



# South Asia Stakeholder Consultation on the Climate Investment Funds (CIF)



February 2026

## Outcome Report

# 1. Introduction

1.1 The South Asia Stakeholder Consultation on the Climate Investment Funds (CIF) was convened to consolidate regional experience and generate a structured outcome report for submission to the CIF Secretariat and relevant Trust Fund Committees. The objective was to ensure that South Asia's policy, financial, and implementation realities are meaningfully reflected in upcoming governance deliberations.

## Defining Regional Priorities



**GBM Basin: Managing the Ganges-Brahmaputra-Meghna system as a rights-bearing entity.**



**Sundarbans Integrity: Transboundary protection of the mangrove ecosystems.**



**Regional Resilience: Shared diplomatic leverage against nuclear risks and environmental fallout**

### Systemic Gaps to Identify

- Sovereign debt exposure
- Fiscally unsustainable coal models
- Disbursement speed vs approval
- Genuine community participation

CIF programming must evolve to address transboundary risks that individual national plans cannot cover

1.2 The consultation was organized by Change Initiative and the Center for Peace and Development Initiative through an open call for participation, inviting Civil Society Organizations (CSOs) engaged in climate finance, policy, research, and implementation across South Asia. Specialists from civil society, academia, financial institutions, development organizations, and technical sectors expressed interest and joined the consultation, contributing cross-sectoral perspectives to the dialogue.

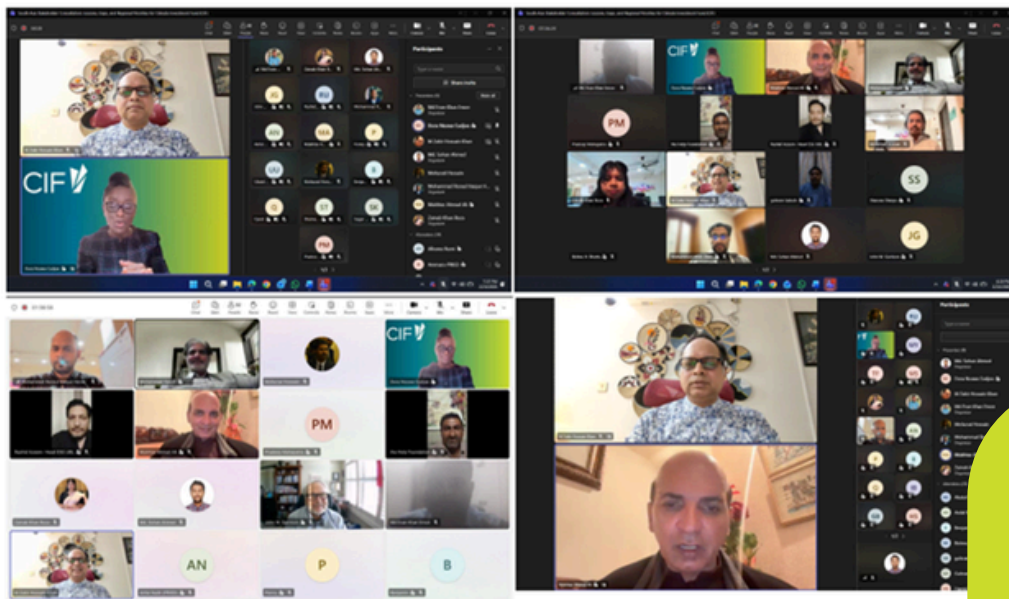
1.3 The consultation brought together representatives from civil society, research institutions, financial sector experts, development practitioners, and climate policy stakeholders engaged in CIF-related programming. The dialogue was designed to assess current portfolio performance, implementation efficiency, and institutional alignment within the region.

1.4 Deliberations were centered in the region's evolving risk landscape, including escalating climate-related hazards, infrastructure vulnerabilities, and ecosystem pressures occurring alongside fiscal constraints, sovereign debt exposure, and rising energy demand. Participants emphasized the need for climate finance mechanisms that integrate resilience, macroeconomic stability, and social equity.

1.5 The meeting concluded that CIF's catalytic role in mobilizing blended finance and leveraging Multilateral Development Bank partnerships remains strategically important; however, programming approaches must be refined to address systemic gaps, strengthen accountability, and better align with South Asia's structural vulnerabilities and development trajectories.

# 2. Stakeholder Representation

## Representation of CSOs Participation



2.1 The consultation was organized by Change Initiative and the Center for Peace and Development Initiative through an open call for participation, inviting Civil Society Organizations (CSOs) engaged in climate finance, policy, research, and implementation across South Asia. A total of 42 participants attended the consultation meeting of which 30 CSOs were submitted separately to gather their observations and recommendations, ensuring broader regional input beyond those present at the consultation. Eight South Asian countries were represented: Bangladesh, India, Pakistan, Nepal, Bhutan, Maldives, Sri Lanka, and Afghanistan.

