



ENHANCING CLIMATE ACTION THROUGH  
STAKEHOLDER ENGAGEMENT AT THE  
COUNTRY LEVEL

DECEMBER 2020



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# Acronyms

<b>ABC Plan</b>	Sectoral Plan for the Mitigation and Adaptation of Climate Change for a Low Carbon Emission in Agriculture (Brazil)
<b>ACCE</b>	African Carbon Credit Exchange (Zambia)
<b>ACTED</b>	Agency for Technical Cooperation and Development (Tajikistan)
<b>ADB</b>	Asian Development Bank
<b>AF</b>	Adaptation Fund
<b>AfDB</b>	Africa Development Bank
<b>AIDSESP</b>	Interethnic Association for the Development of the Peruvian Rainforest (Peru)
<b>CAR</b>	Rural Environmental Land Register (Brazil)
<b>CBO</b>	Community-Based Organization
<b>CCTT</b>	Climate Change Technical Team (Cambodia)
<b>CDI</b>	National Commission for the Development of Indigenous Peoples (Mexico)
<b>CEP</b>	Committee for Environmental Protection (Tajikistan)
<b>CIAM</b>	Amazon Inter-regional Council (Peru)
<b>CIF</b>	Climate Investment Funds
<b>CIF-AU</b>	Climate Investment Funds' Administrative Unit
<b>CODELT</b>	Council for the Defense of the Environment through Legality and Traceability (DRC)
<b>CONACER</b>	National Commission of the Program for Sustainable Tropical Savanna (Brazil)
<b>CONAFOR</b>	National Forest Commission (Mexico)
<b>CONAP</b>	Confederation of Amazonian Nationalities of Peru (Peru)
<b>CONEVAL</b>	National Council of Social Policy Evaluation (Mexico)
<b>CSO</b>	Civil Society Organization
<b>CTC</b>	Technical Advisory Committee (Mexico)
<b>CTC-REDD+</b>	Technical Advisory Committee for REDD+ (Mexico)
<b>CTF</b>	Clean Technology Fund (CIF)
<b>DEES</b>	Department for Ecological and Emergency Situations (Tajikistan)
<b>DENR</b>	Department for Environment and Natural Resources (Philippines)
<b>DFC</b>	REDD Development Finance Company (DRC)
<b>DFID</b>	Department for International Development (UK)
<b>DGM</b>	Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (CIF)
<b>DGPA</b>	Dynamic Groups of Aboriginal Peoples (DRC)
<b>DRC</b>	Democratic Republic of the Congo
<b>DRM</b>	Disaster Risk Management (DRC)
<b>EBRD</b>	European Bank for Reconstruction and Development
<b>ERC</b>	Energy Regulatory Commission (Kenya)
<b>E&amp;L</b>	Evaluation & Learning Initiative (CIF)
<b>FIP</b>	Forest Investment Program (CIF)
<b>FUNAI</b>	National Indian Foundation (Brazil)
<b>GCF</b>	Green Climate Fund
<b>GDC</b>	Geothermal Development Company (Kenya)
<b>GDP</b>	Gross Domestic Product
<b>GEF</b>	Global Environment Facility
<b>GHG</b>	Green House Gas
<b>IBRD</b>	International Bank for Reconstruction and Development
<b>ICCS</b>	Interim Climate Change Secretariat (Zambia)



<b>IDB</b>	Inter-American Development Bank
<b>IFC</b>	International Finance Corporation
<b>IFMA</b>	Institutional Financial Management Assessment (Zambia)
<b>IPLC</b>	Indigenous Peoples and Local Communities
<b>KAM</b>	Kenya Association of Manufacturers (Kenya)
<b>KenGen</b>	Kenya Electricity Generating Company (Kenya)
<b>KEPSA</b>	Kenya Private Sector Alliance (Kenya)
<b>KEREA</b>	Kenya Renewable Energy Association (Kenya)
<b>KETRACO</b>	Kenya Electricity Transmission Company (Kenya)
<b>KIPPRA</b>	Kenya Institute for Public Policy Research and Analysis (Kenya)
<b>KPLC</b>	Kenyan Power and Lighting Company (Kenya)
<b>LDCF</b>	Least Developed Country Fund
<b>LSE</b>	Local Stakeholder Engagement Initiative
<b>MAPA</b>	Ministry of Agriculture, Livestock and Food Supply (Brazil)
<b>MCTI</b>	Ministry of Science, Technology and Innovation (Brazil)
<b>MDB</b>	Multilateral Development Bank
<b>MDG</b>	Millennium Development Goals
<b>MNDP</b>	Ministries of National Development Planning (Zambia)
<b>MoEF</b>	Ministry of Economy and Finance (Cambodia)
<b>MoFNP</b>	Ministry of Finance and National Planning (Zambia)
<b>MENCT</b>	Ministry of Environment, Nature Conservation, and Tourism (DRC)
<b>MTENR</b>	Ministry of Tourism, Environment, and Natural Resources (Zambia)
<b>MW</b>	Megawatt
<b>NCCC</b>	National Climate Change Committee (Cambodia)
<b>NEA</b>	National Executing Agency (DRC)
<b>NGO</b>	Non-government Organization
<b>PELUM</b>	Participatory Ecological Land Use Management (Zambia)
<b>PMU</b>	Plan Management Unit (Brazil)
<b>PPCR</b>	Pilot Program for Climate Resilience (CIF)
<b>PPP</b>	Public-Private Partnership
<b>PSE</b>	Private Sector Entities
<b>REA</b>	Rural Electrification Authority (Kenya)
<b>SAGARPA</b>	Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (Mexico)
<b>SAN</b>	Stakeholder Advisory Network on Climate Finance
<b>SCCF</b>	Special Climate Change Fund
<b>SEMARNAT</b>	Ministry of Environment and Natural Resources (Mexico)
<b>SFB</b>	Brazilian Forest Service (Brazil)
<b>SPCR</b>	Strategic Program for Climate Resilience (CIF)
<b>SREP</b>	Scaling-up Renewable Energy in Low Income Countries Program (CIF)
<b>STF</b>	Strategic Climate Fund (CIF)
<b>TCG</b>	Thematic Coordination Groups (DRC)
<b>TCLP</b>	Transformational Change Learning Partnership, CIF
<b>TC</b>	Transformational Change
<b>UN</b>	United Nations
<b>UNDP</b>	United Nations Development Program
<b>UNEP</b>	United National Environmental Program
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>WB</b>	World Bank
<b>WBG</b>	World Bank Group
<b>ZCCN</b>	Zambia Civil Society Network (Zambia)

# Executive Summary

The \$8 billion Climate Investment Funds (CIF) currently administers over 300 investments in 72 developing and middle-income countries, with a focus on enabling countries to strategically plan a series of mutually reinforcing investments rather than one-off projects. By supporting large scale, high-impact investments in renewable energy, energy efficiency, sustainable transport, climate resilience, and sustainable forest management, the CIF is catalyzing transformational change in developing countries worldwide. In 2020, in response to calls by governments and the scientific community, CIF adopted four new programs to expand climate action and accelerate transitions in energy, landscapes, urban development, and industrial systems.

Active engagement with non-state actors has been at the heart of the CIF's operations from its establishment in 2008. The rationale for this approach is twofold. First, the involvement of civil society and private sector in governance promotes greater transparency and accountability. Second, stakeholders bring to bear such comparative advantages as local knowledge, consensus building skills, and technical expertise which can enhance the outcome and impact of CIF-funded programs and projects. This study provides details on five aspects of the engagement process: how the CIF defines non-state actors, what are the different levels of engagement, how engagement can accelerate transformational change, CIF's engagement experiences at the global level, and CIF's engagement at the country level.

CIF defines 'non-state' stakeholders using prevailing definitions from leading political science research and literature which identifies: governments as the 'first sector'; the for-profit private sector as the 'second sector'; and civil society as the non-governmental and not-for profit 'third sector'. The CIF, therefore, actively engages the second and third sectors as a way to effectively complement the role and work of the governmental sector. CIF, further, recognizes five levels of stakeholder engagement: information-sharing; policy dialogue; formal consultation; programmatic collaboration; and institutional partnership. The higher one ascends the engagement continuum; the more influence one can have in the decision-making process. Studies have shown that effective stakeholder engagement can lead to transformational change and accelerate the transition to a low-carbon and climate-resilient development model.

CIF has been actively engaging civil society and private sector stakeholders at the global level for over a decade. This has included dozens of multi-stakeholder dialogue and consultation meetings at its headquarters in Washington as well as in countless cities around the globe. The cornerstone of this engagement, however, has taken place through the Stakeholder Observer Program which has seen over 120 civil society and private sector representatives serve as observers during the past decade. The observers participate in the semi-annual meetings of CIF's two trust fund committees (SCF, CTF) and three sub-committee (FIP, SREP, and PPCR) proposing topics for discussion, sharing their perspectives, and suggesting testimony by technical experts. The CIF also engages with leading civil society and private sector climate networks worldwide, including the Stakeholder Advisory Network on Climate Finance (SAN).



CIF has also engaged civil society and private sector stakeholders at the country level since its establishment. This has included supporting the work of its own observers as well supporting efforts by governments and local MDB offices to engage non-state actors at the country level through information-sharing, policy consultations, formal consultations, and programmatic collaboration. CIF also directly supports climate resilience efforts by indigenous

peoples and local communities through the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM), a participatory and decentralized funding mechanism.

This study reviews the stakeholder engagement process undertaken by nine countries from four regions over the last decade. The nine countries (Kenya, Philippines, Cambodia, Tajikistan, Zambia, Brazil, Democratic Republic of Congo, Mexico, and Peru) were selected on the basis of their varied stakeholder engagement experience and grouped around three CIF financing areas: renewable energy and clean technology; climate resilience; and sustainable forestry. Each case study is organized around key activities carried out at the country level such as: mapping stakeholders; establishing country-led coordination; information-sharing; designing national climate investment plans; conducting consultations; and building capacity and partnerships. Each case concludes with an analysis of the impact these engagement strategies had on climate action and provides a list of ‘good practices’ and lessons learned.

As the nine country case studies showed, one of the principle ways the CIF, governments, MDBs, and other state actors engage with civil society and the private sector is through the design, planning, implementation, and monitoring of national Climate Investment Plans. The result is a CIF Investment Plan or Strategic Program for Climate Resilience (SPCR) that is based on national priorities that link investments with other actions such as policy and regulatory reform and capacity development, and that draws on the strengths of diverse stakeholders.

The study illustrates the challenges and rewards of stakeholder engagement and acknowledges the important role stakeholders play in shaping climate activities, and as well as the role the CIF and other development partners have in engaging, listening to, and learning from those directly impacted by their interventions. Key lessons learned from the case studies offer insights into good practices adopted by CIF and stakeholders to effectively develop and implement climate investment plans, programs, and projects. The case studies identified five broad categories of good practices related to stakeholder engagement:

- Use and strengthen country systems for stakeholder engagement.
- Plan and adhere to an effective process.
- Enhance levels of stakeholder engagement.
- Enhance stakeholder capacity to engage with government and MDBs.
- Facilitate stakeholder partnerships across borders.

The study also documented which engagement strategies were the most effective in each of the nine countries reviewed. These included: carrying out multi-stakeholder upstream consultations in Kenya; building country ownership and providing technical assistance in Cambodia; using existing government engagement mechanisms in Zambia; and supporting North-South CSO cooperation in Peru.

Overall, this country-level study demonstrated how a participatory approach with requisite upstream stakeholder engagement is able to create a space for meaningful engagement and improved outcomes on the ground. Stakeholder input enhances climate investment plans and helps ensure that it is transparent, technically sound, based on national priorities, and draws on the strengths of diverse stakeholders to affect nation or sector-wide transformation. In short, stakeholder engagement is essential if we are to meet our international climate goals and save the planet.



# Introduction

The “Enhancing Climate Action through Stakeholder Engagement at the Country Level” report conveys the results of a study commissioned by the CIF Administrative Unit to take stock and ascertain the impact of stakeholder engagement strategies undertaken at the country level. It is comprised of nine<sup>1</sup> country case studies in which describe in detail the participatory and inclusive practices undertaken by governments, MDBs, and the CIF to engage local civil society and private sector stakeholders in climate action at the country level. The nine countries were selected on the basis of their varied stakeholder engagement experience and grouped around three CIF financing areas: renewable energy and clean technology; climate resilience; and sustainable forestry. Each case study is organized around key activities carried out at the country level such as: mapping stakeholders; establishing country-led coordination; information-sharing; designing national climate investment plans; conducting consultations; and building capacity and partnerships. Each case concludes with an analysis of the impact these engagement strategies had on climate action and provides a list of ‘good practices’ and lessons learned.

It should be noted that this study served as a precursor and provided country-based evidence to the recently published *Local Stakeholder Engagement in Climate Investment Funds: Evaluation Report* which was carried out independently by the Consensus Building Institute and published in 2020.<sup>2</sup> It also borrowed from the findings of the *Evaluation of Transformational Change in the Climate Investment Funds* study commissioned by CIF’s Evaluation & Learning Initiative (E&L) Team and carried out by Itad in 2019.<sup>3</sup>

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<sup>1</sup> Kenya, Philippines, Cambodia, Tajikistan, Zambia, Brazil, Democratic Republic of Congo, Mexico, and Peru.

<sup>2</sup> *Local Stakeholder Engagement in Climate Investment Funds: Evaluation Report*, Consensus Building Institute, Boston, February 2020

<sup>3</sup> *ITAD, Evaluation of Transformational Change in the Climate Investment Funds*, Final Report, CIF, 2019.

# CIF Background

The Climate Investment Funds (CIF) was established in 2008 to address the negative impacts of climate change. It has mobilized over \$8 billion to finance over 300 climate programs and projects in 72 developing and middle-income countries. By supporting large scale, high-impact investments in renewable energy, energy efficiency, sustainable transport, climate resilience, and sustainable forest management, the CIF is catalyzing transformational change in developing countries worldwide. See the box below for the operational characteristics and financing levels of these program areas.



## CIF Financing Programs

CIF climate financing has been concentrated in four areas since 2008:

The **Clean Technology Fund (CTF)** provides middle-income countries with concessional resources to scale up the demonstration, deployment, and transfer of low-carbon technologies in renewable energy, energy efficiency, and sustainable transport.

The **Scaling-up Renewable Energy in Low Income Countries Program (SREP)** is helping to deploy renewable energy solutions for increased energy access and economic growth in the world's poorest countries.

The **Pilot Program for Climate Resilience (PPCR)** is helping developing countries integrate climate resilience into development planning and offers additional funding to support public and private sector investments for implementation.

The **Forest Investment Program (FIP)** supports efforts of developing countries to reduce deforestation and forest degradation and promote sustainable forest management that leads to emissions reduction and enhancement of forest carbon stocks (REDD+).

In 2020, in response to calls by governments and the scientific community, CIF adopted four new programs to expand climate action and accelerate transitions in energy, landscapes, urban development, and industrial systems. The four new financing areas which are in the process of being launched are: climate-smart urbanization; integration of renewable energy into power systems; nature, people and climate investments; and accelerating low-carbon, climate-resilient transition in industry.

A key feature of all CIF programs is the role played by multilateral development banks (MDBs) including the African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IDB), and the World Bank Group which hosts the CIF. These MDBs disburse CIF resources, provide recipient countries with technical knowledge and expertise in project design and implementation, and offer grants and concessional financing. The CIF not only leverages financing from the MDBs, but also from the private sector in order to scale-up blended development financing.



# Stakeholder Engagement

CIF has actively engaged non-state actors from its earliest days in 2008. The rationale for this approach is twofold. First, the involvement of non-state stakeholders in CIF's governance promotes greater transparency and accountability. In addition, these non-governmental stakeholders bring different perspectives and expertise which can improve the decision-making process undertaken by governments. Second, involving these stakeholders at the operational level, helping with program design and monitoring the implementation of local projects can enhance their outcome and impact. Their involvement This section will explain three aspects of the engagement process: how the CIF defines non-state actors, what are the different levels of engagement, how can engagement accelerate transformational change, and CIF's engagement experiences at the global level.

## Defining Stakeholders

First in terms of how the CIF defines non-state stakeholders, it follows the prevailing definition from leading political science research and literature. There are three societal sectors in the great majority of countries. These are *governments* which is defined as the 'first sector', the for-profit *private sector* which is defined as the 'second sector', and *civil society* defined as the non-governmental and not-for profit 'third sector'. For the purposes of the CIF, therefore, the two non-state sectors it actively engages are the private sector and civil society. Below is a short description of each.

Private Sector - this sector includes a wide array of entities including business associations such as the International Chambers of Commerce, industry networks such as the Equator Banks, business consulting firms, and other Private Sector Entities (PSEs) which work with climate issues. CIF has engaged with these different types of business associations and networks largely at the global, regional, and national levels. PSE representatives have engaged the CIF in a variety of roles, ranging from serving as stakeholder observers (see more information below), carrying out joint research, to receiving financing for climate action initiatives.

Civil Society – The civil society is considered the largest and most diverse of the three sectors and is estimated to number tens of millions of Civil Society Organizations (CSOs) worldwide. The sector consists of numerous sub-sectors: Non-governmental Organizations (NGOs); Indigenous Peoples Organizations (IPOs); Local Communities (LCs); labor unions; citizen's movements; thematic networks; youth groups; foundations; research centers, and many others. The civil society sector is quite decentralized and the scope of their work varies enormously ranging from policy advocacy and research at the global level, to providing social services at the local level. While CIF outreach to civil society has included ongoing contact with many of these sub-sectors over the years, it has primarily engaged NGOs and IPOs as these have shown the greatest interest in interacting with the CIF on the climate agenda.

## Stakeholder Engagement Levels

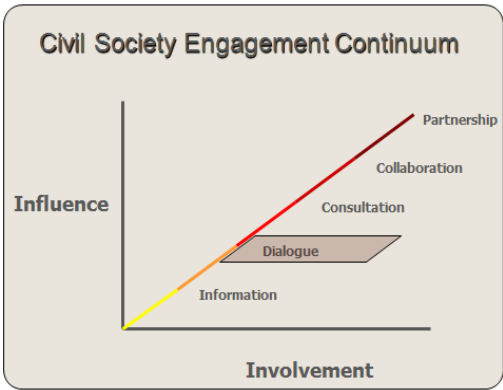
The CIF recognizes five levels of stakeholder engagement when engaging with non-state stakeholders part of an engagement continuum. The engagement continuum's five steps comprise: information-sharing; policy dialogue; formal consultation; programmatic collaboration; and institutional partnership.<sup>4</sup> As the table below demonstrates, each of the five levels represent different types of activities, intensity of interactivity, levels of

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<sup>4</sup> Based on the [World Bank – Civil Society Engagement Review \(2010 – 2012\)](#), World Bank, Washington, 2012 (page xviii)

decision-making, and expected outputs. Further, as the graph below shows, the higher one ascends the continuum the more influence one can have in terms of participation in the decision-making process.

Activity	Nature of Interactivity	Level of Decision Making	Expected Outputs
Information access and dissemination	One-way	None	Better informed outside stakeholders
Policy dialogue	Two-way	None	Both sides better informed
Policy and programmatic consultation	Two-way	Low	Views of stakeholders taken into account
Collaboration	Two-way	Shared	Shared goals and action (short term, ad hoc)
Partnership	Two-way	Equal	Common goals and action (long term, institutional)



Each of the five levels of engagement are described below, first in general terms and then what has been CIF’s experience on each ascending step.

**Information Sharing** - While information-sharing is considered a one-way type of communication and does not require active response from stakeholders, it nonetheless represents the very foundation of the stakeholder engagement process. It allows stakeholders to be aware of the existence of policies and programs, but more importantly of the decisions being made by international organizations. It is also one of the hallmarks of ensuring greater transparency and accountability in the governance and operations of these organizations. The most effective time to provide information is during the upstream phase when climate policies and strategies are being proposed and formulated, as this provides stakeholders with the most leverage to influence these decisions. CIF has had proactive information-sharing policies and practices from the onset, as all information and decision documents are posted online, and the Stakeholder Observer Program allows stakeholders to be at the table when policies and programs are initially discussed and approved.

**Policy Dialogue** – Dialogue is a two-way engagement in which parties become better informed, identify disagreements, and find commonalities. Effective dialogue can help diffuse conflict, build consensus, and lead to collaboration. There are different kinds of dialogues in the area of climate change such as those related to broad policies and strategies, scientific or technical issues, and operational or project matters. CIF has played an active role in promoting extensive and ongoing dialogue between governments, development banks, civil society, the private sector, and other stakeholders as this is part of its multi-stakeholder institutional model. CIF has been

undertaking extensive policy dialogue on climate change issues with a wide range of CSOs and PSEs over the years through global, regional, and local dialogue meetings.

**Formal Consultation** – Much like dialogue, consultations comprise a two-way flow of information and views between parties. Unlike dialogue, however, it is considered a more formal process and requires a higher level of commitment by the parties involved. It implies that the party initiating the consultation will carefully consider the views and recommendations made by stakeholders and adopt them if possible, and a commitment by the parties being consulted will provide careful and well thought out input. It is also considered good practice for those consulting to provide timely feedback on whether they considered and adopted the input they receive from stakeholders, and if not, why not. CIF has a strong track record of promoting consultation with its major stakeholder groups around CIF climate strategies, operational programs, and projects. The participation of civil society and private sector observers in CIF’s decision-making committees and sub-committees reflects CIF’s strong commitment to the principle of consultation. Likewise, the CSO and PSE stakeholders who have engaged the CIF over the years as observers or policy advocates have provided critical and valuable input into CIF’s work.

