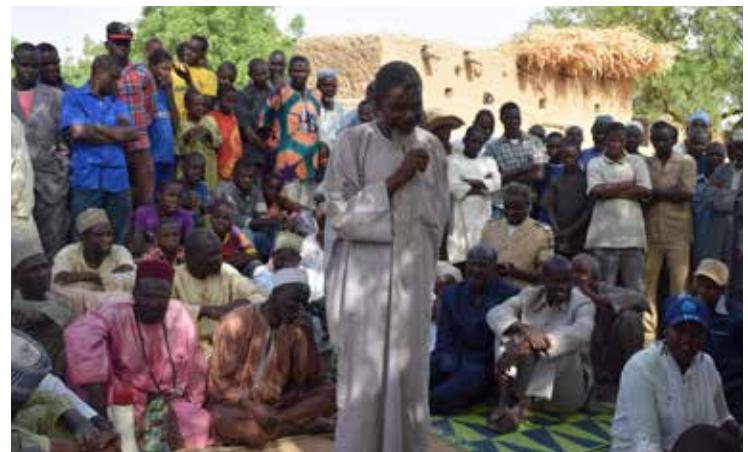




BEHAVIOR CHANGE

Behavior change among stakeholders is critical to achieving transformation toward climate-smart development. Evidence of behavior change that the CIF is influencing ranges from strong country ownership of CIF investment plans to governments' implicit and explicit recognition of non-state actors' contributions to the climate change agenda. There is also growing awareness among the private sector of the benefits of taking actions to increase climate resilience, and governments and MDBs increasingly recognize the ways in which climate change affects men and women differently.



Indigenous people and local communities are central to CIF success in Peru (left) and Niger (above).

BROADENING STAKEHOLDER PARTICIPATION

While behavior change is a process that yields results over time, it finds the most traction when program goals are set in the context of larger national goals. The CIF's requirement to develop investment plans prior to seeking project-level funding approval is unique among climate funds. It is intended to ensure that CIF investments dovetail with country priorities and broader climate change strategies and objectives, such as National Adaptation Programmes of Action (NAPAs), REDD+ processes and strategies, SE4ALL Action Agendas, and Intended Nationally Determined Contributions (INDCs).

The true measure of country ownership is how non-state stakeholders—from civil society, private sector, and indigenous peoples and local communities—participate in and support CIF investment planning and implementation.

While not without challenges, the CIF mandate to involve these stakeholders has helped reveal the value they can add to strategic planning and prioritization processes, project implementation, and monitoring and reporting.

CIF countries' varying experiences offer lessons on the rewards and challenges of stakeholder engagement at the national level. Over the next two years, the CIF will implement a work plan, approved in 2015, to share these lessons and promote more uniformly high standards across all CIF countries and programs.^{ix}

The need to strengthen national-level stakeholder engagement is a priority initiative of the **CIF Observers**,³² stakeholder organizations that liaise between their regional constituents on the ground and the CIF's national and global decisions makers. To boost the Observers' ability to interact on this and other key issues, a Stakeholder Advisory Network is being developed.^x This Observer-run online platform aims to facilitate dialogue and exchange among current and former Observer organizations and to support their role in promoting sound and transparent decision making and efficient use of CIF resources.

INCREASING PRIVATE SECTOR AWARENESS OF CLIMATE RISKS AND RESPONSES

The PPCR has supported some of the first private sector adaptation measures in highly vulnerable least developed countries, including

SHARING LESSONS ON MEANINGFUL STAKEHOLDER ENGAGEMENT

In Kenya, both civil society and the government were initially wary of civil society participation in preparing the country's SREP investment plan. Civil society influence grew during the process, and a more comprehensive investment plan emerged. After this positive experience, the Government of Kenya began involving civil society in other development programs outside of the CIF. Lessons learned include:

1. Stakeholder engagement requires a multilevel effort nationally, locally, and with MDBs.
2. Engaging civil society early in the process helps to ensure project success by identifying and addressing early the concerns that might affect the viability of a project and by gauging public opinion for or against different project options.
3. Effective knowledge management can help proliferate the use of best practices.

Source: CIF/AfDB session on "*Approaches to Transparent Engagement of CSOs in Advancing Africa's Climate-Smart Development*" at the Civil Society Organization Forum of the AfDB Annual Meetings, May 2015

Bangladesh, Cambodia, Jamaica, Nepal, Niger, and Tajikistan (see Annex C).

Through advisory services activities and investments, PPCR-supported private sector interventions are demonstrating the business case for climate resilience and generating the experience and track record needed to identify and develop scalable and replicable models.