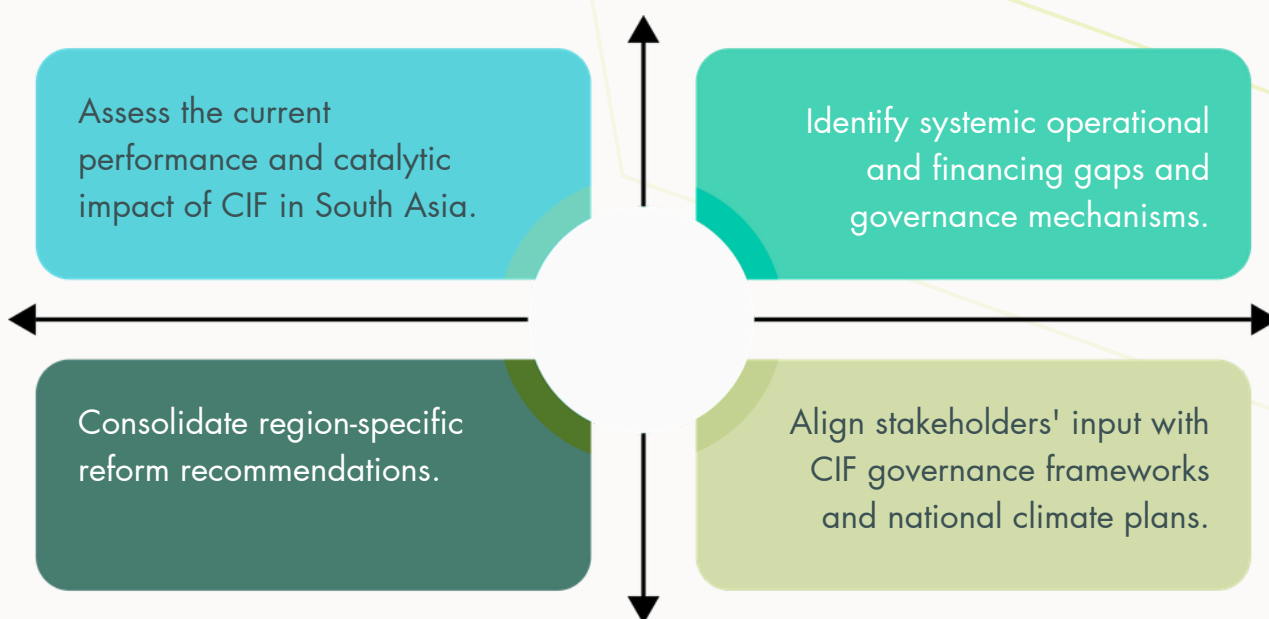
2.2 Beyond institutional affiliation, participants represented a wide range of thematic sectors, including Environment, Climate and Energy; Water and Sanitation; Agriculture, Forestry and Fisheries; Human Rights, Justice and Indigenous Rights; Youth-led Climate and Community Networks; and Development and Social Services, ensuring that discussions reflected both ecological and socio-economic dimensions of climate finance implementation.

2.3 Observers from CIF governance structures were present to engage in the dialogue and clarify institutional processes, strengthening transparency and reinforcing linkages between regional stakeholders and CIF oversight mechanisms.

# 3. Purpose of the Meeting

3.1 The primary purpose of the consultation was to develop a structured and evidence-based Position Note for submission to the CIF Secretariat and relevant Trust Fund Committees.

3.2 The meeting aimed to:



3.3 Participants agreed that the consultation would move beyond general commentary and focus on practical, evidence-based recommendations that are institutionally feasible within CIF's governance framework.

# 4. CIF Regional Portfolio Overview

4.1 Approximately USD 700 million has been invested in South Asia through CIF mechanisms.

4.2 CIF investments have mobilized approximately USD 12 billion in co-financing, reflecting an estimated leverage ratio of 1:17.

## COUNTRY-WISE FUNDING DISTRIBUTION

COUNTRY	CLASS	SCF (\$M)	CTF (\$M)	TOTAL CIF (\$M)	CO-FINANCING (\$M)
India	G20	\$1.5	\$508.1	\$509.6	\$9,060.2
Bangladesh	LDC	\$77.1	\$15.0	\$92.1	\$1,274.5
Nepal	LDC	\$61.4	\$11.0	\$72.4	\$1,311.9
Maldives	SIDS	\$1.1	\$45.0	\$46.1	\$177.4
Bhutan	LDC	\$3.1	\$0.0	\$3.1	\$1.5

SCF Projects: 20

CTF Projects: 14

Total Portfolio: \$698.6M

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4.3 India, classified as a G20 economy, holds the largest portfolio in the region with approximately USD 508.1 million, primarily financed through the Clean Technology Fund (CTF). The majority of CTF-supported projects in South Asia are concentrated in India, largely focused on renewable energy deployment, grid-scale infrastructure, and clean technology transitions.

