi-stakeholder buy-in for successful program design**
  - Private sector viewpoints and limitations need to be considered
  - Government buy-in; involvement of all relevant agencies/ministries
  - Civil society organizations should participate
  - Public engagement needed for behavioral change
- **Knowledge and capacity building**
  - Build capacity across all stakeholders (including ministries, technicians, financial institutions, industries, consumers)
  - Room for knowledge dissemination and sharing, especially to private sector about opportunities and incentives
- **Use of country-appropriate technologies**
  - Develop domestic R&D capacities
  - Build up local supply chains: training and domestic procurement



## Financing issues

- How to ensure financial sustainability?
  - Kick-off interventions that remove entry barriers
  - When there are long-term additional costs (e.g. renewable energy), who will bear the extra cost?
    - Consumers (social impacts in low-income areas)?
    - Government subsidies?
    - Development assistance grants?
    - Carbon credits?
- CTF architecture
  - Risk mitigation through CTF finance can overcome private sector investment barriers
  - Links to UNFCCC could enhance government buy-in

## **FIP Panel:**

Collaborating for REDD+: The Forest Investment Program and its  
Partners at the Country Level



## **Session 1:**

### **Institutional collaboration for REDD+ at the country level**

*Key question: How can FIP activities complement other REDD+ efforts at the country level and maximize collaboration among stakeholders?*

## **Session 2:**

### **FIP and scaling-up activities for REDD+ at the country level**

*Key question: FIP investments are intended to initiate transformational changes in the forest sector and those sectors affecting the integrity of the forest ecosystems. How can FIP leverage its efforts to promote additional activities from other sources for scaled-up impact at the country level?*

### **Need for a Partnership Approach**

- REDD+ as opportunity for collaboration and inclusiveness
- Management and protection of forests requires an integration
- Develop country-level coordination mechanism
- Use comparative advantages of partners active in countries
- Create public–private partnership (e.g. risk mitigation)
- Design a roadmap for collaboration in joint FCPF/UN-REDD/FIP countries
- Avoid duplication of efforts
- Provide conflict resolution mechanism

### **Need to Prioritize Country Needs**

- Address country priorities in readiness strategies and plans
- Cohesive country-owned planning, with capacity building for coordination
- South-South cooperation and exchange

### **Need for Transparency and Feedback**

- Transparency will help strengthen collaboration
- Local communities and indigenous peoples need to be part of FIP process
- Full stakeholder inclusion in design and in monitoring & evaluation
- Inform international process for creating REDD+ mechanism

### **Prerequisites for Leveraging REDD+ Finance**

- Link forest policy to climate change
- REDD+ mechanisms must be country-specific, no blueprint
- Need for clarity of roles of stakeholders
- Build alliances, involve local communities
- Create an enabling environment to attract finance

### **Role of Financing**

- Variety of REDD+ activities demand variety of financing mechanisms
- Need for guarantees and seed money
- Leveraging potential can be increased with more coordination and less complexity
- Link investment with reduced emissions and carbon market
- REDD+ new incentive for private sector investment
- Public-private finance with policy/regulatory framework reform to decrease risk
- Private sector interested in equity and risk management

## **PPCR Panel:**

Financing; National Level Issues, How to build alliances?





## **FINANCING ISSUES**

**Loans versus grants:** Concerns about financing adaptation and climate resilience through loans

**Allocation of resources for countries:** Countries need certainty for planning purposes

**Regional Allocation :** allocation resources between countries and for the region concerned. Guidance and clarity is needed.

**Access to PPCR funding:** by **Local governments and communities:** Better understanding of how financing could flow at the national and sub-national level

**Effective communication of PPCR:** Multilateral Development Banks and the donors need to improve their communication of PPCR objectives/activities to the Governments and other stakeholders

## **National level issues**

**Data collection for baseline:** Needs to be part of the PPCR process as reliable data is often lacking.

**Institutional strengthening:** Climate relevant issues should be part of the curriculum of schools and other educational institutions

**Clearer understanding of climate resilient development:** More discussion and deeper understanding of what climate resilience development means for an economy

## **How to build alliances?**

**Engage various stakeholders early in the process and in decision making**

**Use existing networks and plans and create a platform for ongoing engagement:**  
community organizations, private sector, schools, youth and social networks

**Provide incentives and facilitate key networks to work together,** e.g., youth and governments.

**Re-establish or develop trust, and respect for active engagement.** Share and accept specific terms, values, languages and approaches of different stakeholders for shared and common understanding

**Governments have a major role to play:** Actively engaging different stakeholders in the agenda, facilitate dialogue, and understand their roles

**Several alliances but not only one big alliance**

### **SREP Panel:**

Overcoming barriers for renewable energy deployment and attracting finance for low income countries



## **Challenges**

**Significant barriers must be overcome to scale up renewable energy in low income countries**

- Institutional and technical capacity
- Regulatory framework
- Financial barriers

**SREP needs to take into consideration successful examples, replicate and scale up**

- Need to share experiences not only at the local and national level, but also the regional and global level

### Main Messages

- Government should serve as a facilitator, particularly for the private sector, by creating an enabling environment and positive incentives
- To create markets and sustain investments over time, private sector is critical partner
- Innovative financial instruments need to be designed to suit different needs
- Establishing financial intermediaries can be an effective tool to manage and leverage resources (for example, mechanisms to coordinate financing from different sources).
- Grant money should be used to catalyze renewable energy intervention
- SREP needs to build on existing and complementary efforts
- In order to achieve the objectives of SREP, and move countries from a pilot level approach to a systematic, country-wide approach, SREP needs to leverage successful experiences in order to build capacity and extend the reach of SREP funding by partnering with the private sector, other development partners, and civil society