**Programmatic Collaboration** – This form of collaboration occurs when two parties enter an agreement to work jointly on implementing a program, undertaking research, hosting an event, or undertaking another activity. Collaboration is generally time-bound and one-off rather than continuous or institutional in nature. CIF has growing experience in collaborating with its civil society and private sector stakeholders. Collaboration between the CIF, civil society, and private sector stakeholders has occurred, for instance, when CIF has co-hosted policy dialogue events and consultation workshops with CSOs and PSEs in many parts of the world. Another form of collaboration has occurred between the CIF and the Stakeholder Advisory Network on Climate Finance (SAN) as the CIF has provided funding for the SAN to hold organizational meetings. Another example has been CIF’s financing of the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) which has provided funding to hundreds of IPO and LC climate resilience projects in over a dozen countries.

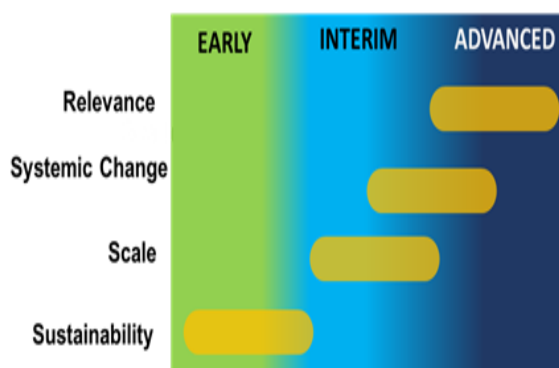
**Institutional Partnership** – The most advanced form of engage occurs when stakeholders take co-ownership of the design, planning, financing, implementation, and/or evaluation of a program or project. In these situations, stakeholders fully share in the decisions, commitments, and resources allocated. Generally, partnerships involve legal agreements such as Memorandum of Understanding (MoUs) and formal contracts. This is the most difficult level to achieve as it requires trust, institutional commitment, and time. CIF has some experience in developing partnerships with its civil society and private sector stakeholders, but they are still nascent. A good example of institutional partnerships has occurred within the DGM where the CIF is partnering with numerous CSOs and IPOs to administer the global and national programs.

## Transforming Stakeholder Engagement

In 2017, the CIF recognized the need to establish the Transformational Change Learning Partnership (TCLP) initiative to facilitate a collaborative and evidence-based learning process to support transformational activities in its climate programs and projects. Today, CIF supports countries efforts to transition to a low-carbon and climate-resilient development model through scaled-up financing. The transformational change approach is based on four recognized dimensions of: relevance, systemic change, scale, and sustainability (see graph below). The initiative also identified nine areas of intervention to encourage transformational change: financing; governance and engagement; institutions; knowledge and information; markets; natural capital; policies; practices/mindsets; and technologies and infrastructure.



## Transformational Change Dimensions



Source: ICF in association with ITAD 2020.

There is a nexus between the transformational change approach and effective stakeholder engagement. Studies have shown that effective stakeholder engagement can accelerate the transition to a low-carbon and climate-resilient development model. Here is a list of steps that can be taken to mainstream transformational change through stakeholder engagement in CIF-financed programs and projects.

- Identify and support national champions which are more likely to deliver transformational change.
- Provide local stakeholders with adaptive technical assistance which can remove roadblocks to transformational change.
- Encourage integration and coordination between all relevant stakeholders across the project lifecycle to avoid silos, improve programmatic learning, and support linkages with other climate funds.
- Finance private sector-oriented initiatives that can be particularly effective across all dimensions of transformational change including sustainability.
- Support development of emerging technologies (e.g., energy storage, electric vehicles) and finance new thematic areas (e.g., climate-resilient cities, intermediated finance, private sector forestry) that can strengthen efforts by stakeholders to promote transformational change.

### Global Stakeholder Engagement

As noted above, CIF has been engaging actively civil society and private sector stakeholders for over a decade. This engagement has, however, occurred more intensely at the global level through the first four levels of the engagement continuum: information-sharing, policy dialogue, formal consultations, and programmatic collaboration efforts. CIF regularly disseminates information and key documents on its policies and operations through its website. The most recent consultation meetings occurred in 2019 and 2020 to receive stakeholder input on the four new financing areas (accelerate transitions in energy, landscapes, urban development, and industrial systems) recently adopted. Over a dozen regional workshops and national meetings were held in Africa, Asia, Latin America, and Europe with civil society and private sector constituents. Many of these meetings were co-hosted with CSOs and PSEs which involved collaboration on the design, planning, and delivering of these events. The cornerstone of this engagement, however, has taken place through the Stakeholder Observer Program through which the CIF has invited stakeholder to participate in its decision-making bodies (box B below).

## Stakeholder Observer Program

In 2010, CIF launched the Stakeholder Observer Program which invited civil society and private sector representatives to participate actively in CIF's decision-making bodies. Representatives from civil society organizations (CSOs), Indigenous Peoples organizations (IPOs), and private sector entities (PSEs) have participated as formal observers in the semi-annual meetings of CIF's two trust fund committees (SCF, CTF) and three sub-committee (FIP, SREP, and PPCR) proposing topics, sharing their perspectives, and suggesting testimony by technical experts. In the case of CSO observers the process has been managed by a Washington-based NGO, RESOLVE, which specializes in mediation and multi-stakeholder bridge-building, and the final selection is made by civil society representatives through an innovative internet-based voting system.



In addition to its policy advocacy role at the *global* level, the observers also work on other levels by networking with their *regional* constituents, participating in the formulation of *national* climate strategies, and monitoring *local* climate resilience projects. To date, over 120 climate leaders and experts from throughout the world have served as CIF observers during two and three-year terms. A new cohort of civil society and private sector observers is currently being selected for the 2021 – 2023 term and several enhancements have been introduced including increased dissemination of the process, a joint independent selection committee, and enhanced training / onboarding for the incoming observers.

The CIF also engages with leading civil society and private sector climate networks worldwide, attending and speaking at their meetings and supporting their organizational efforts. The most extensive collaboration has occurred with the Stakeholder Advisory Network on Climate Finance (SAN) which was established to promote greater transparency and accountability within global climate finance. More specifically, the SAN aims to support the observer capacity-building, standard setting, and knowledge-sharing through the cross-fertilization of diverse expertise and experience among its members. It is comprised of past and current climate and environment fund observers from across the major climate and environment funds including the Adaptation Fund, Forest Carbon Partnership Facility (FCPF), Green Climate Fund (GCF), Global Environment Facility (GEF) and the CIF. The SAN was officially launched in 2016 during the 22<sup>nd</sup> United Nations Climate Change Conference (COP22) held in Morocco. The CIF has supported the establishment and consolidation of the SAN through financing of some of its organizational meetings and providing consultant services.

# Country Level Stakeholder Engagement

CIF has also engaged civil society and private sector stakeholders at the country level over the past decade. This has included supporting the work of its own observers as well supporting efforts by governments and local MDB offices to engage non-state actors at the country level through information-sharing, policy consultations, formal consultations, and programmatic collaboration. This section will explain how this engagement has occurred and the role of Climate Investment Plans in order to set the scene for the presentation of the nine country case studies.

## Local Stakeholder Engagement

CIF engages with a wide range of non-state stakeholders from civil society and the private sector at the country level. They include NGOs, IPOs, LCs, trade unions, foundations, youth groups, citizens' movements and others involved in climate action. Some of these are national organizations but the majority are local organizations. It should be noted that the CIF also engages and supports many governmental stakeholders such as national and local governments, local MDB offices, local UN agencies, bilateral development agencies, scientific and technical experts, media, and academia. By engaging these stakeholders, the CIF seeks to ensure effective and responsible implementation of CIF investments. Below is a short description on how the CIF actively engages CSOs, PSEs, and IPOs.

**Civil Society** – CSOs represent a range of constituencies affected by climate change and are a pillar of the principle of country ownership, outlined in the Paris Declaration on Aid Effectiveness.<sup>5</sup> For the CIF to function effectively within a country, civil society is a critical stakeholder as it supports government planners in setting investment priorities and involves affected communities in climate action. CSOs tend to have access to wide networks of stakeholders that hold vast stores of expertise and experience. CIF also strives to engage with local communities which are remote, impoverished, and vulnerable to climate threats such as droughts and floods. As we will see below CSOs have been active participants, in many countries, in the design, implementation, and monitoring of Climate Investment Plans.

**Indigenous Peoples** – IPOs are particularly vulnerable to climate change. However, they are also known to possess tested traditional knowledge and technology that is effective in addressing the adverse effects of climate change and environmental degradation. Due to this vulnerability and unique knowledge, IPOs have a vested interest in climate adaptation and resilience projects. The CIF recognizes this practical knowledge as a valuable resource for helping CIF recipients make climate-smart and community-owned investments. CIF also directly supports climate resilience efforts by indigenous peoples and local communities through the DGM, a participatory and decentralized funding grant mechanism. (see box)



<sup>5</sup> The Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008); See <https://www.oecd.org/dac/effectiveness/34428351.pdf>



## Dedicated Grant Mechanism

The Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) is a global initiative that supports the full and effective participation of Indigenous Peoples and Local Communities in the international effort to reduce greenhouse gas emissions from deforestation and forest degradation, and promote sustainable forest management and forest carbon stocks (REDD+). Established in 2010 as a special window under the Climate Investment Funds' (CIF) Forest Investment Program (FIP) and implemented by the World Bank, the DGM places US\$80 million directly in the hands of the people who simultaneously depend on and protect forests.

Consisting of 12 country programs and a global learning and knowledge exchange project, the DGM supports, shares, and elevates—to the national and global policy arena—sustainable forest-use practices led IPOs and LCs. It engenders collaboration with FIP investment planners in government, MDBs, and other stakeholders to enhance dialogue, build trust, and facilitate broader sustainable forest management efforts. The program is managed by IPO and LC leaders at the national level which administers, finances, and monitors local projects.

**Private Sector** – PSE stakeholders also have a vital role to play in mitigating and managing the effects of climate change at the country level and the CIF is working to drive private sector investment in some of the world's most challenging markets. Input from private sector stakeholders is critical to undertaking these projects and developing viable, replicable business models. The CIF actively engages with private sector entities at the country level encouraging the input of PSEs into the design of CIF Investment Plans, projects, programs, and financial instruments. It launched the Dedicated Private Sector Programs (DPSP) in 2013 to provide risk-appropriate capital to finance high-impact, large-scale private sector projects in clean technology, geothermal and solar power, and energy efficiency. Projects include utility-scale solar in Honduras, geothermal in Turkey, and energy efficiency in Mexico.

## Climate Investment Plans

As the nine country case studies will show, one of the principle ways the CIF, governments, MDBs, and other state actors engage with civil society and the private sector is through the design, planning, implementation, and monitoring of the national Climate Investment Plans. Once a country has been selected to participate in the CIF, its national government works with the MDBs to create a national climate plan. Within government itself, ministries, departments, institutions, and constituency groups take active roles in designing and implementing the Plan. Participating governments usually appoint national implementing agencies and national Focal Points to oversee the design and implementation of a CIF Investment Plan.<sup>6</sup> The national implementing agency is usually assigned to finance and/or planning ministries. However, some CIF country governments have assigned the role to environment ministries that have a broader mandate for managing climate change policy, regulations, or investments. In some cases, governments split the lead agency role between two agencies—often between planning or finance and environment—with one agency taking on the responsibilities for fiduciary management and administrative oversight, and the other taking on the responsibilities for broader coordination functions.

A *national Focal Point* is the “outward facing” government representative in CIF programs. It acts as the lead government representative during scoping and joint missions and works directly with the MDBs to direct the design of climate investment plans. Focal points are also linked to the CIF governance level by communicating program developments directly to the CIF Trust Fund Committees and Sub-Committees and through Pilot Country Meetings which require representation from all CIF countries. Each CIF country has one or two Focal Points per

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<sup>6</sup> In some cases, an implementing agency is assigned to oversee one or more of the projects outlined in the Investment Plan without taking responsibility for the design and implementation of the Plan as a whole.

CIF program, which typically include a representative from the national implementing agency and a representative from another ministry with key administrative or coordination functions in the CIF program. The result is a CIF Investment Plan or Strategic Program for Climate Resilience (SPCR) that is based on national priorities that link investments with other actions such as policy and regulatory reform and capacity development, and that draws on the strengths of diverse stakeholders to affect nation- or sector-wide transformation. Presently, most CIF countries have successfully developed their Investment Plans, achieved CIF funding endorsements, and advanced to project preparation and implementation phases. Some have even completed their program and project cycles. Furthermore, four new CIF Programs

Government focal point agencies also are generally responsible for engaging with civil society and private stakeholders in the country. As is documented in the nine country case studies to follow, this engagement varies by country and includes a variety of actions on the engagement continuum levels. Engagement efforts include: disseminating information on government's climate policies and programs; mapping out key CSO and PSE constituencies; holding policy consultation and formal consultations on the proposed national climate plan, collaborating on climate diagnostic research; financing local climate resilience projects; and involving stakeholders in the monitoring of government climate programs.



# Engaging Stakeholders to Support Renewable Energy, and Clean Technology

The CIF supports the adoption and widespread deployment of technologies for low-carbon development by providing large-scale funding to specific technologies, particularly in renewable energy. CIF projects use more mature technologies like wind, solar photovoltaics, and small hydropower as well as higher risk technologies such as concentrated solar power and geothermal. These technologies have transformational change potential when considered alongside the timing of an intervention and the pace of technological change.<sup>7</sup>

Almost 60 percent of CIF funding resources from the Scaling-up Renewable Energy in Low Income Countries Program (SREP) and Clean Technology Fund (CTF) is focused on renewable energy development to drive down costs, create markets, support early adopters, and expand energy access. The longer terms and lower rates of CIF concessional financing, as well as SREP grants, help reduce the risk of renewable energy investments, thus spurring uptake and scaling up technologies. The CIF supports the first use of key technologies in some countries and facilitates MDB collaboration to expand deployment more broadly in others and across regions.

The stakeholders in CIF mitigation plans and projects are determined by their funding modalities, technologies employed, the role of local institutions in the delivery of renewables, infrastructural challenges, and the distribution of plan/project co-benefits. The case studies that follow in Kenya and the Philippines underline the pivotal roles played by governments, civil society and the private sector in the design of SREP and CTF country Investment Plans.

## Kenya SREP

Kenya joined the CIF in 2010 as one of six pilot countries under the SREP, which provides a catalyst for TC by financing scaled-up deployment of renewable energy solutions to increase energy access and economic opportunity. The Kenyan government, together with the MDB partners, launched an intensive process to develop the SREP Investment Plan. This involved a comprehensive stakeholder engagement strategy (particularly for the geothermal energy component) that has garnered significant praise and attention for its thoroughness and transparency. Lessons learned from the experience include:

- **MULTI-LEVEL ENGAGEMENT:** A program succeeds when an Investment Plan's international, national, and local implementing bodies have, through pre-established legislation or operational guidelines, committed to stakeholder engagement as part of their *modus operandi*.
- **ENGAGE EARLY:** "Upstream" engagement in the design process helps to ensure that an Investment Plan includes local and national co-benefits. It also helps to pre-empt implementation problems in the design phase and implementation process.
- **INCLUSIVE ENGAGEMENT ENGENDERS TRUST:** Broad-based and inclusive stakeholder consultation at the start of a plan or project design conveys a dedication to transparency and accountability that engenders stakeholder and implementing partner trust.

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<sup>7</sup> See [ITAD, Evaluation of Transformational Change in the Climate Investment Funds](#), Final Report, CIF, 2019.

## CIF in Kenya

Approximately 75 percent of Kenyans have electricity connectivity.<sup>7F7F<sup>1</sup></sup> However, the existing energy supply is heavily and unsustainably dependent on hydroelectric power. The government is increasingly turning to other renewable energy solutions to meet the country's growing demand for electricity.

The Kenyan government has received \$50 million from the SREP to support investments in geothermal energy, hybrid mini-grids, and solar water heating systems. \$25 million of this supports a 400 megawatt (MW) geothermal power expansion at the Menengai steam fields that taps into the country's 7-10,000 MW geothermal potential, which offers a cost-effective energy alternative and aligns with the national goal of 1,600 MW geothermal energy by 2020 and 5,000 MW by 2030.<sup>9</sup>

SREP financing is helping Kenya to scale up its renewable energy potential by assuming high up-front project development risks to address key barriers to investment and to catalyze additional financial resources. Kenya's SREP Investment Plan was designed under the leadership of the government, in coordination with the AfDB, the WB, other development partners, and key Kenyan stakeholders.

An additional SREP \$7.5 million grant was approved in January 2015 to defray the cost of renewable energy generation and increase the uptake of renewable energy resources, with implementation support from the WB.

Additional financing was provided in 2016 by the CTF Trust Fund Committee, which approved a \$30 million senior loan to support a concessional lending program being implemented by the AfDB for the co-financing of high development impact mitigation projects through an increase in installed capacity of geothermal power.

## Stakeholder Mapping

Kenya has a dynamic private sector that is active in renewable energy development. It is supported by a financial system that includes a banking sector with more than 40 commercial banks. These banks are increasingly involved in financing renewable energy and energy efficiency opportunities with the support of development partners. Independent power producers and renewable energy developers are very active in Kenya, and a number of companies in the field belong to private sector associations, such as Kenya Private Sector Alliance (KEPSA) and Kenya Renewable Energy Association (KEREAA).

Throughout the design and implementation phases of the Menengai Development Geothermal Project, international and domestic CSOs played an active oversight role. From 2012 to 2015, the Kenya branch of Transparency International served as an Observer to the SREP Sub-Committee, the CIF governing body that oversees the SREP at the global level. This raised the profile of civil society within the Kenya SREP and gave voice to CSOs such as the Kenya Climate Finance Governance Network.

The Kenya Institute for Public Policy Research and Analysis (KIPPRA) provided important contextual information on Kenya's energy consumption during the design of the SREP Investment Plan. It highlighted existing support for renewable energy within the Kenyan population, as well as challenges renewables face in the Kenyan energy market, including regulatory constraints and incentive regimes, high initial cost, and a limited pool of trained technicians within the country.

In the context of social development, gender disparities in energy access impact the social development of families and communities. About 15 percent of male-headed households are shown to use electricity for lighting compared to 11 percent of female-headed households as more households led by women tend to use harmful kerosene lamps and other substances as lighting sources.



## **Establishing Country-led Coordination**

Overall responsibility for the preparation and implementation of SREP-funded activities belongs to the Ministry of Energy. The Focal Points for the SREP are the Acting Director of Renewable Energy in the Ministry of Energy and the Deputy Manager of the Geothermal Development Company (GDC), a state-owned company formed by the Kenyan government to fast-track the development of geothermal resources in the country.

The Ministry of Energy is aided by a Government Task Force, which includes the Ministry of Finance and public corporations responsible for the design and implementation of SREP projects including the GDC, the Kenya Electricity Transmission Company (KETRACO), Kenyan Power and Lighting Company (KPLC), Kenya Electricity Generating Company (KenGen), the Energy Regulatory Commission (ERC), and the Rural Electrification Authority (REA).

A Consultative Group also supports the Ministry of Energy by providing a link to civil society and private sector stakeholders. The Consultative Group is comprised of the National Environment Management Authority, KEPSA, National Task Force on Accelerated Development of Clean Energy, and KIPPRA.

The implementing agency for the Menengai Geothermal Development Project is the GDC with support from KETRACO. Hybrid mini-grid system implementation is carried out by the REA with support from the KPLC. Local private banks partner with the Ministry of Energy on projects related to solar water heating systems. The Kenyan government's decision to establish and empower the GDC and REA draws from a vision to lessen the country's dependence on foreign firms and to have better control of the development process and project implementation.

## **Designing the Climate Investment Plan**

The government and implementing MDBs undertook a two-tiered stakeholder engagement approach for developing the SREP Investment Plan:

1. Consultations with private sector entities, CSOs, and development partners during scoping and joint missions, and
2. Collection of public comments on drafts of the Investment Plan.

The scoping mission of February 2011 established a Task Force and a Consultative Group to design and implement the Investment Plan.

As part of the MDBs' joint mission to Kenya, a stakeholder consultation workshop was organized by the Ministry of Energy in May 2011. It supported the Kenyan government's Investment Plan development through a wide consultation and dialogue process with all stakeholders, including national institutions and authorities, development partners, CSOs, local communities, and the private sector.

The Task Force presented the draft Investment Plan at the workshop and proposed a set of criteria for selecting individual projects. Workshop participants contributed improvements to the selection criteria for consideration in future drafts. Workshop participants also addressed gender dimensions of the plan and the scope for improving the plan's capacity building and learning component.

## **Conducting Consultations**

The private sector provided technical advice and consultation during the Investment Plan design stage. Two private sector groups, KEPSA and the Kenya Association of Manufacturers (KAM), were consulted from the scoping mission through to the drafting of the final Investment Plan.

KAM and KEPSA's biggest contributions were made in the areas of feed-in tariffs—financial mechanisms used to open the electrical grid to potential investors. Both organizations emphasized the need for larger tariffs to increase the feasibility of private sector participation as well as the need for a regulatory regime to maintain competition. It was agreed that during the implementation phase, KAM and KEPSA would interact with the Kenyan government to set monthly tariffs. Tariffs are now publicly disclosed, and schedules and fuel costs are published monthly.

