

Comments provided directly by the Global Environment Facility (GEF) – www.thegef.org
on the
Concept and Issues Paper: “Towards a Strategic Framework on Climate Change and Development (SFCCD)”

Respondent Type	Consultation Reply ¹	Preliminary World Bank Response* (to be updated after Development Committee review)
1. What should the World Bank Group’s role on climate change be within the international development community?		
GEF	The WBG should focus on stimulating “win-win” investments in mitigation, and in ensuring that the remainder of its work in developing countries will contribute to increasing resiliency, not vulnerability, to the anticipated impacts of climate change. Institutionally, it will have to exercise caution in this regard so as not to squeeze out other players. It will also have to be part of the UN process without letting itself get drawn into the center of the UN process.	
	The SFCCD will have to clearly identify the WBG’s role and stick within the role defined for the WBG in the international CC architecture. While this role may not be clear at the moment, if it does not clarify itself over the next 18 months, then confusion will prevail. So far, largely because the Bank has been on a fishing trip in this regard, the WBG has claimed to be all over the map on CC---from pre-commercial technology; to commercial clean technology; to adaptation; to LULUCF; to REDD; to carbon finance; to climate proofing; etc. The SFCCD needs to truly be strategic by saying “yes” to what the Bank can and should do and “no” to what is better left to others. So far, the process is not encouraging in this regard, as the Bank has tried to dominate the space, as opposed to fitting into the space.	
	WBG will have to continue to be the GEF’s strongest partner in the area, and the avenues in which their work will complement each other will bear greater future cooperation.	

¹ Summary of discussion points

Respondent Type	Consultation Reply ¹	Preliminary World Bank Response* (to be updated after Development Committee review)
2. The Concept and Issues Paper states that both mitigation and adaptation must be integrated into development efforts. Where do you see the key areas of focus for the World Bank Group?		
GEF	WBG should play a key role in helping the entire global community encourage development that does more to improve adaptive capacity through its development projects. Specific “adaptation” projects should be left to the GEF and the Adaptation Fund, but the modification or mainstreaming of adaptation ideas and approaches into mainstream development should be the role of the WBG.	
	WBG should assume a key role on the mitigation side building from country policy frameworks to increasing the efficiency of the electricity generation and increasing fractions of renewables, etc.	
	For mitigation, WBG needs to establish concrete targets for achievements, such as lowering the GHG content of a kWh in key countries; increasing fractional shares of renewables in countries; increasing the “cleanliness” (in GHG terms) of its own lending portfolio; etc.	
3. What role can the World Bank Group play to accelerate the development and deployment at scale of climate friendly technologies for energy, transport, agriculture and other sectors in developing countries?		
GEF	WBG (and GEF experience) is not positive when it comes to commercializing pre-commercial technologies. Even procurement rules play against using new technologies. WBG’s strategy should be to focus IBRD on “clean technologies” that are existing, commercial, but have not yet saturated markets in its client countries. Working upstream from there, the WBG should then begin to focus on technologies that are not yet commercialized and find innovative ways (together with CTF and GEF support) to accelerate the uptake of these technologies. For truly pre-commercial technologies at the R&D stage, the Bank should seek to keep its clients informed and abreast of developments, and occasionally, seek (with GEF and CTF) to do a carefully prepared and selected demonstration. But the Bank should not delude itself into thinking that it has a role to play as an R&D agency.	

Respondent Type	Consultation Reply ¹	Preliminary World Bank Response* (to be updated after Development Committee review)
	The Bank needs to clearly maintain its focus on serving its client countries, not being a “back-door” way to fund R&D that the OECD countries are too risk averse and politically divided to undertake in their own back yards. The Bank should not treat its clients as guinea pigs.	
4. What should be the role of the World Bank Group in mobilizing additional concessional financing and private sector investments to respond to climate change?		
	WBG needs to be careful not to use its own resources and concessional financing to undertake activities that would be better left to the private sector or by its massive purchasing power, to undercut local markets. For example, the recent Uganda CFL give-away, using IDA funds, may well have destroyed the local lighting equipment supply chain in Uganda. This may save the utility some Megawatts, but caution should be exercised to ensure that the local lighting suppliers and their economic prospects are not ruined. Don't do with soft Bank/IDA money what the private sector should do.	
	WBG also needs to take into account the Earth Fund, recently established by the GEF through the IFC, as it seeks to stimulate innovative paths for technological innovation.	
	If the Bank is moving to get into “newer”, pre-commercial technologies, it must keep track of the “risk-reward” profile and source the support through the appropriate part of its own institutional setting. Is IFC more capable at the innovative activities than the Bank? They claim to be, but so far, evidence may be mixed.	
	The Bank seems to take a myopic view of carbon markets and the SFCCD, while not pre-judging the post 2012 architecture, should seek to clarify the Bank's vision of how it and CF will fit into that “brave new world”.	
5. Building capacity within countries, regions and institutions will be crucial to address climate change issues. How can the World Bank Group		

Respondent Type	Consultation Reply ¹	Preliminary World Bank Response* (to be updated after Development Committee review)
contribute?		
GEF	Although the WB does have a role to play in capacity building, it should seek to focus its efforts in this field to be more directly linked to the capacity necessary to set the policy frameworks necessary and to implement concrete investments. We do not believe that the Bank has any comparative advantage in the area of stand-alone capacity building and should focus on making concrete investments happen.	