4.4 Bangladesh, Nepal, Bhutan, and Maldives, predominantly categorized as Least Developed Countries (LDCs) and Small Island Developing States (SIDS), have primarily accessed support through the Strategic Climate Fund (SCF). These investments have focused on resilience-building, adaptation, community-based climate initiatives, and vulnerability reduction.

4.5 CIF operates under a country-led model whereby governments develop investment plans in collaboration with Multilateral Development Banks (MDBs). Observer participation contributes consultative inputs to governance processes, ensuring broader stakeholder engagement while maintaining state-driven implementation authority.

# 5. Observations from Stakeholders

The consultation identified several structural challenges within CIF programming in South Asia.

## 5.1 Financing Structure and Adaptation Gap

Participants raised concerns that the current financing structure relies heavily on loan-based instruments, which may increase sovereign debt vulnerabilities, particularly in Least Developed Countries (LDCs) and fiscally constrained economies. Stakeholders emphasized the need for greater grant-based allocations and recommended integrating sovereign debt risk screening into project approval processes. At the same time, participants noted a persistent imbalance between mitigation and adaptation financing. Highly climate-vulnerable countries require increased investment in areas such as flood resilience, water security, glacier monitoring, climate-smart agriculture, and disaster risk reduction.

## 5.2 Procedural Complexity and Disbursement Delays

Participants highlighted that multi-layered approval procedures within Multilateral Development Bank (MDB) and CIF governance structures contribute to slow disbursement timelines. These administrative complexities reduce the ability of climate finance to respond quickly to urgent climate impacts. Stakeholders recommended simplifying procurement procedures and streamlining disbursement mechanisms so that implementation timelines better reflect the urgency of climate risks.

## South Asia Stakeholder Insights: Shaping the Future of CIF



### Observations





The "Realities"

-  **Catalytic Success**  
Proven record in scaling Renewable Energy and institutional resilience.
-  **The "Local" Gap**  
Access remains centralized; grassroots and youth groups feel sidelined.
-  **Procedural Drag**  
Slow disbursement and complex MDB/CIF approval layers.
-  **Transparency**  
Limited public access to project pipelines and selection criteria.



### Recommendations





The "Actions"

-  **Decentralize**  
Establish provincial/district consultation platforms for local ownership.
-  **Direct Access**  
Create dedicated funding windows for accredited national CSOs/NGOs.
-  **Simplify**  
Streamline procurement and disbursement to match climate urgency.
-  **Mandate Inclusion**  
Institutionalize Youth Advisory boards and Gender-responsive budgeting.



### Expectations

The "Future"

-  **NDC Alignment**  
All investments must strictly mirror national and provincial climate plans.
-  **Regional Focus**  
Prioritize cross-border issues like Glacial Melt and Transboundary Water.
-  **Just Transition**  
Protect low-income groups while building "green skills" for the youth.
-  **Nature-Smart Energy**  
Shift toward nature-based solutions and biodiversity-friendly infrastructure.

### 5.3 Centralized Participation and Limited Local Access

Stakeholders observed that climate finance access remains largely centralized, limiting meaningful participation by grassroots organizations, youth groups, and community-based actors. Although consultation processes exist, structured pathways for direct implementation by local actors remain limited. Participants therefore proposed the establishment of dedicated funding windows for accredited national civil society organizations (CSOs) to strengthen local ownership and implementation capacity.

### 5.4 Transparency, Accountability, and Regional Risks

Participants identified limited public access to project pipelines, selection criteria, and approval timelines as a transparency gap within current CIF processes. To address this, stakeholders recommended introducing social audit mechanisms and performance tracking systems to enhance accountability. In addition, shared regional risks—such as governance of the Ganges-Brahmaputra-Meghna Basin, protection of the Sundarbans ecosystem, and Himalayan glacial melt—were highlighted, with participants suggesting that regional coordination mechanisms and nature-based solutions should complement country-led approaches to long-term resilience.





## 6. Lessons Learned

The consultation highlighted several lessons regarding the implementation of Climate Investment Funds (CIF) programs in South Asia. While CIF has played a catalytic role in mobilizing finance and expanding renewable energy initiatives, participants noted the need for structural adjustments to improve effectiveness and equity. Future programming should better reflect the region's fiscal constraints, climate vulnerability, and ecological priorities while ensuring more inclusive and efficient implementation.

### Key Lessons

- Grant-sensitive financing is necessary for vulnerable economies, as loan-heavy instruments may increase sovereign debt risks in Least Developed Countries (LDCs).
- Adaptation financing must be strengthened to reflect high regional exposure to floods, water stress, climate-sensitive agriculture, and disaster risks.
- Implementation procedures require streamlining to reduce delays in project approval and disbursement.
- Inclusive governance improves effectiveness, highlighting the importance of structured participation from civil society, research institutions, and youth.
- Regional cooperation is essential to address transboundary climate risks such as shared river basins and ecosystem pressures.
- Climate finance must balance ecological protection with economic stability, ensuring that vulnerable communities are supported during climate transitions.