Civil society consultation was initially weak despite the private sector's consultation being inclusive and substantive from the start. Transparency International noted how the initial scoping mission only consulted with one CSO, KIPPRA.<sup>8</sup> This under-representation in the early design phase was seen as a consequence of an overemphasis on technical consultation by the government and its implementing partners. KIPPRA's contributions were indeed of a technical nature: providing data on popular support for renewable energy in Kenya and informing scoping mission attendees of barriers to scaling up renewable energy deployment in Kenya.

To rectify civil society underrepresentation, a May 2012 MDB-joint mission to Kenya conducted another stakeholder workshop, organized by the Ministry of Energy. Workshop attendees included renewable energy experts and representatives from private sector organizations, financial institutions, CSOs, and CIF international development partners. Civil society representation included the Green Africa Foundation, Energy, Environment and Development Network for Africa, Practical Action, Sustainable Community Development Service, and the University of Nairobi.

The workshop had two functions. First, it presented the SREP program and a draft Investment Plan. Second, it presented the criteria for the selection of projects under the SREP program. Until then, the suitability of potential projects for the program was almost solely determined by economic or technical criteria such as the potential for scale-up and cost effectiveness. However, Nairobi workshop participants suggested adding social criteria that included desired levels of social inclusion, number of jobs/enterprises a project creates, and the contribution towards achieving the Millennium Development Goals' (MDG) targets.

Over time, civil society and local community participation increased during the design and early implementation phases of the Kenya SREP Investment Plan. Before the start of the Menengai Geothermal Development Project, public consultation helped to sensitize interested and affected parties to the Investment Plan and its constituent projects. The public consultation process gathered information to help formulate an engagement strategy for indigenous communities, such as the Bahati, Kiamaina, Wanyororo, Kabatini, and Engoshura. In meetings organized by the GDC, these stakeholders outlined the co-benefits they expected to receive from the implementation of the geothermal project, which included improved infrastructure and environmental safeguards to protect farming practices, local employment, wildlife conservation, land ownership and compensation, security, and enhanced education access.

The GDC used stakeholder inputs to tailor project design and implementation to ensure the inclusion of local co-benefits such as the installation of street lighting to enhance local community security and an ambulance service to serve the community.

## **Outcomes and Lessons Learned**

### *Multi-Level Engagement*

The Kenya case study shows that successful development projects require multi-level stakeholder engagement, i.e. that stakeholder engagement be carried out by international, national, and local actors. At the international level, the AfDB set operational procedures in all development projects to ensure that Kenyan civil society and private sector actors would play instrumental roles in SREP project design and implementation. At the national level, the Kenyan Constitution mandates that local government institutions be consulted at every project stage. And at the local level, the GDC rigidly adhered to community engagement and stakeholder engagement policies during the design and implementation phases of the project.

### *Engage Early*

The Kenyan government's implementing agency, the GDC, had the foresight to engage with numerous stakeholders upstream in the design phase. This provided an optimal mix of knowledge, financing, and risk

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<sup>8</sup> Transparency International, *Protecting Climate Finance: An Anti-Corruption Assessment of the Climate Investment Funds*, 2014, pg. 51.

mitigation that could not have been provided by just one party.<sup>9</sup> Because the GDC sought civil society participation early on, it was able to tailor the project design and implementation to benefit local communities in the areas of security, employment, and health. Furthermore, the GDC increased its store of local knowledge through the engagement process. This enabled it to pre-empt and address implementation issues and increase its planning and problem-solving capacity.

The Menengai Geothermal Development Project Appraisal Report estimated that approximately 912 skilled jobs and 300 unskilled jobs would be created by the project. The project's provision of unskilled positions has reduced poverty and improved job security and is expected to have positive knock-on effects in the area of HIV/AIDs prevention and treatment. In addition, lands adjacent to the newly constructed road to the caldera were rehabilitated to an extent where they are being used for farming activities that have increased the local maize yield.

### *Inclusive Consultation Engenders Trust*

Initially, civil society participation in the joint MDBs' scoping mission was confined to one CSO with demonstrable expertise in energy. CSO participation increased over the course of subsequent joint missions and consultations, and CIF implementing agencies were able to bring CSOs and other stakeholders up to speed on the technologies being employed and the potential for civil participation. This resulted in a greater sense of trust and ownership by stakeholders.

### *Additional CIF Investments in Kenya*

Beyond the scope of its initial 2011 SREP Investment Plan, the CIF has overseen the endorsements of two additional investments in Kenya:

1. 2015 – The SREP provided a \$7.5 million grant, blended with the World Bank's International Development Association fund, for off-grid, hybrid mini-grid investments to defray the costs of renewable energy generation, where connection to the national grid is economically not viable in the short or medium term.
2. 2016- A CTF investment of \$30 million to create a concessional lending program for co-financing high development impact mitigation projects through an increase in installed capacity of geothermal power in Kenya. CTF funds fill a funding gap and are deployed to projects where sponsors and investors face challenges in sourcing sufficient levels of conventional financing. The program is expected to reduce GHG emissions of roughly 6,847,720 tons of carbon dioxide for the lifetime of the project. The AfDB has conducted initial stakeholder engagement and more consultations will be held with local stakeholders as part of the environmental and social assessment.

## **Philippines CTF**

The Philippines was among the first countries to join the CIF in 2008 under its CTF, which finances low carbon technologies to expand markets for renewable energy, energy efficiency, and clean transport. The Philippine government, together with the ADB and WBG, embarked on developing the Philippines' CTF Investment Plan with input from a wide range of stakeholders. Although effective at first, this stakeholder engagement process was put to the test when the Investment Plan was revised. In the end, a satisfactory outcome was achieved along with the following three valuable lessons learned including:

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<sup>9</sup> *Geothermal Energy Powering Kenya's Future, Menengai Geothermal Field Development Facilitated by Public-Private Partnerships*, June 2018; and Global Delivery Initiative, *Facilitating Geothermal Field Development through Public-Private Partnerships in Menengai, Kenya*, Summary, June 2018.

- **REMAP STAKEHOLDERS WHEN NECESSARY:** If an Investment Plan significantly changes, implementing and coordinating agencies must remap stakeholders to ensure that all relevant stakeholders have a seat at the table.
- **RAISE AWARENESS TO BUILD SUPPORT:** A strong public education campaign can help to raise awareness about climate change issues and garner support for proposed projects.
- **ENCOURAGE INTERNATIONAL/DOMESTIC CSO PARTNERSHIPS:** International CSOs can effectively act in the international sphere on behalf of their domestic CSO counterparts. Domestic CSOs can use their relationships with international CSOs to help meet their objectives.

### **CIF in the Philippines**

Rising standards of living have increased Filipino demand for electricity and allowed for a major shift to motorized transport, particularly in the form of motorcycles and tricycles. It is currently estimated that 10 million tons of carbon dioxide are released into the atmosphere each year by 3.5 million motorcycles and gasoline-run tricycles.

The Philippine government has received over \$135 million in concessional funds from the CTF to demonstrate market viability of low carbon public transport. With the help of implementing partners, including the WB, IFC and ADB, these funds support transport, renewable energy, and energy efficiency sector projects as well as the government's goal to triple installed capacity of renewable energy to 15,000 MW by 2030.

The Philippine CTF Investment Plan was first endorsed by the CIF governing bodies in 2009 and, again, in 2012, when it was revised following an additional extensive stakeholder review.

In 2016, additional CIF support was received from the PPCR Joint Trust Fund Committee, with \$1.5 million in funding being allocated for the preparation of the SPCR for the Philippines to help mainstream climate change consideration in development planning.

### **Stakeholder Mapping**

In drafting the Philippine CTF Investment Plan and its revision, private sector experts and international and national CSOs were consulted on its direction and scope.

The Philippines is an early adopter of renewable energy technology and systems. The role played by its private sector is crucial to the country's advanced international standing in clean energy production. Private sector consultation during the drafting of the Investment Plan provided invaluable industry knowledge in solar energy and e-Trike production.

Philippine civil society is recognized as one of the strongest and most vibrant in the world. A sound legal framework supports the registration and effective operation of CSOs while the Constitution, the Local Government Code, and a series of laws recognize and promote civic participation.

There are strong and well-informed CSOs working on climate change, renewable energy, and sustainable transport in the Philippines. These are further enriched by the participation of Indigenous Peoples groups, many of which were consulted during the drafting of the CTF Investment Plan and its implementation.

### **Establishing Country-led Coordination**

The CIF follows a country-led programmatic approach involving multiple stakeholders from key sectors of the economy to develop and implement an investment plan that builds on national policies and existing initiatives. To endow the Philippines with ownership over its Investment Plan and its constituent projects, existing governance structures and apparatus were used in both the plan's design and implementation. This was done in two ways:

1. Following the country procedures for interaction with MDBs in the design of programs and projects: In accordance with regulations for Philippines-MDB partnership, the Department of Finance acts as a Focal Point for the country's CTF program. It works directly with the MDBs to identify, develop, approve, and implement the CTF program, including coordinating stakeholder engagement. The Philippine Climate Change Commission is the lead agency that ultimately oversees all national climate change policy and programs, including the CTF program.
2. Basing project implementation mechanisms on those existing at the national and local levels: Philippine law mandates that other government agencies, both national and local, must have roles to play in in the CTF program. For example, the Department of Energy is the designated lead agency for clean fuels development, which includes clean energy vehicles. The Department of Transport has a role to play in implementing change in the transportation sector. At the grassroots level, local government units act as frontline agencies in the formulation, planning, and implementation of CTF projects. Local government units also dispense loans for e-Trike purchases to local drivers.

### **Designing the Investment Plan**

Cross-sectoral support for the original Philippine CTF Investment Plan was achieved in a straightforward and uncontroversial way. Consultations facilitated private sector and civil society contributions to the design of the original Investment Plan, and broad agreement was achieved on the tenets of the plan and its projects. The plan was presented to the CTF Committee, which endorsed it in 2009.

Revisions to the original plan arose from regulation changes to the Philippine solar energy market. The state power utility lowered the rooftop solar energy feed-in tariff to a level that negated the need for large-scale concessional financing in the solar sector. As a result, the government submitted a revised Investment Plan for CTF endorsement to redirect \$105 million earmarked for a solar project toward funding of e-Trike ownership, while retaining \$20 million for the original purpose of solar energy development. This revision proved problematic.

Private sector groups and CSOs in the solar and renewable energy space mounted a strong campaign against the proposed changes that diverted focus from solar energy. Private sector groups questioned the transformational impact that the revised Investment Plan would have on the Philippine economy, noting that e-Trike and battery production for the project should occur in the Philippines and not elsewhere.

Furthermore, several CSOs, including the NGO Forum on the ADB, Climate Action Philippines, and the Freedom from Debt Coalition, decried a less inclusive consultation process from that of the original drafting of the Investment Plan. There were concerns that key stakeholder groups had been left out of the consultation altogether, such as renewable energy CSOs, transport consumers, and associations of trike-drivers and trike owners. Consequently, the CTF Trust Fund Committee, with support from CTF Trust Fund Committee Observers, suspended endorsement of the revised Investment Plan pending an inclusive consultation process.

### **Conducting Consultations**

The expanded consultation process officially began in February 2012 when the ADB, the Department of Energy, and nine Washington-based international CSOs discussed the proposed reallocation of funds towards the e-Trike scheme. CSOs expressed the need for wider stakeholder consultation and cross-sectoral support for the revised plan. They also sought changes in emissions reductions and cost effectiveness as well as clarification of additional costs and risk premiums. A Steering Group consisting of MDBs, CSOs, and government representatives was formed in response to the need for wider and more in-depth stakeholder engagement going forward.

The formal and informal consultations that occurred between February and July 2012, as well as the information-sharing efforts that went along with them, helped imprint the needs of stakeholders onto the final revised Investment Plan. CSOs successfully lobbied for the reinstatement of a solar energy component co-financed by the ADB, the establishment of e-Trike project implementation offices in local government units, and a \$4 million grant to support prototype e-vehicle solar charging stations. Furthermore, private sector groups ensured that the design and manufacture of e-Trikes and batteries would occur in the Philippines, providing a boon to local industries.



The Steering Group held a three-day stakeholder consultation session in Manila in May 2012 to provide much needed clarity on the revised Investment Plan. On the first day, the Department of Energy and ADB gave presentations on the state of renewable energy in the Philippines and the reasons for the shift in priority from solar energy to e-Trike production. On the second day, the Department of Energy, ADB, and prominent Asian CSOs explained the rationale for e-Trike investment over solar energy. This intervention was significant for two reasons. First, it helped introduce the e-Trike program into policies already pursued by the departments of energy and transport. Second, it illustrated contributions that the e-Trike project would make to the Philippines National Development Plan.

On the third day of consultations, the Department of Energy and ADB sought inputs from participants on the proposed financing scheme. Stakeholders unable to attend the consultations were able to submit comments for inclusion in the consultation minutes through the ADB website. The agendas, participant lists, presentations, and minutes of these stakeholder consultations were also available online.

After the May 2012 consultations, the Department of Energy and ADB invited wider stakeholder participation in the e-Trike project. Tricycle drivers, associations of tricycle drivers and owners, and other civil society stakeholders were encouraged to join working groups designed to support various aspects of the project, including the proper disposal of side cars and lead-acid batteries from old tricycles, overall business models and options for revenue collection, driver selection criteria and driver selection, performance monitoring and disclosure of project information, pilot solar charging stations development, and driver and consumer education.

In the end, the CTF Trust Fund Committee endorsed the Philippines' revised Investment Plan in August 2012. Since then, however, higher than expected e-Trike costs have affected demand under the original project design. Subsequent revisions to project implementation arrangements were made by the ADB and government to address the lower demand and to ensure the sustainable deployment of e-Trikes in 2018.

## **Outcomes and Lessons Learned**

### *Remap Stakeholders When Necessary*

When an Investment Plan significantly changes after its endorsement, implementing and coordinating agencies must reconsider the relevant stakeholders involved to uphold inclusiveness. The MDBs and government initially mapped civil society and private sector stakeholders associated with solar energy, but when much of the funding for solar energy development was diverted to e-Trike expansion, stakeholders of the new e-Trike scheme felt slighted by their omission from the process. The remapping of stakeholders began in earnest in early 2012 to ensure that inclusivity and the proper technical perspectives were taken into account. This oversight, however, contributed to the delay of the revised plan's endorsement and illustrates the need to consider stakeholders throughout a program's life cycle.

### *Raise Awareness to Build Support*

The need for a revised Investment Plan was not adequately communicated by the implementing agencies to existing stakeholders. Consequently, international and domestic CSOs and private sector groups working in solar energy were initially dismayed at the shift in focus away from their sector to electric vehicles. Through their opposition, these groups were able to raise awareness of the situation, including doubts about the impact that the newly revised plan would have on the Philippine emissions rate and economic performance. The CTF team eventually presented its case to stakeholders in a more transparent and collaborative manner. An early, strong public education campaign would have raised awareness of the need to curtail carbon emissions in the transport sector, the transformational potential of the e-Trike project, and the increased affordability of rooftop solar power in a transparent and inclusive manner and avoided conflict.

### *Encourage International/Domestic CSO Partnerships*

International CSOs acted effectively on behalf of their Philippine CSO partners to help expand consultations and to ensure Investment Plan design was inclusive. The World Resources Institute, Overseas Development Institute,

and Oxfam America were some of the international CSOs who consulted with the Department of Energy and ADB in February 2012 to help establish a more informed and inclusive stakeholder engagement campaign. By March 2012, a stakeholder engagement strategy was in place that gave due consideration to the needs of Philippine civil society and private sector groups.

*Additional CIF Investments in the Philippines*

Beyond the scope of the original and revised CTF Investment Plan, the CIF has overseen the endorsement of an additional investment in the Philippines:

1. 2016- A \$1.5 million grant was approved by the PPCR Joint Trust Fund Committee towards the preparation of the SPCR for the Philippines with the Department of Environment and Natural Resources (DENR) acting as the government Focal Point and the WB as the lead MDB for its preparation. This transaction confirmed that the PPCR would constitute the SPCR of the Philippines. In 2017, two joint missions consulted with stakeholders and operationalized a framework for improving responses to climate risks through better adapted and more resilient ecosystems, infrastructure, and livelihoods in vulnerable areas.

# Promoting Climate Resilience through Stakeholder Engagement

The impacts of climate change are felt worldwide in the forms of water stress, food insecurity, health risks, loss of biodiversity, economic production, and livelihoods. Developing countries are disproportionately affected due to geography, greater social and economic vulnerability, and low adaptive capacity. More focus is needed on these impacts as well as on preparation for future impacts due to climate change.

The CIF's PPCR helps developing countries to build resilience and adapt to climate change by using a two-phased programmatic approach. First, the PPCR assists national governments to integrate climate resilience into development planning across sectors and stakeholder groups that results in a SRPC. Second, the PPCR provides additional funding to operationalize the strategic program and pilot innovative public and private sector solutions to the most pressing climate-related risks. Furthermore, the PPCR's unique combination of supporting mainstreaming while at the same time investing in thematically linked projects has the potential to offer strengthened opportunities to contribute to TC.<sup>10</sup>

PPCR Investment Plans and projects include consultation with stakeholders to capture the challenges climate change poses to developing country populations while the government departments (finance and planning, environment, agriculture, and disaster risk management) serve as the coordinating agencies and participants in climate resilience programs and projects.

Civil society participation is understood to be crucial for stimulating networks and awakening the potential of country populations who are able to boost resiliency efforts. Furthermore, private sector and Indigenous Peoples groups offer insights into existing industrial and traditional land use and often partner in the design and implementation of PPCR programs and projects.

The role played by stakeholders in the design of a Strategic Program for Climate Resilience under the PPCR is highlighted in the cases that follow in Cambodia, Tajikistan, and Zambia as are the challenges faced and the positive impact made by stakeholder involvement in climate resilience initiatives.

## Cambodia PPCR

When the Cambodian government and its MDB partner, the ADB, embarked on developing a SPCR under the PPCR, a concerted effort was made to understand the strengths and challenges of Cambodian civil society. Measures were taken to build CSO capacity with a goal of mainstreaming climate resilience into development planning. Three important lessons emerged from this exercise:

- **COORDINATION MECHANISMS:** Prior to CIF intervention, the formulation and implementation of climate resilience policy was not centralized. New coordination mechanisms introduced under the PPCR helped link and coordinate the climate resilience efforts of separate government departments.
- **STAKEHOLDER MAPPING:** Before creating roles for civil society stakeholders in the design and implementation of its SPCR, government and MDB planners rigorously mapped civil society stakeholders at all levels and assessed their existing roles and capacities in climate resilience.<sup>11</sup>

<sup>10</sup> ITAD, Evaluation of Transformational Change in the Climate Investment Funds, Final Report, CIF, 2019, pg. 20.

<sup>11</sup> A summary assessment of Cambodian civil society's capacity for climate adaptation is contained in Annex 3 of the original [Cambodia SPCR](https://www.climateinvestmentfunds.org/sites/cif_enc/files/PPCR%204%20SPCR%20Cambodia.pdf): [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/PPCR%204%20SPCR%20Cambodia.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/PPCR%204%20SPCR%20Cambodia.pdf)

- COUNTRY OWNERSHIP: Preliminary consultation laid the groundwork for large-scale involvement of country actors in the design and implementation of Cambodia’s SPCR.

### **CIF in Cambodia**

Cambodia is highly vulnerable to the impacts of climate change and climate variability due to both its economic dependence on climate-sensitive sectors and the low adaptive capacity of its population. Agriculture and water resource management are the economic pillars of its economy, with the majority of the population relying on agriculture for its livelihood. Rural residents and basic infrastructure are vulnerable to regular and costly weather shocks that undermine economic growth and development.

The PPCR endorsed the Cambodia SPCR phase 2 with up to \$55 million in grant resources and up to \$36 million in highly concessional loans (\$91 million total) in 2011 to support efforts to improve the climate resilience of Cambodia’s core water management, agriculture, and rural infrastructure. The PPCR also endorsed financing to enhance the capacity of the country’s institutions to effectively mainstream climate resilience into development planning. An additional allocation of \$5 million in grant funding was endorsed in November 2012. The SPCR was developed with support from ADB and WBG. The Ministry of the Environment (MoE), National Climate Change Committee (NCCC), and Climate Change Technical Team (CCTT) are the implementing agencies. The PPCR aims to provide transformational and scaled-up support for the development and implementation of the Investment Plan.<sup>12</sup>

Additional CIF support to the Cambodian government was provided by the SREP in 2016, which endorsed \$30 million in financing to support large scale renewable energy development through the ADB. In 2017, \$250,000 in FIP funding was also allocated for the preparation of Cambodia’s FIP Investment Plan, which was conducted in consultation with stakeholders and aimed at improving natural resource management and promoting sustainable forest production.

### **Stakeholder Mapping**

Civil society in Cambodia exists in the form of large national institutions with multi-provincial programs and small institutions that work in one or two provinces at a time. Cambodian CSOs that work on climate issues suffer from a lack of resources and depend largely on donors to operate effectively. This is particularly problematic in the areas of information-sharing and consultation, where communication with local communities on the topics of climate change and climate resilience are routinely hampered by a lack of materials in the Khmer language.