In **Nepal**, heavy rain and flooding and changing monsoon patterns threaten productivity of the agriculture sector upon which the national economy relies (see page 19). IFC is working with agribusiness firms to make their

supply chains more climate resilient

through improved agricultural and water management practices. Over \$2 million from the PPCR is supporting the effort, which is also helping smallholder farmers, including women, adopt new technologies and practices to improve soil fertility, increase crop resistance, and reduce overall vulnerability to extreme weather and unpredictable rainfall.

To create more opportunities for private sector activity in adaptation, the **PPCR private sector set aside program** was opened up to all 72 CIF

countries in 2015. The program provides dedicated financing for resilience-related projects that engage the private sector. It has already helped develop a portfolio of projects in seven PPCR countries worth \$65.3 million. Going forward, projects can be proposed in any CIF country. They will be assessed on their ability to be replicated and their potential to increase the climate resilience of small-scale private actors and communities.



With support from the PPCR, IFC is engaging with leading agribusiness companies in Nepal to make their supply chains more climate resilient through the promotion of improved agricultural and water management practices.



Private sector-led extension services provide solutions to everyone in the supply chain, creating a win-win situation for us and the farmers.

Hitesh Golchha

Eastern Sugar Mills, Ltd.

ENHANCING ATTENTION TO GENDER

Climate change is not gender-neutral so neither should be the projects that seek to address it. Women in some developing countries are particularly vulnerable to climate change given constraints on their mobility and access to and control over resources, as well as their muted voice in local and national climate decision making. The CIF recognizes the role women can play as change agents and decision makers in mitigation and resilience-building activities, and helps countries to strengthen gender considerations in their CIF-backed investments.

The CIF Gender Action Plan (2014) is helping to foster gender-responsive approaches across the CIF portfolio through technical support, knowledge generation, and program learning. Early results are encouraging.

As of December 31, 2015, 66 percent of projects approved since the plan was adopted in July 2014 conducted sector-specific gender analysis in the design stage. Before then, only 24 percent of approved projects took this step. There is also a marked increase in the number of projects that include specific activities targeting women (59 percent of new projects) and that have gender-specific indicators to track progress

(54 percent of new projects). Before the Gender Action Plan, these percentages were 31 and 25 percent respectively.

In addition, dedicated training sessions at the 2015 SREP, PPCR, and FIP pilot countries meetings sensitized new countries currently developing their investment plans to feature gender-responsive approaches to their interventions in renewable energy, resilience planning, and forest governance and management.



In Ho Chi Minh City, Vietnam, improvements to the mass rapid transit line 2, supported by CTF \$50 million implemented by the ADB, will benefit over 80,000 passengers a day, particularly women. The project aims for women to fill 30 percent of new jobs on service operations and maintenance and envisions stations and bus terminals with dedicated waiting spaces for women, shop spaces for female-owned businesses, women-only carriages with child seating, and direct marketing to women as metro users.

LOOKING AHEAD

A greener future is possible, and the CIF is empowering those who can bring about positive change. By lowering the high up-front costs, risks, and learning curves of climate action, CIF concessional financing is unlocking the potential of low carbon, climate resilient economies. The CIF business model of approaching investments programmatically and operating through the MDBs is also key to initiating transformational change. The continued availability of CIF concessional resources, which enable the MDBs to broaden and deepen their climate work beyond what could be achieved with their own resources, will be important to multilateral organizations and countries alike in realizing their ambitious climate investment targets announced in 2015.

As the global community moves more aggressively to combat climate change, this is the moment to build on the momentum and experience of the CIF and other development partners. With over 300 projects in its portfolio and more expected, the CIF remains focused on achieving results on the ground and examining new ways in which it can support developing countries' aspirations.

True to its design as a "living laboratory" for climate finance, the CIF is exploring its flexibility to fill investment and knowledge gaps within the evolving climate finance landscape. A strategic analysis is being prepared in 2016, which will elaborate on potential options to effectively address priority areas.

- **Consider new financing modalities for the CTF** that would reinforce the capital structure and enable the CTF to be even more flexible and responsive in the use of its instruments.
- **Optimize the FIP, PPCR, and SREP** by scaling up private sector operations and deepening the programmatic approach.
- **Enhance the benefits of the CIF joint MDB platform** by further strengthening knowledge sharing among MDBs and their mainstreaming agenda.
- **Capture and use real-time lessons of the CIF** more effectively. A three-year business plan to enhance evidence-based learning from CIF approaches is under preparation and expected to launch in fall 2016.
- **Expand the CIF learning series** on strategic investment areas. After detailed studies on financing CSP and geothermal power development, the CIF will investigate business models and enabling conditions that support deployment and scale-up of clean energy mini-grids and energy efficiency measures.
- **Deepen stakeholder engagement and gender integration** across the CIF through dedicated actions plans.