Small, provincial CSOs lack access to the rich vein of scientific and organizational knowledge that their national and international counterparts enjoy. Despite this and other disadvantages, provincial CSOs are generally the most active in the area of adaptation and climate resilience. During the partner scoping mission of the PPCR planning phase, subsequent assessments, and the development of a civil society support mechanism, it was found that smaller, provincial organizations stood to make the largest impact with added technical assistance, catalyzing TC through systemic and sustainable practices.<sup>12</sup>

Community-based organizations (CBOs) also contribute to Cambodian civil society’s efforts to increase climate resilience due to their intimate understanding of their geographic area of focus. Cambodia’s SPCR under the PPCR states that “CBOs are potentially key informants of the impact of [climate change]” though they are not able “to view development challenges through a [climate change] lens.”<sup>13</sup>

### **Establishing Country-led Coordination**

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<sup>12</sup> Ibid.

<sup>13</sup> See Annexes 2, 3, 4 of the [Cambodia SPCR: https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/PPCR%204%20SPCR%20Cambodia.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/PPCR%204%20SPCR%20Cambodia.pdf)

The CIF takes a country-led, programmatic approach<sup>14</sup> that involves multiple stakeholders from key sectors of the economy to develop and implement an SPCR that is built on national policies and existing initiatives. Country ownership is rooted in the coordination mechanism or government Focal Point appointed to run the CIF program in-country.

Cambodia's PPCR Focal Points originated as the Senior Minister in the Ministry of the Environment and the Deputy Secretary General in the Ministry of Economy and Finance. The Ministry of Finance also served as the national implementing agency responsible for the coordination of the strategic program. Currently, the Ministry of the Environment (MoE), National Climate Change Committee (NCCC) and the related Climate Change Technical Team (CCTT) are the government implementing agencies.

Before the PPCR planning process began, Cambodia had already established an institutional architecture to combat climate change headed by the NCCC. Its Secretariat resides within the MoE and is chaired by the Minister of the Environment. State secretaries and undersecretaries of several other Cambodian government departments also sit on the Secretariat, with a small number serving as vice-chairs.

One notable Cambodia PPCR project sought to mainstream climate resilience into development planning in key vulnerable sectors and included a component to develop linkages between climate change adaptation and disaster risk management (DRM). For this, a Technical Assistance Group was created that sat within the Secretariat and facilitated the institutional coordination between the MoE and line ministries, including the National Committee for Disaster Management. The Technical Assistance Group is an institutional innovation within Cambodia's climate change governance architecture that enhances institutional coordination to promote synergistic activities on climate change adaptation and DRM.

### **Assessing Cambodian Stakeholders**

The Cambodian SPCR under the PPCR is concerned with building the capacity of national and local stakeholders to withstand and adapt to climate change. For this reason, a pre-PPCR comprehensive assessment of Cambodian civil society capacity for adaptation was carried out during the early planning phase. This assessment scoped civil society knowledge of the risks and effects of climate change and its ability to determine resilience measures required to respond.<sup>15</sup> The study's objective was to develop a framework for strengthened CSO engagement and gender considerations in the implementation of the strategic program. The information was sourced from interviews with CSOs and CBOs through a consultative stakeholder workshop in March 2012. Following the study, a subcomponent was added to Cambodia's SPCR to strengthen civil society engagement in climate change adaptation. The study also helped spur funding to strengthen Cambodian CSO capacity.

In April 2018, further assessments and stakeholder mapping was undertaken through two workshops organized by Live & Learn, Cambodia.<sup>16</sup>

### **Conducting Consultations**

Initial stakeholder engagement activities related to the design phase of the PPCR included an initial scoping mission in June 2009. This scoping mission included meetings with key government agencies and development partners as well as roundtable discussions with the Cambodian government, development partners, and CSOs. Joint missions and additional technical consultations occurred between October 2009 and May 2011 to inform stakeholders of climate risks and vulnerabilities and work through a consultative process to develop the SPCR.

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<sup>14</sup> For further elaboration of the CIF's programmatic approach see [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/knowledge-documents/evaluation\\_of\\_the\\_cif\\_programmatic\\_approach\\_final\\_report\\_and\\_management\\_response.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/knowledge-documents/evaluation_of_the_cif_programmatic_approach_final_report_and_management_response.pdf)

<sup>15</sup> A summary assessment of Cambodian civil society's capacity for climate adaptation is contained in Annex 3 of the original Cambodia SPCR: See Annex 3 of the Cambodia SPCR: [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/PPCR%204%20SPCR%20Cambodia.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/PPCR%204%20SPCR%20Cambodia.pdf)

<sup>16</sup> In April 2018, participants represented 16 different CSOs in Cambodia. In August 2018, 47 participants came from 40 different institutions in Cambodia. Both workshops were organized by Live & Learn Cambodia.



Consultation with international and domestic CSOs helped establish civil society ownership and ensured that CSOs had a formative influence over the projects' objectives and operations. For example, during a 2009 civil society workshop as part of a joint mission, CSOs sought non-conventional approaches to achieving climate resilience in water resource management by advocating for small-scale irrigation over conventional, large irrigation schemes to rectify rural water management issues.

CSOs also encouraged “bottom-up” methods of achieving country ownership by targeting climate resilience priority sectors and regions ready to take ownership of the proposed projects. Furthermore, CSOs sought the participation of a disaster management committee of CSOs to help the National Committee for Disaster Management integrate climate risks into country disaster preparedness plans.

### **Building Capacity and Partnership**

Recognizing their enormous potential for implementing climate resilience activities, PPCR resources were allocated to CSOs to help them become fully functioning partners within the SPCR. A \$7 million CSO support mechanism was created as a project component. The “Technical Assistance: Mainstreaming Climate Resilience into Development Planning of Key Vulnerable Sectors” grant program was administered by the ADB and has thus far received an additional \$3 million endorsement.<sup>17</sup> This support mechanism provides grants to CSOs to:

- Help communities to better understand their vulnerabilities,
- Generate knowledge on the impacts of climate change and potential civil society approaches to adaptation and disaster risk reduction,
- Consider linking the studies to ADB-financed projects to enable mainstreaming of adaptation,
- Capture lessons learned from community-based adaptation and disaster risk reduction initiatives and use feedback to develop additional projects for replication, and
- Develop knowledge products to serve as useful resources to help inform policy development and decision-making.

### **Outcomes and Lessons Learned**

#### *Stakeholder Mapping*

An exhaustive mapping of civil society stakeholders in the Cambodia SPCR under the PPCR resulted in a study that helped the Cambodian government and ADB target those CSOs most able to provide current information on existing climate resilience mechanisms. The study also helped to identify CSOs that could contribute the most to climate resilience if given additional funding and capacity building. A 2016-2018 CSO Support Mechanism developed under the ADB-funded **Technical Assistance: Mainstreaming Climate Resilience into Development Planning of Key Vulnerable Sectors** grant program provided funding to high impact CSOs through technical assistance activities.<sup>18</sup>

#### *Country Ownership*

The PPCR programming process helped Cambodia to identify institutional shortcomings that had previously stymied its climate resilience efforts. To address these shortcomings, a Technical Assistance Group within the Cambodian government was created to bridge the gap between those departments with a climate remit and those departments with a focus on disaster management. This body was also tasked with promoting climate resilience

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<sup>17</sup> See Component 4, paragraphs 13, 88, 115 and 260 of the 2011 SPCR at [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/ppcr\\_4\\_spcr\\_cambodia\\_0.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/ppcr_4_spcr_cambodia_0.pdf)

<sup>18</sup> A Civil Society Support Mechanism under the ADB funded Mainstreaming Climate Resilience into Development Planning project funded 19 Cambodian's CSOs in 17 Provinces of Cambodia to implement Community- Based Climate Change Adaptation (CCA) and Disaster Risk Reduction (DRR) projects in a variety of sectors and targeting various vulnerable groups. Grants ranged from \$40,000 to \$100,000, and each lasted approximately 18 months. See: Climate Change Adaptation: Perspectives on Civil Society in Cambodia, Plan International, 2018.

initiatives in departments focused on development and economic growth. Coordinating entities like the Technical Assistance Group ensured that a programmatic approach and climate resilient efforts were made across all sectors.

### *Knowledge Sharing*

The CIF's programmatic approach successfully changed how Cambodia addresses climate resilience by providing the country's first opportunity to adopt a multi-sectoral approach that advanced the enabling environment for climate-resilient investments. To highlight this achievement, the CIF, in collaboration with the WBG and ADB, organized a knowledge exchange with the Zambian government to share information about Cambodia's progress with a focus on its skillful use of community-based approaches to building resilience to climate change.<sup>19</sup>

### *Additional CIF Investments in Cambodia*

In addition to Cambodia's PPCR Investment Plan, the government subsequently developed SREP and FIP Investment Plans to accelerate action in two priority areas.

1. 2016 - \$30 million in SREP funding was provided to support an extensive, multi-scale solar energy development program as well as a biomass power project, policy support, and public awareness efforts. The Investment Plan was informed by a series of consultations with government agencies and workshops targeting CSOs, private sector investors, technology suppliers, and financial institutions, whose feedback indicated a potential for value-addition with SREP support for large scale renewable energy development. A second stakeholder consultation workshop solicited feedback on the preparation of the renewable energy Investment Plan, the criteria used for the selection of renewable energy technologies, priority projects, and potential development impacts to further improve the plan.
2. 2017 - As an FIP pilot country, the FIP Sub-Committee endorsed \$250,000 for the preparation of a Cambodia FIP Investment Plan in 2015. However, jurisdictional changes in 2016 and 2017 transferred more than four million hectares of land to the MoE. Consequently, two joint missions were undertaken to assist with high-level consultations to inform a revision of the Investment Plan. Those consulted included local stakeholders as well as national and sub-national level stakeholder engagement with provincial departments of agriculture, forestry, and fisheries; provincial departments of environment; forestry administration cantonments; protected areas managers; local communities (community forestry, community fisheries, and commune councils); Indigenous Peoples groups; CSOs, and private sector representatives.

## **Tajikistan PPCR**

The SPCR process in Tajikistan kicked off in 2009 in a difficult environment. Understanding of the plethora of climate risks threatening the country was rudimentary. The First Mission report highlighted the challenge of managing stakeholder expectations, noting a tension between the vast needs for investments in all areas -- from data management to institutional frameworks and physical infrastructure -- and the imperative that the PPCR be targeted. It urged strong efforts towards building broad ownership within government and beyond, stressing that "transformational adaptation projects must be formulated with community buy-in to genuinely meet the needs of vulnerable populations and sectors in especially sensitive areas of Tajikistan..."

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<sup>19</sup> The Art of Knowledge Exchange: A Results Focused Planning Guide for Climate Change Practitioners, CIF and WBG, 2019.

Tajikistan became a PPCR pilot country in 2009. The Tajik government and its MDB partners intended to develop a SPCR under the PPCR, and they made concerted efforts to engage civil society stakeholders from across the country. Tajikistan ensured its PPCR program was priority-focused, high impact, and widely supported by channeling personnel and resources into a well-defined stakeholder engagement campaign. Amongst others, lessons from the campaign include:

- **WIDEN THE SCOPE, MAP, AND REMAP STAKEHOLDERS:** During the planning process, if new priorities emerge or if the focus of the plan changes to incorporate previously unconsidered sectors, the Investment Plan's stakeholder base must be reappraised and changed accordingly.
- **NEW MECHANISMS:** The creation of a Secretariat and a Steering Group facilitated country ownership and stakeholder engagement.

### **CIF in Tajikistan**

Among the Central Asian states, Tajikistan is considered the most vulnerable to the impacts of climate change. With a population of 8.9 million and a GDP of \$7.1 billion in 2017, it is also recognized as one of the poorest countries in the region.

Areas of the Tajik economy and society strongly affected by climate change include households, small and medium enterprises, and agricultural communities. Hydropower plants provide water to 90 percent of Tajikistan's energy, agriculture, and water management sectors while some social groups, like women and the poor, are considered highly vulnerable to the impacts of climate change.

The Tajik government received \$48 million in grant financing for the SPCR under the PPCR in 2010 to build climate resilience capacity in the government and private sector and to generate an institutional framework to manage, oversee, and influence long-term climate change activities. The ADB, EBRD, and WB are the government's implementing partners, and together they engage government agencies, private sector groups, and CSOs active in the environment, gender empowerment, and energy sectors to enhance the design of the PPCR Investment Plan and build capacity.

### **Stakeholder Mapping**

To adequately engage with stakeholders in Tajikistan, the CIF first undertook a stock-taking of civil society strengths and then looked for ways to build its capacity. After gaining its independence from the Soviet Union in 1991, conditions for Tajik civil society engagement have improved. Dialogue between the Tajik government and civil society eventually opened, creating a more inclusive civic space. The Tajikistan PPCR program's stakeholder outreach is a testament to the enhanced standing of civil society within the country.

The empowerment of women in climate resilience within Tajikistan is also an important component of the CIF's engagement with Tajik stakeholders. As a significant portion of the male Tajik population works as migrant laborers in Russia, this has led to the feminization of the Tajikistan's workforce.

### **Establishing Country-led Coordination**

The PPCR takes a country-led, programmatic approach involving multiple stakeholders from key sectors of the economy to develop and implement an Investment Plan that builds on national policies and existing initiatives. Country ownership is rooted in the coordination mechanism – a Focal Point appointed by the government to run the CIF program in-country.

The person with the most responsibility for the creation and implementation of Tajikistan's national climate change policy is the Tajik President, followed by the Prime Minister and the Deputy Prime Minister. The Department of Ecological and Emergency Situation (DEES) sits within the executive office and coordinates the country's activities to combat the effects of climate change. This department works closely with line ministries and the Committee for Environmental Protection (CEP) to coordinate and implement climate change policies across sectors.

A PPCR Secretariat in Tajikistan was suggested to coordinate the PPCR program by the Tajik civil society stakeholders to complement the pre-established government mechanisms. The government eventually established the PPCR Secretariat that was led by the Deputy Prime Minister and composed of representatives from other Tajik government committees and ministries. Today, the PPCR Secretariat still acts as a coordinating mechanism, but it has evolved to consist of a steering group with civil society representation through which the government coordinates and liaises with stakeholders.

The PPCR Secretariat performs four key functions. It:

1. Provides program oversight and interagency coordination,
2. Ensures sustained stakeholder engagement,
3. Facilitates dialogue, standardizes reporting, designs customized training and knowledge products, and
4. Carries out results-oriented project management and monitoring.

The Secretariat is part of a larger PPCR National Coordination Mechanism, which also includes an Inter-Ministerial Committee, a Steering Group for Stakeholder Engagement, and a Technical Expert Group. The PPCR Secretariat plays an active role in facilitating the Steering Group, which includes a range of government agencies, MDBs, technical institutes, non-governmental organizations (NGOs), and journalists. It provides a forum for discussion and guidance on PPCR activities to ensure that outcomes are meaningful and meet the needs of all stakeholders in Tajik society, as well as strengthening inclusion and ownership of PPCR interventions and overall climate action.

### **Information Sharing**

A proactive communications approach was undertaken by the Secretariat to help implement Tajikistan's SPCR. The objective of the Secretariat's communications strategy was threefold, to:

1. Establish the Secretariat as an effective, helpful, and essential partner,
2. Develop relationships with MDB country office counterparts to facilitate communication coordination, and
3. Support implementation teams on the ground to improve their communications efforts.

The Secretariat provided knowledge products and services and stakeholder coordination support to achieve its objectives. Its provision of knowledge products and services was a multifaceted operation that ensured the Tajikistan PPCR website was user-friendly and contained an extensive library of project results and operational materials. The Secretariat also produced information materials such as newsletters and press releases and maintained a strong online presence through its Facebook page.



The Secretariat also organized workshops to help stakeholders understand and use the technical material available on the PPCR website. These included capacity building trainings for government officials and civil society on issues relate to climate change and internationally available funds for adaptation. Furthermore, the Secretariat ensured that findings from consultations were broadcast on national television and publicized in local and national newspapers.

### Conducting Consultations

The major benchmarks of the Tajikistan PPCR stakeholder engagement campaign were the discussions held with stakeholders, organized by the implementing MDBs to discuss the priorities and design of the SPCR.

The MDBs met with government agencies and private sector and civil society groups active in the areas of environment, gender empowerment, and energy during their first join mission in 2009. At this early stage, only a few stakeholders were consulted and those were mostly in the capital of Dushanbe. Local and international NGOs flagged their concern over the limited consultation process. Subsequently, the process was expanded to be more inclusive.

Oxfam and the Tajik NGO, Climate Change Network, helped the government and MDBs identify local and international organizations for inclusion in future PPCR consultations. These organizations included the Network for Sustainable Development of Central Asia, Agency for Technical Cooperation and Development (ACTED), and Christian Aid. International organizations such as the UNDP/UNEP, the World Health Organization, and the Organization for Security and Co-operation in Europe also took part in the consultations that were held intermittently between October 2009 and September 2010.

A second joint mission in March 2010 featured two one-day workshops that encouraged deeper civil society participation and input. The workshops marked the beginning of a nine-month consultation process to formulate the SPCR and involved the private sector, civil society, MDBs, academia, and the Tajik government.

A third and final joint mission was undertaken in October 2010 to refine the content and implementation arrangements for the draft SPCR that would be considered by the next PPCR Sub-Committee in November.

Overall, the PPCR consultation in Tajikistan was both inclusive and productive. Its expanded dialogue created a strategic program and projects consistent with national action plans, and targeted capacity building and adaptation measures. Moreover, NGO recommendations (particularly from Climate Change Network and the NGO Forum on ADB in Tajikistan) urged stronger consultations, richer sharing of information prior to the meetings, enhanced time for discussion, and engagement of a broader base of stakeholders. Gender and small food producer issues were also given greater priority.

### Outcome and Lessons Learned

*Widen the Scope of Stakeholders*



Climate adaptation stakeholders in Tajikistan are many and varied. By limiting the number of recognized stakeholders in the early stages of the PPCR planning process, implementing agencies risked discrediting the program in the eyes of Tajik civil society. By channeling personnel and resources into a reconfigured stakeholder engagement campaign, the PPCR coordinating bodies and NGOs were able to make the Tajikistan PPCR program clear, impactful, and widely supported. The Investment Plan also emphasizes rural priorities for women and vulnerable groups, facilitates wide consultation through meetings and its website, has a multi-stakeholder steering process, and seeks critical stakeholder feedback.

The Tajikistan SPCR evolved to have a strong focus on gender and sustainable land management. NGOs are now active partners in many elements including the promotion of off-farm activities (for which NGOs provide grants and micro-finance), disaster risk mapping at the village level through local governments, and raising public awareness through information and education activities coordinated at the regional level by NGOs.

### *Invest in Coordination*

The creation of a Secretariat and a Steering Group facilitated country ownership and stakeholder engagement. The Secretariat insured that a mechanism was put in place to harmonize PPCR programming with pre-existing climate resilience and development programs being implemented by the Tajik government and outside agencies.

The Secretariat also successfully coordinated the program's communications, which included comprehensive information sharing. PPCR information was disseminated across a number of platforms and in a number of formats. Developments from consultations were shared via national and local media, while knowledge products provided stakeholders with sector or geographically specific information on the strategic program and its intended effects. Information sharing galvanized areas of Tajik society and helped promote stakeholder buy-in.

The creation of the Steering Group ensured that a multi-stakeholder body was built into the coordination of the PPCR. Through participation in the Steering Group, NGOs have sought a greater scope for government-civil society partnership in the monitoring and evaluation of the SPCR. Also, Steering Group participants successfully lobbied for a more involved public awareness campaign for the strategic program.

## Zambia PPCR

When Zambia joined the CIF in 2009, the Zambian government and MDB partners came together to develop the PPCR program by engaging stakeholders across civil society, the media, and private sector to receive their input and to offer them information and training. The SPCR that resulted has enjoyed strong political backing and wide stakeholder support.

Since then, Zambia's PPCR program has moved the country toward a climate-resilient future and has increased its potential for TC. According to a 2020 TC case study, "this is evidenced by increases in integration of climate resilience in development plans at the national, provincial, district, and local/ward levels; a successfully-piloted community adaptation model that is leading to improvements in capacity and livelihood options for vulnerable groups; and the completion of key climate-resilient infrastructure such as roads and canals."<sup>20</sup>

Lessons learned include:

- **USE PROVEN COUNTRY MECHANISMS:** A ministry with broad policymaking and convening powers is well positioned to coordinate stakeholder engagement activities. In this case, Zambia turned to its Ministry of Finance.

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<sup>20</sup> Jessica Kyle, [Zambia: Building a Resilient Future](#), Transformational Change Case Study, ICF in Association with ITAD and CIF, 2020, pg. 2.

- **STRENGTHEN PARTNERS' CAPACITY:** Investment Plan consultation is an opportune time to assess and strengthen stakeholder capacity in preparation for plan implementation.

### **CIF in Zambia**

A 2011 government study warned that without strengthened resilience, climate change could further jeopardize food security and livelihoods and reduce Zambia's GDP growth by \$5 billion. This is due to Zambia's economic dependence on climate-sensitive sectors such as agriculture and natural resources. Extreme weather and climate events (e.g., floods and droughts) significantly impact Zambian lives and livelihoods, especially among the vulnerable social groups and communities living along river basins, where food and water security are often compromised. With less than 15 percent of Zambia's roads paved, functionality and accessibility of critical infrastructure is also affected by climate change.

Zambia's SPCR was endorsed by the PPCR governing bodies in 2011 with \$50 million in grant funding and \$60 million in concessional loans to help strengthen Zambia's National Program for Climate Resilience. The Plan aims to increase climate resilience capacity at the national level, pilot programs in the vulnerable Barotse and Kafue river basins and engage the private sector in resilience action. The WBG and AfDB are implementing partners.

In 2014, the SREP Sub-Committee also endorsed \$40 million in financing that included \$300,000 in grants for Investment Plan preparatory activities led by the WBG and AfDB. Furthermore, in 2015 a FIP Sub-Committee endorsement supported \$250,000 for income-generating activities driven by forest conservation and maintenance. Both the SREP and FIP Investment Plans were developed with extensive stakeholder input.

### **Stakeholder Mapping**

Climate change impacts are cutting across Zambia's sectors and communities. Vulnerable stakeholders must become more resilient to climate extremes as well as livelihood challenges, nutritional deficits, and interruptions to basic services. In response, through the PPCR, government and MDB partners have successfully galvanized a broad cross-section of stakeholders active in the areas of agriculture, infrastructure, water, energy, health, and natural resources.

Zambian civil society is highly active in taking part in climate change-related issues at the national level. As CSOs are instrumental in inculcating climate resilience techniques, they engage in climate advocacy while working in the field. The Zambia Civil Society Network (ZCSN) is foremost among these groups and represents more than 50 CSOs involved in climate change activities in Zambia. CSOs bring a wealth of technical and financial resources to Zambia's climate change agenda and advocacy for the most climate-vulnerable groups. These groups include women-headed households, widows and the elderly, rural youths, and people living with HIV-AIDS or caring for HIV-AIDS orphans.

Zambian private sector stakeholders range from large corporate enterprises to farmers. Before the PPCR, private sector stakeholders had only a limited role in addressing climate resilience. Now, the PPCR programming process has revealed the private sector's potential role in promoting innovative technologies. Financial institutions, such as the African Carbon Credit Exchange (ACCE), are also well placed to promote climate resilient investments.

### **Establishing Country-led Coordination**

Mainstreaming climate resilience into development planning requires a significant amount of cross-sectoral coordination. The lead coordinating institution must be empowered to convene a wide array of actors and direct policymaking across a number of government departments and sectors.

In the case of Zambia, it was recognized early in the planning process that the Ministry of Finance and National Planning (MoFNP) is an institution with influence at the highest levels of government and authority over major sector ministries, plus experience dealing with MDB finance. By drawing on the expertise of other ministries close to the climate change agenda, the MoFNP effectively served as the SPCR Focal Point from 2009-2011, where it oversaw joint missions and stakeholder workshops, consultations, capacity assessment, and outreach efforts during the PPCR programming phase.<sup>21</sup>

The Ministry of Tourism, Environment, and Natural Resources (MTENR) also played a role in the early planning days as Zambia's climate change and environmental Focal Point, where it housed the Climate Change Facilitation Unit and provided technical and administrative support in the development of the Climate Change Response Strategy, the National Communications on Climate Change, the Economics of Climate Change study, and the National Adaptation Program of Action (NAPA). The Disaster Management and Mitigation Unit also had a role.

In 2013, the PPCR worked with government counterparts to set up the Interim Climate Change Secretariat (ICCS) under the MoFNP to overcome MTENR's lack of convening power. What resulted from these early engagements was a refined climate change administration. The ICCS, which coordinated all climate change activities in Zambia, credited the PPCR for empowering the country to access to climate finance from other sources. The PPCR also provided the ICCS with financial support for personnel and equipment as well as capacity building support.

Through the ICCS, Zambia seized the opportunity to utilize its SPCR to mainstream climate resilience measures into the country's Sixth National Development Plan.<sup>22</sup> Strong political buy-in for the PPCR was able to increase additional national budget allocation in fiscal year 2015 by three-fold when compared to fiscal year 2014 for PPCR-specific investments.

After the adoption of the 2016 National Climate Change Policy, ICCS responsibilities were partitioned and transferred to three different ministries: the Ministry of National Development Planning (to coordinate the overall national climate change response), the Ministry of Finance (to provide policy guidance on resource mobilization for climate change programs and projects), and the Ministry of Lands and Natural Resources (to oversee the implementation of policy measures).<sup>23</sup> This arrangement retained the MNDP's role in mainstreaming climate change into development.

## **Conducting Consultations**

Extensive stakeholder consultation was integrated into scoping missions and joint missions carried out by the Zambian government and MDBs from 2009 to 2011.

As part of the first MDB joint mission, the MoFNP conducted a two-day consultative workshop in November 2009 with the objective of securing consensus on priority sectors. Approximately 50 participants from key ministries, civil society, the private sector, and CIF development partners attended. It was agreed that the MoFNP would carry out further stakeholder consultation in the coming months to reach stakeholders not represented at the workshop and to ensure national ownership.

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<sup>21</sup> Strategic Program for Climate Resilience Zambia, PPCR Investment Plan, CIF, pg. 32

<sup>22</sup> The Revised Sixth National Development Plan 2013-2016 (R-SNDP) is the revision of the Sixth National Development Plan 2011-2015. The R-SNDP is aimed at achieving the objectives set out in the Vision 2030 of Zambia becoming a "prosperous middle-income country by 2030". See [https://www.ilo.org/addisababa/countries-covered/zambia/WCMS\\_465092/lang-en/index.htm](https://www.ilo.org/addisababa/countries-covered/zambia/WCMS_465092/lang-en/index.htm)

<sup>23</sup> At the time, the ICCS was set up in the Ministry of Finance and National Planning (MoFNP), but a government restructuring split these ministries, and the ICCS moved with the MNDP. Source: World Bank, 2015.

A second mission occurred in August 2010 with increased stakeholder participation. The Mission's central objective was to provide a platform for joint work among the implementing agencies, the private sector, and CSOs to support the government in the formulation of an agreed strategic approach for mainstreaming climate resilience across sectors. A roundtable discussion was organized with prospective PPCR partners to explore the opportunities, which included Lloyds Financials ACCE and Standard Chartered from the private sector, Global Call to Action against Poverty (GCAP) Zambia and Participatory Ecological Land Use Management (PELUM) from civil society, UNDP, and the UK's Department for International Development, among other CIF development partners.

A subsequent joint mission in November 2010 provided another opportunity for stakeholder consultation. This time, a one-day stakeholder meeting took place with three main objectives: i) to update stakeholders on the progress of the strategic and analytical framework for climate resilience in Zambia as laid out in the recently drafted Sixth National Development Plan; ii) to seek stakeholder feedback on the proposed strategic and programmatic priorities under the PPCR; and iii) to outline the role of the MDBs and other development partners, including CSOs, in the implementation of the SPCR. Representatives from civil society, academic institutions, and media attended, including Green Enviro-Watch, Concern, Zambia Red Cross, Center for Energy, Caritas Mongu, Zanis, the University of Zambia, the Lyambai Institute, and Oblate Radio Lisew.

A field mission was carried out in the districts of Kazungula, Mongu, and Senanga in February 2011, with a culminating workshop in March 2011. The field mission undertook an institutional capacity assessment, tested the robustness of the strategic program's design, addressed the concerns voiced by the PPCR Sub-Committee, created an environmental and social screening checklist, and prepared to launch key strategic studies under the PPCR programming phase. Representatives from the Zambia Red Cross, the University of Zambia, and Green Enviro-Watch attended both the field mission and the workshop.

Consultations concluded in May 2011 with a workshop conducted to gather final comments and incorporate inputs into the SPCR prior to its submission to the PPCR Sub-Committee. Representatives from civil society and the private sector attended including the Zambia Climate Change Network and the Centre for Energy, Environment, and Engineering.

These early consultations brought together stakeholders with common interests and demonstrated the advantages of working together in the pursuit of a common goal. They also revealed the key strengths and weaknesses in Zambia's climate change framework. For example, stakeholders applauded the government's resolve to mainstream climate change in development plans and its commitment to various partners, while areas for improvement such as raising awareness within the general population, providing better access to information, and creating more streamlined institutional coordination (a critique that influenced the development of the ICCS within the MoFNP) were noted.

## **Building Capacity and Partnership**

### *Crowdsourcing*

Zambia's SPCR under the PPCR outlines CSO participation on two levels: 1) on the national level through advocacy, awareness, and information promotion; and 2) on the field level in the sub-basins as facilitators of community adaptation.

To successfully perform their field level function, prominent CSOs such as the Zambia Civil Society Network received capacity reinforcement training, particularly in their use of crowdsourcing technologies.

Through crowdsourcing, Zambian stakeholders contributed information, ideas, data, and content on the changing conditions of their local landscapes and their individual and collective efforts to adapt to these conditions. The information was structured and geo-referenced to allow Zambian and international agencies to carry out a deeper analysis of adaptation problems and to elaborate appropriate responses. In turn, information on climate conditions, early warning, or specialized adaptation advice was fed back to local stakeholders and communities to enhance community-level disaster preparedness.

Over the course of the joint missions, presentations and training sessions were held to explain the principles and techniques of crowdsourcing to CSOs and other development partners. During the second mission, three presentations and one training session were conducted on crowdsourcing and its use in climate resilience. These were attended by representatives from MDBs, civil society (Steadfast Action Foundation, Hope Development Institute, the Zambia Red Cross), and universities (Mulungushi, Zambia, and Copperbelt). The November 2010 joint mission provided an opportunity for an additional training session attended by 33 representatives from government, civil society, the private sector, MDBs, and the media. For all presentations and workshops, a WB crowdsourcing specialist was on hand to guide proceedings and facilitate knowledge exchange.

#### *Fiduciary Capacity of Local Institutions*

The field mission to districts in the Southern and Western Provinces included an assessment of local institutions. The Institutional Financial Management Assessment (IFMA), led by the MoFNP, assessed the preparedness of district councils to administer PPCR funds under a participatory adaptation project envisioned in Zambia's SPCR. The IFMA was carried out by key PPCR stakeholders representing the government, CSOs, and MDBs. The assessment provided implementing agencies with a roadmap to strengthen local government and the fiduciary capacity needed to deliver financing on the ground.

#### **Outcome and Lessons Learned**

##### *Use Proven Country Mechanisms*

The Zambia PPCR shows that an adaptation program works best when leadership for developing multi-sector approaches rests with the Ministry of Finance or a comparable institution that has influence at the highest levels of government, authority over major sector ministries, and experience dealing with MDB finance.

##### *Strengthen Partners' Capacity*

During the design of the Zambia PPCR, the Zambian government and other CIF partners prepared stakeholders for an enhanced role in the SPCP's implementation through workshops and training sessions on crowdsourcing, among other things. Once the implementing agencies had identified stakeholders with shortfalls in technological and fiduciary capabilities, the workshops and training sessions helped to narrow the gap between the stakeholders' technical capacity and the knowledge required for adapting to climate change.

##### *Additional CIF Investments in Zambia*

In addition to its PPCR Investment Plan, the Zambian government also developed two plans under the SREP in 2014 and FIP in 2015:

1. 2014 – The SREP Sub-Committee endorsed \$40 million in financing, including \$300,000 in grants, to prepare an Investment Plan with input from government agencies and various stakeholders from the private sector, academia, and NGOs. Stakeholder consultations centered around private sector concerns with lower than cost-reflective tariff constraints and an absence of a transparent and competitive procurement framework, among other things.
2. 2015 – As an FIP pilot country, the FIP Sub-Committee endorsed \$250,000 for the preparation of the FIP Investment Plan designed to support efforts to reduce emissions from deforestation and forest degradation and to promote sustainable forest management and the enhancement of forest carbon stocks. While previously a sectoral approach had been taken, this Investment Plan promoted an integrated and participatory landscape approach, which considers the needs of communities and seeks to achieve multiple social, economic, and environmental objectives through stakeholder engagement and adaptive management tools.



# Collaborating with Local Communities to Expand Sustainable Forestry

Deforestation and forest degradation—through agricultural expansion, conversion to pastureland, infrastructure development, destructive logging, and fires—accounts for about 12 percent of global greenhouse gas emissions. The forest sector must play a significant role in order to stabilize global average temperatures within 2° Celsius and contain the impacts of climate change.

The CIF's FIP supports developing countries' efforts to reduce emissions from deforestation and forest degradation and promote sustainable forest management and enhancement of forest carbon stocks (REDD+). The FIP is the world's largest source of upfront financing for REDD+ implementation activities. About 50 percent of FIP funds enhance and enable environment and capacity building, while the other 50 percent focuses on piloting site-specific solutions to deforestation and forest degradation.

The FIP has also supported a transformational change process by bringing together a wide range of stakeholders to begin to change mindsets—an important incremental step toward systemic change.

The following four FIP case studies in Brazil, DRC, Mexico, and Peru examine the roles of stakeholders in the design of forestry plans and projects. They demonstrate how FIP Investment Plans are informed by private and collective landholders as well as by Indigenous Peoples groups who have knowledge of traditional methods of forest use and conservation. Furthermore, the \$80 million DGM for Indigenous Peoples and Local Communities<sup>24</sup> is shown to have empowered these stakeholders by increasing their capacity to implement FIP projects and future REDD+ initiatives.

## Brazil FIP

The Brazil FIP Investment Plan and its 2012 endorsement by the FIP Sub-Committee was the culmination of an in-depth consultation process noted for its frequency of consultations, inclusivity, and formative impact. Brazilian government planners and MDB partners worked closely with IPLCs, civil society, and private sector groups to ensure broad support for the plan. Lessons learned include:

- **CONSULT EFFECTIVELY:** Use online tools, meetings, and networks to reach a wide range of local, national, and international stakeholders. Keep input flowing among all parties as the Investment Plan is developed.
- **REDD+ ENGAGEMENT MECHANISMS:** FIP countries have existing REDD+ stakeholder engagement mechanisms that can aid engagement during the Investment Plan design stage.

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<sup>24</sup> As of June 2017, the DGM has allocated funding for 15 projects, including a Global Learning and Knowledge Exchange Project (DGM Global) and 14 country projects, selected from the 23 FIP pilot countries.

## CIF in Brazil

The 200-million-hectare Cerrado biome is the second largest forest in Brazil as well as an economically and environmentally strategic region that plays an integral role in ensuring the country's national food security. Between 2002 and 2008 however, the Cerrado biome lost over 4 percent of its cover due to deforestation and forest degradation.<sup>25</sup> What's more, over the past 50 years, 48 percent of the Cerrado biome savannah has been converted for intensive agriculture use and cattle ranching, fueled by the global commodity boom of the 21st century.

In 2012, \$70 million in FIP resources in the form of grants and near zero financing was endorsed by the FIP Sub-committee to assist the government's national efforts to curb agricultural expansion into the native forests of the Cerrado biome. The WBG and the IDB are implementing FIP funding through seven interrelated projects whose goal is to reduce carbon emissions without sacrificing industry production levels that create jobs and income for local communities and support national economic growth.

Following the first Investment Plan, a private sector project, Macaúba Palm Oil in Silvicultural System, was approved in July 2017. An additional project, Integrated Landscape Management in the Cerrado Biome, was approved in June 2018.

Also significant are the IPLCs living in the Cerrado biome, who are beneficiaries of an additional \$6.5 million in grants from the FIP's DGM for Indigenous Peoples and Local Communities. The Brazil DGM became operational in June 2015 and has three components: i) sustainable and adaptive community initiatives; ii) capacity building and institutional strengthening; and iii) project management, monitoring, and evaluation. In 2018, the Brazilian government also received \$20 million in grants from the CTF Sub-Committee to be implemented by the WB to unlock private financing for urban energy efficiency projects by reducing credit risk and by enhancing the technical quality of the efficient street lighting and industrial energy efficiency projects.

## Stakeholder Mapping

Brazil's FIP partners engage with both domestic and international stakeholders. On the domestic side, FIP stakeholders fall into two categories: 1) private sector actors with agriculture interests in the Cerrado biome, and 2) IPLCs.

Due to an agricultural boom that made Brazil a global leader in food production, landowners were challenged with increasing agricultural productivity and profitability while simultaneously preserving natural resources and reducing GHGs. To ease the transition to sustainable practices, the Brazilian government provides regulatory and financial incentives (the CAR and ABC plans)<sup>25</sup> for Cerrado landowners, while FIP funding supports efforts to increase landowners' exposure and access to credit through training and information sharing.

Meanwhile, Indigenous Peoples living in the Cerrado biome face environmental degradation and poverty. External and internal climate-related pressures proliferate the use of maladaptive coping strategies that harm the integrity

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<sup>25</sup>The Plan for Low Carbon Emission Agriculture (ABC Plan) funds low-interest loans for activities such as agroforestry, improving soil uptake of nitrogen, and rehabilitating degraded pastureland. The Rural Environmental Land Register (CAR) is an electronic register of rural landholdings. maintained by an official environmental entity aimed at effectively monitoring, supervising, controlling, planning, and ensuring the environmental compliance of private landholdings. When CAR is used in conjunction with the ABC Plan, it facilitates landholders' compliance with environmental legislation. By availing of CAR and the ABC Plan, landholders can overturn outstanding fines that were previously allocated for agricultural use of legal reserves and areas of permanent preservation.

of the biome's carbon sinks. FIP funding is helping Indigenous Peoples adopt to new modes of land use and conservation through education and trainings and strengthening partnerships in the production and management of forest information.

### **Establishing Country-led Coordination**

The Secretariat for International Affairs within the Ministry of Finance served as the initial FIP Focal Point, the government body responsible for liaising with outside actors and implementing agencies on FIP activities that played a leading role in negotiating and installing the institutional arrangement. In 2014, however, an Inter-Ministerial Committee was established with the Ministry of Environment that served as the national implementation agency for the FIP Investment Plan.<sup>26</sup> The National Indigenous Foundation (FUNAI) acted as the federal entity responsible for all issues pertaining to the treatment and participation of indigenous peoples at the national level.

As the primary coordinator, the Ministry of Environment relies on several bodies to aid its efforts. Some of these bodies predate the FIP and some were newly created to help coordinate and implement the FIP Investment Plan. They include:

- The Brazil Investment Plan Executive Committee coordinates the actions of different ministries involved in FIP projects and ensures that FIP projects interact with and support the works of other government programs and projects. Representatives from the ministries of environment, agriculture, and science and technology sit on the Executive Committee, with four of these representatives acting as project directors for each of the FIP projects.
- The National Commission for the Sustainable Cerrado Program (CONACER) was established in 2006 and is composed of representatives from the Ministry of Environment, the Chico Mendes Institute for Biodiversity Conservation, the Ministry of Agrarian Development, Brazilian Agricultural Research Corporation, the Brazilian Society for the Progress of Science, the Brazilian Association of Environmental Entities, CSOs and their networks, and the rural productive sector. CONACER is the consultative committee for the FIP Investment Plan and advises the Executive Committee on behalf of Cerrado stakeholders.
- The Plan Management Unit (PMU) was specially created to support the Executive Committee in a technical capacity and is responsible for the overall implementation of the FIP Investment Plan and its projects. The Brazilian Forest Service, a federal agency linked to the Ministry of Agriculture, has responsibility for PMU oversight.

### **Conducting Consultations**

During the design phase of the Brazil FIP Investment Plan, stakeholder engagement occurred mainly through consultation and information sharing mechanisms. Coordinating bodies made use of both new and existing platforms to consult with stakeholders on the FIP. These included MDB scoping and joint missions, REDD+ events, meetings on DGM implementation, and meetings of the Public Forests Management Commission.

Stakeholder consultation had three main objectives:

1. Publicize the Investment Plan to interested parties,
2. Involve the main actors in the design of the Plan to ensure their participation in the implementation phase, and

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<sup>26</sup> Paul E. Little, A Case Study of the Brazilian Forest Investment Program: An Innovative Approach to forest Investments in the Cerrado Biome, 2012-2018, World Bank, 2018. See [https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/knowledge-documents/fip\\_brazil\\_case\\_study.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/knowledge-documents/fip_brazil_case_study.pdf)

### 3. Clarify the investment proposal to align stakeholder expectations.

The first of a series of stakeholder consultations occurred during the MDBs' scoping mission in May 2011. The consultation took the form of an information sharing session at which investment goals were clearly delineated for attending stakeholders. The MDBs and government agencies responsible for the design and implementation of the Investment Plan were introduced to representatives of social and environmental networks and private sector parties interested in the program.

Information workshops took place in November and December 2011. Government representatives included all ministries responsible for the Investment Plan design and implementation as well as the public corporations responsible for implementation at the project level. Stakeholder attendees included civil society and indigenous peoples' representatives, academics, and private sector agencies. Of the organizations represented, over 30 percent were CSOs and six percent were Indigenous Peoples' groups.

In preparation for the Brazil DGM launch, a number of events were staged between 2013 and 2014. In 2013, regional workshops were carried out in the cities of Cuiaba, Montes Claros, and Imperatriz. Over 30 Indigenous Peoples and traditional communities' organizations attended each of these events. In March 2014, a general seminar took place in Brasilia that involved 21 Indigenous Peoples and traditional community groups. Centro de Agricultura Alternativa Do Norte de Minas, an IPLCs NGO situated in northern Minas Gerais, was chosen as Brazil's national executing agency for the DGM.

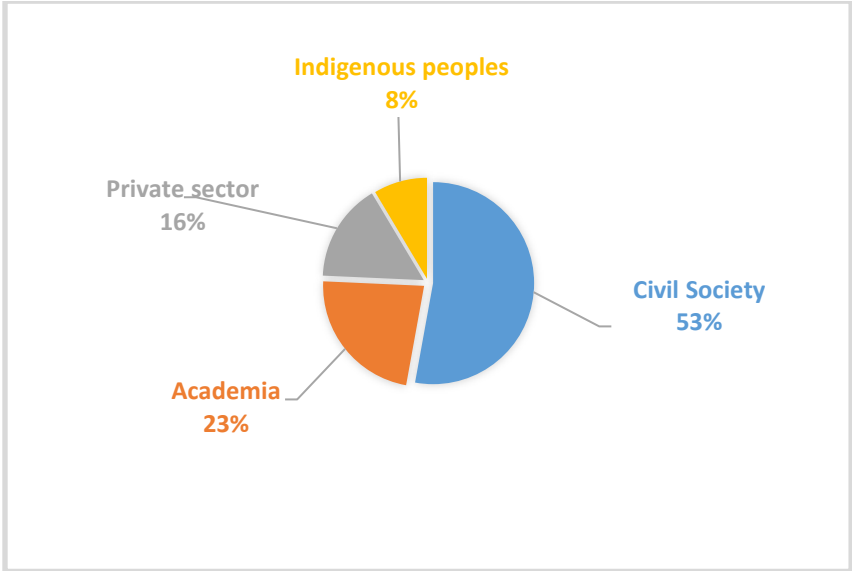
### Information Sharing

The first draft of the FIP Investment Plan was readied and posted online for public comment in January 2012. The plan was posted on the websites of the Ministry of Agriculture, Livestock and Food Supply; Ministry of Science, Technology and Innovation; the Ministry of Finance; the Ministry of Environment; the Brazilian Forest Service (SFB); and on the REDD+ Portal, managed by the Ministry of the Environment.

Stakeholders were invited to submit recommendations over the following three months. The invitation was sent via email and reproduced in the *O Estado de Sao Paulo* newspaper, on the *Observatorio do REDD* website<sup>27</sup> as well as in a press release by governmental institutions. Contributions were sought in the form of answers to six open questions about the overall strategy of the plan and proposed activities and synergies.

Overall, 19 organizations contributed to the online review process, representing local, regional, national, and international views. Figure 1 provides a visual breakdown of the proportion of public contributions to the FIP Investment Plan by sector. All contributions were read, compiled, and taken into consideration during the second draft of the Investment Plan.

**Figure 2. Source of public contributions to draft Brazil FIP investment plan (Jan-Mar 2012)**



To further facilitate public input, a consultation workshop was held in February 2012 in Brasilia. The workshop was attended by government representatives from the federal, state, and municipal levels and members of civil society. Presentations informed stakeholders of the concepts of mitigation and adaptation to climate change, including forest protection. The proposed activities of the Investment Plan were discussed, and stakeholder input was gathered on the Plan’s design and implementation. Conclusions, criticisms, and doubts were compiled into a summary report that was distributed to the wider stakeholder community. The report was also made available on the REDD+ Portal website.

Additional information sharing sessions to increase the involvement of IPLCs were conducted during the MDBs joint mission of February 2012. As a result, indigenous representatives also internalized the debate proceedings within their communities. In cooperation with FUNAI, the views of the IPLCs on the FIP Investment Plan were committed to a written document.

**Building Capacity and Partnership**

To build the capacity of Brazil’s IPLCs to better participate and partner in sustainable forest management, the Brazil DGM was designed with a National Steering Committee composed of indigenous representatives and traditional communities recognized by the Brazilian Cerrado as well as by representatives of the government. Together, they provide the overall governance of the Brazil DGM. The National Executing Agency (CAA/NM) also

<sup>27</sup> <http://www.estadao.com.br/>  
<http://www.observatoriodoredd.org.br/site/>



serves as a fund manager to support the National Steering Committee in the selection, resourcing, implementation, and financial management of proposals.

The Brazil DGM reports to and participates in the governing bodies of the global DGM program, which engages contributor countries and other partners to advocate for IPLCs in international fora on climate change and REDD+. It also carries out a South-South learning function by disseminating lessons learned in DGM projects around the world. Finally, the global DGM mediates complaints and grievances when requested by the Brazilian government or any FIP country.

By June 2016, DGM Brazil had pre-selected its first 41 sub-projects for implementation (out of 158 proposals) totaling \$1.8 million. In 2017, a series of sub-project team workshops were held.<sup>28</sup>

### **Outcomes and Lessons Learned**

#### *Use Existing REDD+ Engagement Mechanisms:*

Coordinating agencies of the Brazil FIP successfully harnessed existing governance mechanisms and created new ones to achieve the program's goals. Regional stakeholders were incorporated into the governance structure through the representation of CONACER, which was well placed to give voice to the disparate communities and interests within the Cerrado region. Furthermore, stakeholders utilized REDD+ platforms to conduct consultation and information sharing activities, which saved time and money in travel and logistics.

#### *Consult Effectively:*

The success of consultations in the Brazil FIP can be attributed to their frequency, inclusivity, and formative impact.

- **Frequency:** Holding frequent consultations meant stakeholders were informed of Investment Plan developments as they happened. This ensured the design did not evolve in ways that were unaligned with the interests of relevant stakeholders. Frequent consultations also secured the intake of broad and contrary views that would ensure that the final Plan emerged by adequately reflecting stakeholder interests.
- **Inclusivity:** Dedication to inclusivity by the implementing agencies and the extra measures taken to ensure the representation of Indigenous Peoples and traditional communities were integral to the success of the consultations. Information sharing sessions were geared solely towards these stakeholders after it was recognized that Indigenous Peoples and traditional communities had initially been underrepresented.
- **Formative impact:** Consultations with stakeholders had a formative impact on the design of the Investment Plan as evidenced by the addition of criteria to increase benefits to Indigenous Peoples and their lands.

"The DGM is one of the programs which can accelerate our sustainable development. The importance of the DGM comes from the fact that we are able to do our part in the fight against climate change – it goes beyond improving our quality of life. It facilitates our path to realize our dream to be able to elaborate a good and sustainable project that allows our world to breathe more easily and can show our country that it is possible to live without deforestation and sustainably, with great results."

*-- Januário Tseredzaro of the Xavante people and Mobilização dos Povos Indígenas do Cerrado (MOPIC)*

<sup>28</sup> The Dedicated Grant Mechanism for Indigenous Peoples and Local Communities, Annual Report 2017, World Bank, 2017.

### *Additional CIF Investments in Brazil*

1. 2018 - The Brazilian government received \$20 million from the CTF Sub-Committee to unlock private financing for urban energy efficiency projects in Brazil to reduce credit risk and to enhance the technical quality of efficient street lighting and industrial energy efficiency projects. Multiple stakeholders confirmed the technical and economic feasibility of this public-private partnership business model for LED-based street lighting as well as the legal and contractual arrangements required to optimize the distribution of risks and the bankability of the projects. Stakeholders provided input on the off-balance sheet business model for aggregating sub-projects, which highlighted the need to further refine the legal, regulatory, and fiscal features of the proposed mechanism.

## Democratic Republic of Congo FIP

The Democratic Republic of Congo (DRC) joined the FIP in 2010 and, by 2011, the FIP Sub-Committee had endorsed \$60 million in grant funding for the DRC Investment Plan and its five projects. The plan incorporated a multi-tiered consultation process to ensure investment themes were analyzed within and between affected stakeholders and sectors. Inter-stakeholder relationships were fostered through the Thematic Coordination Groups and the national media was embraced as a development partner for both the design and implementation phases. Lessons learned from the design of the DRC FIP include:

- **ADOPT A THEMATIC APPROACH:** Cross-sectoral collaboration can be achieved by stressing specific themes in the consultation phase of Investment Plan design. Specific themes provide a basis for inter-stakeholder consultation and can help sow the seeds for further cooperation during implementation.
- **INFORMATION SHARING:** Promoting transparent practices should begin with the design phase, before implementation has begun. National and local media can be effective partners in a FIP program.

### **CIF in the Democratic Republic of Congo**

Home to 80 million people who are largely dependent on forests for their livelihoods and one-seventh of the Earth's forests, the Democratic Republic of Congo (DRC) has a forest cover of approximately 1.5 million square kilometers (km<sup>2</sup>) out of a national territory of 2.3 million km<sup>2</sup>. The DRC is among the countries most affected by forest cover loss, with an estimated deforestation rate of more than 350,000 hectares per year between 2000-2010.<sup>29</sup>

Deforestation is concentrated around hotspots located mainly around large cities, but also in the densely populated areas on the edge of the large forest massif of the central basin. The traditional drivers of deforestation are household-scale slash and burn agriculture and exploitation of wood for fuel and timber, although there is evidence that some 10 percent of forest cover loss occurs through logging in industrial forest concession areas.

The DRC FIP Investment Plan was endorsed in 2011 by the FIP Sub-Committee, which allocated \$60 million in grant funding for five projects being implemented by the WB (three capacity building projects) and AfDB (two forest management projects).

The WB projects promote community-based natural resources management in the Kinshasa supply area, promote private sector engagement on REDD+, and offer small grants to promising REDD+ initiatives. The AfDB projects addresses deforestation and forest degradation in the supply areas of Mbuji Mayi/Kananga and Kisangani.

Indigenous Peoples groups also have received \$6 million in grants through the DGM for Indigenous Peoples and Local Communities under the FIP. DRC DGM funding was endorsed by the FIP Sub-Committee in June 2015 for implementation in 4 provinces and 16 territories.

## **Stakeholder Mapping**

Civil society and the private sector are the major stakeholders in the DRC FIP outside of the DRC government. Civil society stakeholders represent religious, agricultural, women's associations, youth associations, universities, and research institutions. Private sector stakeholders are largely financial institutions and Congolese organizations representing the interests of a wide variety of private sector actors.

On the eve of the DRC FIP's Investment Plan endorsement, the private sector had minimal involvement in REDD+ activities. Nonetheless, many private sector entities were relatively well-equipped to act as partners in implementing the Plan, as private sector actors were able to invest in carbon credits, share the costs of projects, and provide loans for REDD+ initiatives.

However, private sector intervention in the DRC is hampered by legal uncertainty, owing primarily to gaps and inconsistencies in the body of legislation that favor the intervention of public actors at the expense of private actors. For this reason, private sector actors rely heavily on discretionary relationships with the government to secure their positions in the national economy. In the processing and commercial agriculture industries, for instance, firms are penalized by the cost of energy and transport as well as by taxation favoring imports. They must struggle to channel investments to meet national and regional demand and be competitive in international markets.

Through the DRC FIP Investment Plan process, the CIF was able to formalize private sector participation and consultation. In the end, 50 representatives from the private sector including 28 companies, 6 banks, and 2 business associations participated in consultations.

## **Establishing Country-led Coordination**

The National FIP Focal Point in the DRC government is the Ministry of Environment, Nature Conservation, and Tourism (MENCT). The National Implementing Agency for the Investment Plan is the National REDD+ Coordination Unit, in conjunction with the MENCT.

A REDD+ Development Finance Company (DFC) and a Coordination Unit within the MENCT are responsible for FIP project management. The DFC is responsible for operations with the private sector that includes a public-private partnership with a shareholding consisting of government, MDBs, local and international banks, financial institutions specialized in green banking, and civil society representatives. The Coordination Unit is broadly responsible for operations with the administration, civil society, and microfinance institutions.

## **Conducting Consultations**

The DRC Investment Plan was informed by joint missions led by the MDB partners. A scoping mission took place in November 2010 with two joint missions carried out in February and May 2011. During the first joint mission, the MDBs, with the participation of technical and financial partners including civil society representatives, examined and discussed a preliminary version of the plan. FIP financial modalities, the role of the private sector in program implementation, and mechanisms for FIP funds management were topics central to the discussion. The first joint mission successfully clarified the link between the national REDD+ process in the DRC and the FIP. Also, through consultation with civil society, the private sector, and Indigenous Peoples groups, implementing agencies were able to listen to the concerns and recommendations of affected stakeholders.

*Thematic Coordination Groups*

During the FIP programming phase, government and MDB planners took advantage of the DRC’s Thematic Coordination Groups (TCGs) and multi-stakeholder groups involved in the development of the national REDD+ strategy. TCGs brought together stakeholders with unique perspectives on specific themes that relate to REDD+ such as public administration, civil society involvement, international CSOs involvement, education and research institutions interests, and the private sector participation. At the start of the Investment Plan design phase, it was decided that 11 TCGs would cover the scope of enabling and sectoral activities relevant to the FIP in the DRC (ss Box). These groups were assigned thematic areas and tasked with consulting national-level actors active within each area.

Thematic Coordination Groups
1. Afforestation/reforestation and increasing carbon stocks
2. Agroforestry
3. Optimization of the wood energy sector
4. Alternative energy sources
5. Community forestry and formal artisanal mining
6. Land management
7. Micro-zoning in forests
8. Harmonization and land security
9. Market linkages and REDD+ support services
10. Economic governance, policy, commerce, and taxation
11. Indigenous peoples development strategy

In 2011, the work of the TCGs occurred in stages from March through November. A draft Investment Plan was prepared for an April workshop that drew over 171 participants and featured dialogue led by the REDD+ National Coordination Unit, which demonstrated best practice for TCG participation in the FIP process. Between May and September 2011, a core group of TCG members analyzed the proposed program within the assigned theme, provided feedback from national and international good practices, and offered recommendations for FIP programs and the related National REDD+ strategy.

*Civil Society and Indigenous Peoples Consultation*

Provincial consultation utilized a four-step methodology: 1) preparation, 2) structuration, 3) field work, and 4) feedback/validation. The preparation phase oversaw the selection of two national CSOs, the Council for the Defense of the Environment through Legality and Traceability (CODELT) and the Dynamic Groups of Aboriginal Peoples (DGPA), to preside over consultation. The second step, structuration, required the publication of a peer-

reviewed methodological guide and its adoption by coordinating organizations through workshops. The field work stage saw the deployment of teams across six provinces that sought the views of local stakeholders, especially IPLCs. Finally, feedback and validation of consultation findings were relayed through a workshop in May 2011.

Overall, the consultations reached more than 600 people representing local civil society, administrations, customary authorities or leaders, religious denominations, and representatives of Indigenous Peoples groups and the local private sector in 16 villages within in six provinces (Bandundu, Bas Congo, Western Kasai, Eastern Kasai, Kinshasa, and Province Orientale).

To facilitate consultations, the FIP Investment Plan was translated into local languages understood by all targeted groups. This was followed by the deployment of 50 trainers who organized training sessions on basic REDD+ and FIP concepts. Focus groups were also held on pre-identified issues such as co-financing, institutional arrangement, and risk. The press was present for most of the consultations making it possible to broadly disseminate information.

Provincial consultations not only underlined the concerns of civil society and Indigenous Peoples groups, but also simultaneously identified inherent opportunities for stakeholders through the FIP program. Stakeholder concerns focused on land security, the harmonization of public and customary authorities, the fear of an elite capture of investments, inequality of opportunity, political interference, and low provincial administrative capacity. Underscored opportunities included the local job creation, the injection of capital, the revitalization of banks and financial structure, and the valorization of regions otherwise unknown to the outside world.

#### *Private Sector Consultation*

Private sector consultations consisted of direct meetings, intra-TCG meetings where private sector representatives were TCG participants, and a workshop for private sector involvement in REDD+ that occurred in February 2011. Direct meetings were carried out with five financial institutions: Trust Merchant Bank, ProCredit Bank, Citibank, Bank of Africa, and Raw Bank. The Congo Enterprises Federation and the Small and Medium Enterprises Confederation were also engaged with the program and its Investment Plan. Themes discussed in the workshop included the fundamentals of climate change and the REDD mechanism, the REDD+ preparation process in DRC, an introduction to carbon finance in the forest sector, the FIP, and the private sector in the context of REDD+.

In response to questions from private sector stakeholders, the REDD National Committee and the WB provided insights into the function of carbon markets in the DRC FIP, the role of forestry and agriculture, the role of ministries as FIP executive institutions, micro-finance, and other relevant topics. The FIP's MDB and REDD partners directly addressed the issue of financing bottlenecks for banks and microfinance institutions while also recording the fears and recommendations of stakeholders present at the workshop.

#### **Information Sharing**

The FIP's implementing agencies sought to focus media attention on both the final Investment Plan and the program leading into the FIP implementation phase. In May 2011, the Investment Plan was presented to the media during a workshop on "the participation of journalists in the REDD+ process in the DRC." Organized by the Communicators' Network for the Environment, the workshop provided space for dialogue with journalists and media professionals to reflect on the optimal FIP strategy, share information on REDD+, and enable greater stakeholder participation in the process. 50 delegates from five DRC provinces attended, including representatives from government, parliament, the WB, NGOs, and national and international media agencies.

#### **Building Capacity and Partnership**

The DGM is a FIP initiative to strengthen and embolden IPLCs in FIP countries. The DRC DGM operates at both global and national levels to increase local and regional stakeholder capacity and to facilitate an international exchange of knowledge on Indigenous Peoples involvement in forestry and sustainable development. The DGM's local governance networks, civil society and Indigenous Peoples' groups that serve as that National

Executing Agencies and members of National Steering Committees, are linked to the DGM's global governance network to enhance the global effort to combat deforestation and forest degradation.

The DRC's DGM project was approved by the FIP Sub-Committee in May 2015 and is implemented in the four provinces of Bandundu, Kasai Oriental, Kasai occidental, and Province Oriental. The DGM has three distinct areas of focus:

1. Through a \$2.4 million grant, the DGM reinforces the role of IPLCs through capacity building and knowledge exchange. These efforts include:
  - Trainings and seminars for the communities,
  - Study tours, virtual discussions, development of community/farmer demonstration plots, and community level internships to support a practical transfer of knowledge nationally, regionally, and internationally,
  - Scholarships and technical training in specialized institutes, and
  - Knowledge transfer through a cultural center to support knowledge sharing among the generations and to promote forest-dweller culture.
2. Small grants of \$3 million have been allocated to promote economic activities and rural livelihoods that enhance climate change adaptation and support the sustainable management of forest landscapes, including non-timber products.
3. Approximately \$600,000 was allocated to a monitoring and evaluation component to finance the costs of the National Executing Agency (NEA) for implementing the project. The NEA oversees the development and review of risk assessment criteria, grant disbursements, the appropriate use of funds, documentation of country projects, and reports on use of funds. Under this component, the NEA undertakes monitoring and evaluation activities of the various pilot activities.

## **Outcomes and Lessons Learned**

### *Adopt a Thematic Approach*

FIP stakeholder engagement in the DRC included the participation of TCGs, which allowed cross-sectoral consultation to occur around themes that specifically related to the work of the FIP. When implementing agencies received feedback on specific thematic areas of the Investment Plan, they received an exhaustive and cross-sectoral analysis of the topic or area in question. By using TCGs in the design phase, it is more likely that cooperation will flourish across sectors during implementation as the groundwork for cross-sectoral relationships will have already been laid.

### *Share Information*

The DRC FIP Investment Plan design process is notable for extensive media coverage of the Investment Plan design and provincial events during the implementation phase. Monitoring and verification of REDD+ and FIP requires strong media presence, strong media appreciation of the FIP's program objectives, its role within REDD+, its governing structures, and the roles of its myriad stakeholders. In this case, the CIF and the DRC government ensured a media oversight mechanism that was firmly in place before implementation began.

## **Mexico FIP**

The FIP Sub-Committee endorsed the Mexico FIP Investment Plan in October 2011 and committed \$40 million in financing to the Mexican government to tackle the economic, social, and institutional causes of deforestation at the regional level. Before finalizing the Investment Plan, the Mexican government and its MDB partners



successfully engaged the Territorial Management Entities, the private sector, *ejidos* (the governing bodies of communal farmland), and IPLCs to promote regional policies for sustainable and forest-friendly initiatives. Lessons from the Mexico FIP design process include:

- **USE ALL CONSULTATION PLATFORMS AVAILABLE:** The CIF's development partners can provide invaluable consultation platforms during the Investment Plan design phase and beyond.
- **DEVELOP CROSS-SECTOR AND MULTI-LEVEL COORDINATION:** Investment Plan design and implementation may require the creation of new coordination mechanisms.

### **CIF in Mexico**

Mexico is one of the world's most biologically diverse countries. One-third of Mexico's land mass is covered by tropical and temperate forests. Deforestation and degradation rates are increasing in some Mexican states despite an initial slowdown.<sup>34</sup> The Mexican government has pledged to reduce its GHG emissions to 50 percent of 2002 levels by 2050 to help to address this and other climate change issues.

A FIP funding commitment of \$50 million in 2011 has helped to support three projects implemented by the IDB and the WB to restore equilibrium between the forest industry and human development as well as to promote good implementation practices and forest protection in priority areas that include coastal watersheds of Oaxaca, Jalisco, Chiapas, and the Yucatan Peninsula.

FIP projects have established Territorial Management Entities and Strategic Evaluation Platforms that make alternative sustainable market practices accessible for local and indigenous communities and small landholders. The DGM for Indigenous Peoples and Local Communities under the FIP has committed \$6 million in grants to Mexican IPLCs.

In 2009, the CTF Trust Fund Committee endorsed \$500 million in funding to support low carbon objectives. These funds will be implemented by the WB, IDB and IFC and administered by the Mexican Ministry of Finance. In 2013, two joint Missions were undertaken to revise the CTF Investment Plan to align it with the new government's priority and reevaluate stakeholder inputs.

### **Stakeholder Mapping**

Key participants in the Mexico FIP are *ejidos*<sup>29</sup> and indigenous communities in some of Mexico's Early Action REDD+ areas. Local community members (individuals or families) are provided with a parcel of this communal land to possess and/or farm. About 70 percent of Mexican forests fall under the collective ownership of these communities and are governed by the *ejidos* or another mechanism. An objective of the Mexico FIP Investment Plan is to increase the *ejidos'* capacity to combat deforestation and forest degradation on the lands they govern. It is imperative that the Investment Plan have the buy-in of the *ejidos* and their members and that they are aware of its potential co-benefits.

FIP stakeholder engagement in Mexico also requires collaboration in the generation, management, and dissemination of information by both public and private organizations like Red Mocafo and Sakbé de México. Forest foundations, cooperatives, and producer associations are also well positioned to help build capacities for sustainable community management of forests.

In social terms, key stakeholders of the Mexico FIP are women and children living in vulnerable landscapes like those found in the coastal areas and in downhill forestlands. FIP-backed interventions in community forestry,

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<sup>29</sup> *Ejidors* may either refer to the communal lands used for agriculture in a community or the governing body that oversees the use of this land.

sustainable agriculture, and animal husbandry production systems benefit these groups by contributing to healthy, productive landscapes through natural resource planning and watershed management.

### **Establishing Country-led Coordination**

The National Forest Commission (CONAFOR) functions as the National FIP Focal Point for Mexico. It is also the National Implementing Agency tasked with the coordination of the Investment Plan design and implementation. Although CONAFOR is Mexico's primary FIP institution, the establishment of country-led coordination required the empowerment of new and existing governance mechanisms at the local and national levels.

#### *National and Regional Government*

CONAFOR is responsible for facilitating access to financial services for forest projects. However, at the time of the Investment Plan's endorsement it did not have the capacity to offer specific financial products. For this reason, Financiera Rural, a public financial institution for rural development, was tasked with providing financial support, credit, and financial services to local institutions to support the overall objectives of the Investment Plan.

#### *Ministry of Environment and Natural Resources*

The Ministry of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA) plays a prominent role in the FIP at the national level, with several programs and components focused on rural development. Monitoring is carried out at the national level by the National Forest Inventory and at the regional level by the National Council for the Evaluation of Social Development Policy (CONEVAL). CONEVAL's role is to ensure that Indigenous Peoples groups receive their program and project co-benefits, particularly the provision of legally recognized tenure rights and access to economic benefits.

#### *Local Government*

The FIP Investment Plan established Territorial Management Entities to implement an integrated, multi-sectoral agenda that included technical assistance, capacity building, and resource mobilization in support of the sustainable development of indigenous communities and target landscapes. Together with new or existing Strategic Evaluation Platforms, Territorial Management Entities have assisted the Financiera Rural in the process of providing financial services and capacity building to set up local financial institutions. The *ejidos* and other local management institutions have gained financial inclusion and the capacity to access lines of financial assistance.

### **Designing the Investment Plan**

In developing Mexico's FIP Investment Plan, a clear stakeholder engagement strategy was in place to identify the relevant sectors and communities and utilize existing and new mechanisms to facilitate engagement.

CSOs, community associations, and academia represented civil society and IPLCs. Private sector representation took the form of *ejidos*, producer associations, and private technical service providers. The consultation mechanisms used during the Investment Plan's design phase existed previously as REDD+ platforms or were introduced by FIP implementing partners.

At the national level, the Technical Advisory Committee for REDD+ (CTC-REDD+) was used as a consultation platform on four occasions between March and September 2011. During the same period, government and MDB implementing partners used country missions as an opportunity to carry out further consultation. An expert workshop involving CSOs and Indigenous Peoples groups took place as part of a March 2011 scoping mission. The Mexican government and MDBs also received feedback on the Investment Plan during a joint mission in August 2011.

Discussion of the FIP at the regional level occurred in August and September 2011 through six workshops. Three were held in the state of Jalisco and three in the Yucatan Peninsula. To ensure workshops were carried out in a uniform and effective manner, CONAFOR hired a professional facilitator to develop the workshop methodology.

Additional FIP consultation occurred as part of CONAFOR and the Ministry of Environment and Natural Resources' (SEMARNAT) efforts to update the Forest Strategic Program 2025. Workshops were conducted with key forest sector stakeholders in the country's 32 states. From these workshops, stakeholder inputs were used in the design and implementation of the FIP Investment Plan.

### **Conducting Consultations**

The CTC-REDD+ workshops drew important feedback from civil society and the private sector, including *ejidos*. Participants highlighted the fact that strengthening the capacity of local stakeholders in the areas of technical expertise and financial supervision is critical to the success of the FIP Investment Plan. By achieving greater stakeholder capacity in these areas, the need for intermediaries providing technical support and financial mechanisms would be removed. It was argued that this would better ensure and enlarge stakeholder co-benefits. Participants also took pains to point out that the creation of markets to promote forest products and services is imperative and that the focus of the FIP should not be wholly on access to investment projects.

During the FIP's workshops, as part of the Forest Strategic Program 2025 update process, stakeholders recommended that Mexico, similar to other FIP pilot countries, create a national committee with multi-sectoral membership. It was proposed that this committee would include representatives of provincial, local, and state authorities; IPLCs; CSOs; the private sector; and wider members of civil society. In response, the government of Mexico proposed that the Management Committee of the FIP be composed of representatives of the following federal government agencies: CONAFOR, SEMARNAT, Secretariat of Finance and Public Credit, SAGARPA, Agrarian Agency (Procuraduría Agraria), CONEVAL, CDI council member representing indigenous peoples, two representatives of the CTC-REDD+ (civil society), and one from the private sector.

Furthermore, the Forest Strategic Program workshops helped to promote the role of state-level Consultative Technical Committees (CTCs) on REDD+. On the advice of stakeholders, CONAFOR sought to promote additional regional or state CTCs in Mexico to strengthen communication and participation channels. One active state-level CTC is incorporated into the monitoring of projects under the FIP Investment Plan.

### **Building Capacity and Partnership**

The Mexico DGM has been designed to finance investments under three broad components: 1) capacity building; 2) sustainable forest initiatives; and 3) monitoring and evaluation, reporting and communications. The DGM's geographic focus is confined to forest landscapes in the Yucatan Peninsula, Jalisco, and Oaxaca. The Mexico DGM is also guided by a number of key objectives and principles including:

- A National Steering Committee through which Indigenous Peoples groups exert ownership over the DGM and exercise joint decision-making power,
- Transparency and accountability in the selection of a National Steering Committee and National Executing Agency,
- Administrative flexibility and efficiency to facilitate easy, streamlined, and fast-tracked access to grants by IPLCs, and
- Social inclusiveness and equity by ensuring the full and effective participation of women, children, elders, and other vulnerable people.

The design and objectives of the Mexico DGM were formulated through a process of extensive consultation with IPLCs from September 2013 to April 2014. In total, 384 representatives of indigenous communities from across five states (Quintana Roo, Campeche, Yucatan, Oaxaca, and Jalisco) were engaged through 16 consultations with an average attendance of 24 participants.

Consultation led to the formation of Regional Sub-Committees for the Yucatan Peninsula, Jalisco, and Oaxaca, each with a maximum of 15 members allowed per region. The National Steering Committee membership is comprised of designees from these Sub-Committees. The organization Consorcio Chiclero was chosen as the first

chair of the National Steering Committee. Consorcio Chiclero is a coordinating body which represents 56 *chicleros* cooperatives, which in turn represent 2,000 *chicleros* working in an area of 1.3 million hectares of Mexican rainforest.<sup>30</sup>

## Outcomes and Lessons Learned

### *Use All Consultation Platforms Available*

MDB joint missions routinely provide consultation opportunities in the form of roundtables or workshops. However, during the Mexico FIP Investment Plan design process, civil society provided a consultation platform of its own in the form of the CTC REDD+. Similarly, CONAFOR and SEMARNAT were able to allow stakeholders to comment on the design and implementation of the Investment Plan during fora dedicated to the review of Mexico's Forest Strategic Program 2025 by using existing platforms. Participation in consultations can be costly as stakeholders are often forced to travel and pay for accommodation. However, by pegging Investment Plan consultation to existing events and workshops (e.g. REDD+ events), stakeholder expenses can be minimized.

### *Develop Cross-sector and Multi-level Coordination*

In the case of the Mexico FIP Investment Plan, there was a need for a monitoring committee with a multi-sectoral composition that constituted stakeholders from various backgrounds. The Mexican government subsequently proposed the formation of the Management Committee with representatives from government, indigenous communities, civil society, and the private sector. The creation of more state CTCs facilitated greater civil society participation in the implementation and monitoring of Mexico's FIP Investment Plan.

### *Additional CIF Investments in Mexico*

1. 2009 - In addition to FIP investments, in January 2009, the CTF Trust Fund Committee endorsed \$500 million in CTF financing to the Mexican government to overcome institutional, regulatory, and cost barriers to the deployment of low carbon technologies through seven projects. The CTF Investment Plan was considered a "business plan" for the Mexican government and was agreed to by the WB, IFC and IDB partners. Three subsequent joint missions were undertaken in May 2013 to develop a revised Investment Plan that was aligned with the new government's priorities and was prepared in consultation with civil society, the private sector, academia, and other bilateral and unilateral development cooperation agencies.
2. 2013 - A \$300 million Phase II CTF Investment Plan was developed in October 2013 in consultation with the WBG and IDB to build on the successes of CTF interventions that were included in the original plan. It focused on the established categories of transport, clean energy, and energy efficiency as well as the new categories of cogeneration, electricity generation from forest residues, and vehicle substitution. A meeting with relevant stakeholders from civil society took place in August 2013 with the purpose of seeking inputs on the projects proposed for inclusion in the Investment Plan.

## Peru FIP

The FIP Sub-Committee endorsed the Peru FIP Investment Plan in 2013 with \$50 million for integrated forest landscape management in key deforestation hotspots. Although Peru was among the first group of countries to

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<sup>30</sup> A *chiclero* is a person who extracts gum from wild or cultivated trees.

join the FIP in 2010, it was one of last countries to receive FIP Investment Plan endorsement. The delay was because of the FIP Sub-Committee's concerns that stakeholder consultation had not been sufficient during the Investment Plan design phase. Peruvian government planners and MDB partners reevaluated and reinvigorated communication, consultations, and collaboration among stakeholders, particularly with civil society and Indigenous Peoples groups, to develop an Investment Plan that reflected broad stakeholder input and support.

Meaningful stakeholder engagement takes time and Peru's delayed process offers some valuable lessons including:

- **MAKE STAKEHOLDERS COORDINATING PARTNERS:** REDD+ stakeholder platforms exist to help guide and strengthen civil society and Indigenous Peoples' engagement during an Investment Plan's design. These groups should be represented within the program's organizational structure.
- **COMMUNICATE AND CONSULT THROUGHOUT:** To avoid costly delays, stakeholders must be consulted on key aspects of an Investment Plan throughout the design process.
- **LEVERAGE PARTNERSHIPS:** Partnership between domestic and international CSOs can enhance the participation of civil society and indigenous peoples in Investment Plan design and implementation.

### **CIF in Peru**

Peru is among the most biodiverse countries on the planet, with 11 ecological regions and 84 of the Earth's 117 different types of "life zone". Its Amazon Region accounts for more than 94% of Peru's total forests. Peru's biodiversity and vast forest landscapes are threatened by timber and non-timber harvesting, expansion of farming and livestock, and weak governance of public and natural resources.

Direct drivers of deforestation and forest degradation include traditional small-scale farming, medium- and large-scale agriculture, legal and illegal mining, timber logging, and non-timber harvesting. Underlying factors such as poverty and social exclusion are additional contributors.

In 2013, the Peruvian government received \$50 million in grants and near-zero interest credits from the FIP Sub-Committee for integrated forest landscape management in key regions, particularly those area vulnerable to deforestation. Aligned with its national REDD+ strategy, Peru's FIP Investment Plan includes cross-cutting measures to enable improved conditions in governance and land titling to end open access to forest resources, to improve forest and environmental governance, and to enhance the value of environmental assets of forests. FIP funding is implemented by the IDB and WBG.

Under the FIP, an additional \$5.5 million in grants from the DGM for Indigenous Peoples and Local Communities helps IPLCs increase the capacity of their communities to engage in and contribute to the REDD+ dialogue and strategic areas concerning land tenure assurance, community forest management, and community governance.

### **Stakeholders**

The health and welfare of indigenous populations in the Peruvian Amazon are indelibly linked to the condition of their forest surroundings. Indigenous Peoples retain a close relationship with the forests, not only for their livelihoods and subsistence, but also for their cultural and spiritual wellbeing. This relationship is beneficial for local communities as well as the global community. Indigenous lands in the Peruvian Amazon hold large carbon

stocks, and studies have shown that IPLC lands have significantly lower rates of deforestation compared with the national average.<sup>31</sup>

Deforestation is a global environmental threat as well as a threat to the IPLCs' way of life. The threat is magnified by challenges to titling for the land they have traditionally inhabited as these communities are without legal recourse to prevent logging or mining interests from using their lands for commercial use or interrupting the IPLC sustainable forest practices.

A lack of capacity to navigate the legal and administrative systems that grant titles to land is a big hurdle for IPLCs. Even with the know-how, attaining a title is a difficult endeavor. According to the Rainforest Foundation US, it is reported that IPLCs in Peru must clear 27 bureaucratic hurdles to obtain official recognition and formal land titles, while concessionaires only face between three and seven bureaucratic steps. The process for IPLCs can take more than a decade while logging or mining interests can obtain their paperwork within a few months.<sup>32</sup>

CSOs and vulnerable groups in Peru can rely on three key support mechanisms to curb deforestation and strengthen the role of Indigenous Peoples groups:

### *1. A strong legal framework that protects the rights of Indigenous Peoples*

Under Peruvian law, all native communities have the right to be recognized and to have their collective territories demarcated and titled. The Law on Prior Consultation, approved in 2012 through a Supreme Decree, requires that IPLCs be consulted prior to adopting any legislative or administrative measures that could directly affect their collective rights, physical survival, quality of life, cultural identity, or development. The purpose of prior consultation is to reach an agreement or consent between the state and forest stakeholders.

### *2. An open and vibrant civil society*

Indigenous peoples in Peru are represented at local, regional, national, and international levels. There are 90 local ethnic or interethnic federations, and regional and national coordination is facilitated by two prominent organizations: The Interethnic Association for the Development of the Peruvian Rainforest (AIDSEP) and The Confederation of Amazonian Nationalities of Peru (CONAP). These organizations are aided by international organizations such as Global Witness and the Global Forest Coalition.

### *3. REDD+ participation mechanisms*

There are opportunities for inter-institutional dialogue through Peru's Readiness Preparation Proposal. The main spaces for dialogue are the national REDD Group, the National Indigenous REDD+ Roundtable, the inter-regional Amazon Council, the Regional Environmental Commission, and the Forestry and Wildlife Management Committee. The national REDD Group is an important space for dialogue. It was created by CSOs in 2008 and includes public, private, and civil society organizations. It has three specific roles: advocacy, consultation, and raising awareness of the REDD+ process.

## **Establishing Country-led Coordination**

To support Peru's Investment Plan ownership and the projects outlined within it, existing governance structures and mechanisms were used in both the plan's design and implementation. New mechanisms, such as the FIP National Executive Committee, were also created to better equip stakeholders and the government to meet the objectives of the Investment Plan.

The Ministry of the Environment is the sole agency responsible for the coordination of the FIP Investment Plan, but it does share the FIP Focal Point role with the Ministry of Economy and Finance.

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<sup>31</sup> See Rainforest Foundations USA: <http://www.rainforestfoundation.org/landtitlesperu/>.

<sup>32</sup> *ibid.*



In October 2011, the FIP National Executive Committee was created to lead the development process of the FIP Investment Plan. This Committee consists of representatives from the ministries of the environment, economy and finance; agriculture and irrigation; and the National Assembly of Regional Governments represented by the Amazon Interregional Council (CIAM). The IDB serves as an observer to the Committee.

### **Designing the Investment Plan**

A scoping mission and two joint missions took place between January 2011 and February 2013 to formulate the Investment Plan. Participation was largely confined to MDBs, the Peruvian government, and outside consultants, which drew criticism from CSOs and IPLCs.

In March 2012, the international CSO Global Witness submitted a written complaint to the FIP Sub-Committee, the CIF governing body that oversees the FIP at the global level. Global Witness explained that joint missions were not carried out in accordance with the Operational Guidelines set by the CIF that state they “should include key government, non-government, including Indigenous Peoples and Local Communities; and private sector stakeholders as well as other development partners including agencies/banks.”

The advocacy of Global Witness, as well as the passing of legislation in December 2012 guaranteeing prior consultation, increased the demand for IPLC participation in the design of the FIP Investment Plan. From this point, IPLCs began to play a more prominent role with representatives participating in the third joint mission in February 2013.

During this mission, the FIP National Executive Committee presented a draft Investment Plan and sought revision recommendations from IPLCs and CSOs to help finalize the plan and ready it for presentation to the FIP Sub-Committee. It was noted by the IPLCs and CSOs that some aspects of the Investment Plan risked the livelihoods of those living in or near the forests. Consequently, AIDESEP, backed by the international CSO Global Forestry Coalition, rallied opposition to the plan. On behalf of 1,500 Peruvian Amazon communities, AIDESEP wrote to the FIP Sub-Committee that the plan was biased toward private sector loggers and palm oil plantation owners.<sup>33</sup> The organization also highlighted a lack of transparency, underlining the fact that independent consultants contributed most to the Investment Plan’s content. AIDSEP even threatened to lodge a complaint with the World Bank’s Inspection Panel.

AIDESEP’s intervention was effective. When the Peruvian government presented its Investment Plan to the FIP Sub-Committee in February 2013, the FIP Sub-Committee chose to postpone endorsement of the plan and encouraged the Peruvian government and IPLCs to work together to resolve issues such as the “control and registry of early REDD+ initiatives, participation of indigenous technical staff in the formulation of the project proposals, and [indigenous peoples] direct involvement in the implementation of project activities.”<sup>34</sup>

### **Conducting Consultations**

Following the setback, the FIP National Executive Committee reevaluated its approach and made institutional changes to ensure increased civil society and Indigenous Peoples participation. Further, an Inter-Ministerial Council was formed, comprised of government ministries, AIDESEP, CONAP, and CIAM.

A three-phase consultation process was formulated by the Inter-Ministerial Council and enshrined in a revised participation plan.

- Phase 1: AIDESEP, CONAP, and the FIP National Executive Committee shared the FIP Investment Plan with local stakeholders in the affected regions of Madre de Dios, Loreto and San Martin, and Ucalayi. Following regional consultation, the committee solicited and received stakeholder feedback in April and May 2013.

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<sup>33</sup>See Inter Ethnic Development Association of the Peruvian Amazon letter:

[https://www.climateinvestmentfunds.org/sites/cif\\_enc/files/FIP\\_Peru\\_IEDAPA\\_English.pdf](https://www.climateinvestmentfunds.org/sites/cif_enc/files/FIP_Peru_IEDAPA_English.pdf)

<sup>34</sup> <https://www.brettonwoodsproject.org/wp-content/uploads/2014/06/Climate-Investment-Funds-Monitor-9-FINAL.pdf>

- Phase 2: A second version of the FIP Investment Plan was shared with all stakeholders. In July and August 2013, the National REDD Group and CSOs in Madre de Dios submitted a review with proposed revisions, while AIDSESEP and CONAP reached out to their members in the affected regions for input. The role of AIDSESEP and CONAP in the design process was expanded by their addition to the FIP National Executive Committee in July 2013.
- Phase 3: The Investment Plan's final draft was presented to stakeholders before being submitted for FIP Sub-Committee endorsement.

Broad agreement on the FIP Investment Plan was reached after 20 multi-stakeholder meetings, including a provision to allocate \$14 million for IPLC land titling.<sup>35</sup>

### **Building Capacity and Partnership**

Indigenous Peoples in Peru have taken a strong and consistent position on REDD+, indicating that there can be no successful REDD+ mechanism in Peru without basic enabling conditions including better recognition and enforcement of IPLC land rights. Indigenous Peoples groups promote the REDD+ *Indigena Amazonica*, an integrated and holistic approach to REDD+ that focuses on better governance and management through Indigenous Peoples groups' participation.

Through the Peru DGM, the CIF strengthens and expands the partnership role of IPLCs within the FIP and other REDD+ programs and builds their capacity in three areas:<sup>36</sup>

1. Native land titling: financing administrative and legal steps required for indigenous community titling in seven regions in the Amazon.
2. Indigenous forestry management: financing small-scale, community-based productive sub-projects that contribute to sustainable forest management and improve food security and income generation in eight regions in the Amazon.
3. Project management, monitoring, and evaluation: supporting the overall governance of the DGM and the day-to-day administration and financial management of DGM resources.

The Peru DGM National Steering Committee consists of five representatives from AIDSESEP and five from CONAP and provides overall governance for the Peru DGM. The World Wildlife Fund-Peru has been selected to serve as the National Executing Agency and provide day-to-day administration and financial management of the Peru DGM. It also offers technical assistance for project intermediaries and acts as the Secretariat for the steering committee.

The Peru DGM reports to and participates with governing bodies of the global DGM program, which engages contributor countries and other partners to advocate for Indigenous Peoples in international fora on climate change and REDD+. It also carries out a South-South learning function by disseminating lessons learned in DGM projects around the world. The global DGM also mediates complaints and grievances if requested by Peru or any FIP country.

### **Outcomes and Lessons Learned**

#### *Make Stakeholders Coordinating Partners*

The inclusion of AIDSESEP and CONAP allowed for the effective participation of Indigenous Peoples in the Investment Plan design and created a basis for their ongoing participation. AIDSESEP and CONAP relied on the existing REDD+ stakeholder platform (such as the National REDD+ Group) to carry out in-depth information sharing

<sup>35</sup> Organizations representing indigenous peoples recommend that land titling be carried out as stipulated by Law 22175, in keeping with ILO Convention 169. FIP IP

<sup>36</sup> ITAD, *A Learning Review of the Dedicated Grant Mechanism (DGM) for Indigenous Peoples and Local Communities in the Forest Investment Program (FIP) of the Climate Investment Funds (CIF)*, Final Report, CIF, 2019.

workshops and consultation. Governments and organizations who are coordinating partners should consider regularly integrating existing REDD+ stakeholder platforms into their stakeholder engagement campaigns.

#### *Communicate and Consult throughout the Design Process*

Between 2011-2012, the government of Peru neglected to engage with IPLCs, and this lack of inclusivity led to public outcry and exposed an inadequate engagement process and weak Investment Plan that was not fully reflective of stakeholder needs. A new, exhaustive stakeholder engagement round soon followed and, by October 2013, the Investment Plan was endorsed, and its consultation process was considered a source of pride.

#### *Leverage Partnerships*

During the design of the Peru FIP Investment Plan, Global Witness and the Global Forestry Coalition provided critical assistance to IPLCs and CSOs. By acting in the capacity of a CIF Observer, Global Witness first brought to light deficiencies in the consultation process, most notably in the conduct of the joint missions. The Global Forestry Coalition also facilitated AIDSESP's appeal to the FIP Sub-Committee in February 2013. This partnership between the domestic and international civil society and forestry actors was an integral element for creating an inclusive multi-stakeholder planning process at the national level.

"We have had an intense consultation and participation process to develop our FIP Investment Plan, including two major Amazonian Indigenous Peoples groups, NGOs, and the private sector. The process has taken more time than originally expected, but, in the end, has produced a more legitimate and technically strong document."

*-- Gabriel Quijandria, Vice Minister of Strategic Development of Natural Resources, Peru, 2014*

"It is a very happy day for Peru and for the Indigenous Peoples movement.... we have shown that we have the capacity to dialogue and to generate proposals that can be seen as useful in forest management."

*-- Daysi Zapata Fasabi Vice President, Inter-Ethnic Association for the Development of the Peruvian Rainforest, 2013.*

#### *Additional CIF Investments in Peru*

2018 - Tied to Peru's FIP investments, the Peruvian government in 2018 was awarded a \$6.4 million credit and a \$5.9 million grant from the Strategic Climate Fund to strengthen the capacity of forest-dependent communities and enterprises to sustainably manage and use forest landscapes in the Raimondi, Sepahua, and Tahuanía districts of the Atalaya provinces. The Project's primary beneficiaries are small forest users and indigenous communities (5,997 households in 120 communities), who rely on forest resources for their businesses and livelihoods. Direct engagement with stakeholders is being used to strengthen enabling conditions for forest governance as well as to improve the technical and business capacities of forest communities and enterprises to better manage forests and achieve impactful climate outcomes.

# Conclusion

Stakeholder engagement has been an integral aspect of the CIF's work since its inception in 2008. As the study demonstrated stakeholder engagement has been an integral part of CIF's institutional approach at the global, national, and local levels. This study took stock of CIF's stakeholder engagement practices in nine country-level cases over 10 years. It has illustrated the challenges and rewards of stakeholder engagement and acknowledged the important role stakeholders play in shaping climate activities, and the role of the CIF and other development partners in engaging, listening to, and learning from those directly impacted by their interventions.

Key lessons learned from the case studies offer insights into good practices adopted by the CIF and stakeholders to effectively develop and implement Investment Plans, programs, and projects (See Annex I). For example:

- The Kenya SREP stakeholder engagement process laid a strong foundation for TC through its use of **multi-stakeholder consultations**, allowing the government to effectively engage with a wide range of stakeholders from the energy sector. ([Kenya SREP](#))
- The Cambodia PPCR's preliminary consultation and assessment process laid the groundwork for large-scale involvement of country actors in the design and implementation of Cambodia's SPCR, thus **building country ownership**. ([Cambodia PPCR](#))
- The Zambia PPCR used **proven country mechanisms** when it initially turned to the Ministry of Finance for leadership. Adaptation programs are known to work best with leadership from the highest levels of government that are able to develop effective multi-sector approaches due to their influence and authority over major sector ministries and experience dealing with MDB finance. ([Zambia PPCR](#))
- The Peru FIP made stakeholders **coordinating partners** by utilizing the relationship between domestic and international CSOs to enhance civil society and Indigenous Peoples participation in the Investment Plan design and implementation process, thus creating a basis for their ongoing participation. ([Peru FIP](#))

Additionally, the study has attempted to identify some forms of stakeholder engagement that have the potential to enable transformational change, based on the four recognized dimensions —*relevance, systemic change, scale, and sustainability*—and the nine areas of intervention or entry points - *financing, governance and engagement, institutions, knowledge and information, markets, natural capital, policies, practices/ mindsets, and technologies and infrastructure*<sup>37</sup> (See Annex II). For example:

- Under the Kenya SREP, the government and MDB partners launched a comprehensive stakeholder engagement strategy that utilized a **multi-level stakeholder engagement** approach and consulted with numerous stakeholders **upstream in the design phase**, which provided an optimal mix of knowledge, financing, and risk mitigation that one party alone could not have accomplished. This upstream engagement supported the scaled-up deployment of renewable energy solutions and access to them. ([Kenya SREP](#))
- As part of the Cambodia PPCR scoping mission, subsequent assessments, and the development of a civil society support mechanism, it was found that smaller provincial organizations stood to make the largest

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<sup>37</sup>See CIF Evaluation and Learning webpage: <https://www.climateinvestmentfunds.org/evaluation-and-learning> and Evaluation of Transformational Change in the Climate Investment Funds, ITAD, in association with Ross Strategic and ICF 2019.

impact with additional **technical assistance**, thus supporting TC through systemic and sustainable practices.<sup>38</sup> (Cambodia PPCR)

Overall, this country-level study of the CIF's approach to stakeholder engagement has shown how a programmatic approach with requisite upstream stakeholder engagement is able to create a space for meaningful consultations

through varied, client-specific methods. Stakeholder input enhances a CIF Investment Plan or SPCR and ensures it is inclusive, transparent, technically sound, based on national priorities, and draws on the strengths of diverse stakeholders to affect nation or sector-wide transformation. **In short, stakeholder engagement is essential if we are to meet our international climate goals and save the planet.**



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<sup>38</sup> See Local Stakeholder Engagement in the Programs of the Climate Investment Funds (CIF) in Cambodia, Live and Learn Cambodia, 2019. Pgs. 25-26.

## Annex I: Lessons Learned

The following is a summary of lessons learned from each country case presented in this study. The lessons may be considered good practices in country-level stakeholder engagement and serve as replicable examples. As noted previously, each specific lesson can be grouped into five broader categories of good practices:

1. Use and strengthen country systems for stakeholder engagement.
2. Plan and adhere to an effective process.
3. Enhance levels of stakeholder engagement.
4. Enhance stakeholder capacity to engage with government and MDBs.
5. Facilitate stakeholder partnerships across borders.

### 1. USE AND STRENGTHEN EXISTING COUNTRY SYSTEMS FOR STAKEHOLDER ENGAGEMENT

Government and multilateral development bank (MDB) planners may choose to use, adapt, or strengthen a country's systems to optimize stakeholder participation during the design of the national Investment Plan. Within country systems, a Coordination Unit is considered a vital institution for stakeholder engagement. CIF planners may wish to use an existing coordination unit—or establish a new one—to oversee all aspects of a CIF Investment Plan's development and implementation. The Units are best positioned to plan and carry out a participatory approach by setting up specific units tasked with engaging civil society and private sector actors through information dissemination, policy dialogue, and formal consultations.

Although a Coordination Unit's composition and where it resides may vary by country, the Unit must have wide-ranging authority and the ability to monitor developments of various sectors, ministries, and non-state actors. This will allow it to effectively orchestrate the group effort required for success. This inclusive approach is very effective in harnessing additional skills and perspectives and has allowed the CIF to reach important constituencies and strengthen operations within countries. The study will illustrate effective stakeholder engagement efforts by government-run coordination units in several countries including Zambia, Tajikistan, and Peru.

### 2. PLAN AND ADHERE TO AN EFFECTIVE PROCESS

When countries invest more time and energy in planning for stakeholder engagement, consultations and exchanges are more fruitful. For example, an early stage assessment called [stakeholder mapping](#) has helped to identify key stakeholders and to provide a holistic analysis of the interests they represent, their capacity to engage, the resources at their disposal, and their established means and networks of communication. While governments and local MDB programs undertake stakeholder mapping during scoping missions, more thorough and transparent stakeholder mapping exercises can better be undertaken by CSOs or professional facilitators in some CIF countries.

In addition, it is important to remember that even the best laid plans may need review and revision. By revisiting stakeholder engagement planning throughout the planning and implementation phases, changes in circumstances can be identified and considered. For instance, when CIF Investment Plans and projects change due to shifting national goals and priorities, there may arise a need to remap stakeholders and relaunch consultations as the Investment Plan revisions may affect stakeholders in ways that were not previously envisioned. The report



describes in detail cases of effective stakeholder mapping and even remapping processes in Tajikistan, Cambodia, and Philippines.

### **3. ENHANCE LEVELS OF STAKEHOLDER ENGAGEMENT**

Stakeholder engagement is more than a perfunctory task, and the CIF encourages countries to deepen their commitments to the CIF's three levels of engagement. These levels are: (i) carry out *information sharing* to apprise stakeholders, including the general public, of Investment Plan development and to seek feedback; (ii) conduct face-to-face *consultations* to gather and consider the views of stakeholders; and (iii) promote with non-state actors to implement certain project activities that utilize their unique qualifications or positions. In terms of information sharing, this review found that those CIF countries that frequently employed share information on Investment Plan development were able to raise awareness across a wider audience and elicit broader feedback. In these cases, programs were more widely understood and supported, and the spread of disruptive misinformation was avoided.

Furthermore, planning and conducting multiple consultations with stakeholders is essential to create an Investment Plan with clearly delineated co-benefits for civil society and the private sector. Implementing agencies have discovered ways to harness the skills, insights, and energy of stakeholders to build a foundation for enabling transformational change over time. For example, stakeholder insights can help identify additional infrastructural investments at the local level that are required before or parallel to the implementation of an Investment Plan. In adaptation projects, stakeholder consultation can surface traditional adaptation techniques that can be applied at scale.<sup>39</sup> Effective collaboration between governments and civil society has occurred in numerous countries through the establishment of small grants programs geared to financing climate resilience projects implemented by local communities. Examples of information sharing, consultations, and collaborative efforts are described in numerous countries including DRC, Cambodia, and Brazil.

### **4. BUILD STAKEHOLDER CAPACITY**

The CIF has introduced different instruments and initiatives to enhance the capacity of civil society organizations and private sector entities to engage with governments and MDBs. These measures have increased the availability of resources for information sharing, consultation, and partnership among stakeholders. Through CIF support, countries have enacted a variety of measures to ensure that non-state stakeholder groups have the knowledge and capacities they need to meaningfully participate in and benefit from the CIF. These include specific national interventions and larger programs, such as the FIP's Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM).

The \$80 million DGM is a one-of-a-kind program designed and led by representatives from IPLCs. It provides indigenous peoples and local communities with direct financing to enhance their capacity to engage in and contribute to dialogue and actions on reducing emissions from deforestation and forest degradation and promoting sustainable forest management and the enhancement of forest stocks. The DGM spans all FIP pilot countries and a global knowledge sharing project<sup>40</sup> that links all country projects and serves as the DGM's global outreach platform. Detailed examples are provided of DGM programs being implemented in several countries such as Tajikistan and DRC.

### **5. FACILITATE STAKEHOLDER PARTNERSHIPS ACROSS BORDERS**

Addressing climate change is a growing challenge for CIF country governments and stakeholder groups. Some CIF country planners and stakeholders have looked to more experienced national and international CSOs to gain support and to develop skills and knowledge to better understand climate change risks and responses. International pressure also galvanizes the national stakeholder engagement process and leads to more productive dialogue on investment plan design and implementation. County-based stakeholders such as CSOs can rely on

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<sup>39</sup> See [the 2020 CIF report on The Contribution of Traditional Knowledge and Technology to Climate Solutions](#)

<sup>40</sup> See [DGM Global Project website at https://www.dgmglobal.org/gsc](https://www.dgmglobal.org/gsc)

their international counterparts to boost their participation in the design process by advocating for greater stakeholder input or by equipping them with invaluable technical knowledge related to investments. Some networks such as the SAN are specifically designed to enhance the effectiveness of climate finance and non-state stakeholders through capacity building, standard setting, and knowledge sharing. The report illustrates this local – global exchange by CSOs in several countries including Peru.

Here is summary of the key lessons learned by country case study:

<i>Kenya SREP</i>
<i>Multi-Level Engagement</i>
<ul style="list-style-type: none"> <li>• A program succeeds when an Investment Plan’s international, national, and local implementing bodies have, through pre-established legislation or operational guidelines, committed to stakeholder engagement as part of their <i>modus operandi</i>.</li> </ul>
<i>Early Engagement</i>
<ul style="list-style-type: none"> <li>• “Upstream” engagement in the design process helps ensure that an Investment Plan includes local and national co-benefits. It also helps to pre-empt implementation problems in the design phase and implementation process.</li> </ul>
<i>Inclusive Engagement Engenders Trust</i>
<ul style="list-style-type: none"> <li>• Broad-based and inclusive stakeholder consultation at the start of a plan or project design conveys a dedication to transparency and accountability that engenders stakeholder and implementing partner trust.</li> </ul>

<i>Philippines CTF</i>
<i>Remap Stakeholders</i>
<ul style="list-style-type: none"> <li>• Implementing and coordinating agencies must remap stakeholders if the Investment Plan significantly changes to be sure that all relevant stakeholders have a seat at the table.</li> </ul>
<i>Raise Awareness to Build Support</i>
<ul style="list-style-type: none"> <li>• A strong public education campaign can help raise awareness about climate change issues and garner support for proposed projects.</li> </ul>
<i>Encourage International/Domestic CSO Partnerships</i>
<ul style="list-style-type: none"> <li>• Domestic CSOs can use their relationships with international CSOs to help meet their objectives. International CSOs can act effectively in the international sphere on behalf of their domestic CSO counterparts.</li> </ul>

<i>Cambodia PPCR</i>
<i>Stakeholder Mapping</i>

<ul style="list-style-type: none"> <li>• Before creating roles for civil society stakeholders in the design and implementation of its SPCR, government and MDB planners should first rigorously map civil society stakeholders at all levels and assessed their existing roles and capacities in climate resilience.</li> </ul>
<i>Country Ownership</i>
<ul style="list-style-type: none"> <li>• <i>Preliminary consultation laid the groundwork for large-scale involvement of country actors in the design and implementation of Cambodia’s Strategic Program for Climate Resilience.</i></li> </ul>
<i>New Coordination Mechanisms</i>
<ul style="list-style-type: none"> <li>• Prior to CIF intervention, the formulation and implementation of climate resilience policy was not centralized. New coordination mechanisms introduced under the PPCR helped link and coordinate the climate resilience efforts of separate government departments. Coordinating entities like the Technical Assistance Group ensured that a programmatic approach and climate resilience efforts were made across all sectors.</li> </ul>
<i>Knowledge exchange</i>
<ul style="list-style-type: none"> <li>• The CIF’s programmatic approach has changed how Cambodia approaches climate resilience by providing the country’s first opportunity to adopt a multi-sectoral approach that advanced the enabling environment for climate-resilient investments. Subsequently, the CIF, in collaboration with the WBG and ADB, organized a knowledge exchange to help Zambia learn from Cambodia’s progress with a focus on Cambodia’s skillful use of community-based approaches to building resilience to climate change.</li> </ul>

<i>Zambia PPCR</i>
<i>Use Proven Country Mechanisms</i>
<ul style="list-style-type: none"> <li>• Adaptation programs work best when leadership for developing multi-sector approaches rests with the Ministry of Finance or a comparable institution that has influence at the highest levels of government, authority over major sector ministries, and experience dealing with MDB finance.</li> </ul>
<i>Strengthen Partners’ Capacity</i>
<ul style="list-style-type: none"> <li>• Workshops and training sessions were used by the Zambian government and other partners to prepare stakeholders for an enhanced role in the SPCR implementation process. Once some stakeholders with shortfalls in technological and fiduciary capabilities had been identified, the workshops and trainings helped to hone the stakeholders’ technical capacity and the knowledge required for adapting to climate change.</li> </ul>

<i>Tajikistan PPCR</i>
<i>Cast a Wide Net</i>

- Climate adaptation stakeholders in Tajikistan are many and varied. By limiting the number of recognized stakeholders in the early stages of the PPCR planning process, implementing agencies risked discrediting the program in the eyes of Tajik civil society.

#### *Investment in Coordination*

- By focusing resources on a stakeholder engagement campaign, PPCR coordinating bodies and NGOs were able to ensure that the Tajikistan PPCR program is clear, impactful, and widely supported. It is now characterized by targeted issues, a wide consultation process through meetings and a website, a multi-stakeholder steering process, and pro-active critical stakeholder feedback.

### *Brazil FIP*

#### *Use Existing REDD+ Engagement Mechanisms*

- FIP countries have existing REDD+ stakeholder engagement mechanisms that can aid engagement during the Investment Plan design stage.

#### *Consult Effectively*

- Use online tools, meetings, and networks to reach a wide range of local, national, and international stakeholders. Keep input flowing among all parties as the Investment Plan develops.

### *DRC FIP*

#### *Think Thematically*

- Cross-sectoral collaboration can be achieved by stressing specific themes in the consultation phase of Investment Plan design. Specific themes provide a basis for inter-stakeholder consultation and can help sow the seeds for further cooperation during implementation.

#### *Information Sharing*

- Promoting transparent practices should begin with the design phase, before implementation has begun. National and local media can be effective partners in a FIP program.

### *Mexico FIP*

#### *Use All Consultation Platforms Available*

<ul style="list-style-type: none"> <li>• The CIF’s development partners can provide invaluable consultation platforms during the Investment Plan design phase and beyond.</li> </ul>
<i>Develop Cross-sector and Multi-level Coordination</i>
<ul style="list-style-type: none"> <li>• Investment Plan design and implementation may require the creation of new coordination mechanisms.</li> </ul>
<i>Peru FIP</i>
<i>Make Stakeholders Active Partners</i>
<ul style="list-style-type: none"> <li>• REDD+ stakeholder platforms exist to help guide and strengthen civil society and Indigenous Peoples’ engagement during a plan’s design. These groups should be represented within the program’s organizational structure.</li> </ul>
<i>Communicate and Consult throughout the Design Process</i>
<ul style="list-style-type: none"> <li>• To avoid costly delays, stakeholders must be consulted on key aspects of an Investment Plan throughout the design process.</li> </ul>
<i>Leverage Partnerships</i>
<ul style="list-style-type: none"> <li>• Partnership between domestic and international CSOs can help enhance the participation of civil society and Indigenous Peoples in the Investment Plan design and implementation process.</li> </ul>

## Annex II: Stakeholder Engagement and Transformational Change

The list below is extracted from ITAD’s 2019 *Evaluation of Transformational Change in the Climate Investment Funds* and the TCLP 2019 *Transformational Change in the Climate Investment Funds Summary*.<sup>41</sup> It highlights stakeholder engagement practices that may have the potential to affect TC.

Potential Nexus of Stakeholder Engagement & Transformational Change
Mainstreaming transformation in CIF processes
<p>1. <b>Support the role of national champions in program design and delivery by further prioritizing engagement with influential stakeholders who can facilitate course corrections when barriers emerge.</b> Interventions with strong political backing and the explicit support of national champions are more likely to deliver transformational change.</p>
Improving transformation in CIF delivery
<p>2. <b>Maximize incentives for national stakeholders to engage transformation by pairing investment funds with technical assistance that allows barriers to be addressed.</b> The availability of adaptive technical assistance can be effective in addressing roadblocks to transformational change, particularly in dynamic political economy contexts.</p>
<p>3. <b>Enhance the benefits of the programmatic approach throughout implementation across all programs, including coordinated multi-stakeholder consultation, with increased focus on flexibility, shorter planning and approval periods to maintain relevance, and differentiation between country contexts.</b> Look for ways to sustain coordination processes between all relevant stakeholders across the project lifecycle to avoid silos, to improve programmatic learning, and to support linkages with other climate funds.</p>
<p>4. <b>Continue to promote and expand the use of private sector approaches through market development and financial intermediation—especially in resilience and forestry where these approaches are more emergent.</b> Private sector-oriented initiatives can be particularly effective across all dimensions of TC (including sustainability).</p>
Identifying emerging programming areas for transformational impact
<p>5. <b>Build global ‘supply side’ expertise in selected technologies or thematic areas with a view to addressing issues common to a range of countries.</b> Bring together a range of stakeholders (including financing and private sector expertise), including emerging technologies (e.g., storage, electric vehicles) or themes (e.g., cities, intermediated finance, or private sector forestry).</p>

<sup>41</sup> *Transformational Change in the Climate Investment Funds*, Summary, CIF, Evaluation Learning Initiative, Transformational Change Learning Partnership, 2019. TCLP is a collaboration of ITAD, Overseas Development Institute and the Consensus building Institute, established in 2017. ITAD, *Evaluation of Transformational Change in the Climate Investment Funds*, Final Report, CIF, 2019.