

## **FiCS Lab working group operationalization May 2024**

### **Objectives and scope**

**Background:** The FiCS Lab will establish four working groups to drive both Pillar 1, sharing and advancing knowledge and best practices, and Pillar 2, facilitating structured policy dialogues. Each group will address one of the four thematic areas identified in the FiCS communique: Climate resilient debt clauses, debt for nature/climate swaps, domestic carbon markets, and currency risks.

**Value add:** The FiCS Lab is a demand-driven, bottom-up initiative driven by the needs of the PDBs in EMDEs, who should lead the effort with support from larger MDBs, rather than the other way around.

**Objectives:** The working groups will shape the analytical research program and promote the sharing of knowledge, best practices, and lessons learned. They will also work to create synergies and develop standardized approaches that can ease the implementation of climate finance instruments.

- **Scope:** Each working group will establish its own work program, guided by its co-chairs and with the support of CPI.

### **Frequency and meeting plan**

Working groups are expected to meet 4-6 times between May and October 2024, ideally monthly. Meetings will continue on a monthly basis after the FiCS Summit in October.

### **Time commitment:**

- Each workstream will have a 1-hour meeting per month (with a 90-minute slot booked in case of meeting runover).
- Members are expected to commit approximately 3-4 hours per month to attend working group meetings, keep up with emails, and provide comments on policy documents from the structured dialogues.
- The co-chairs are expected to commit approximately 8-12 hours per month, including for preparatory sessions with the Secretariat, occasional cross-workstream co-chair meetings, and bilateral sessions with members or others.
- CPI will take on the bulk of the work, providing logistics (scheduling, agendas, minutes), meeting support (presentations, speaking notes, briefing), and analytical products.
- **Setup:** Meetings will be online, and possibly hybrid during key annual events such as the FiCS Summit.

### **Themes:**

- 1-2 of the meetings will be learning sessions featuring external presentations and sharing best practices, supporting Pillar 1.
- The remainder will be operational sessions on co-creating agreed Pillar 2 outputs.

**Communication:** Each group may have an informal communication channel on a platform such as WhatsApp to enable effective communication between meetings.

### Timeline & Process

- **Early March:** Initiate chair outreach.
- **Early March-Early April:** Initiate working group member outreach with FiCS support.
- **Spring meetings:** FiCS Lab to meet with interested PDBs, FiCS, and IDB in a closed-door discussion to agree on potential workplan direction for each working group and take stock of membership.
- **May to early June:** Working groups formed and first working group meetings take place.
- **June-October:** Working groups meet monthly, alternating between learning sessions and structured policy dialogues.
- **October:** Each group will have the chance to present outputs at the FiCS Summit.

### Membership

**Composition:** The working groups will be composed in the first instance of FiCS members. Participation is voluntary, although as we aim for diverse representation in terms of geography and institution type across co-chairs and core working group, we kindly ask each bank to limit their involvement to two working groups at this time. The groups will also invite the participation of non-PDB organizations, such as leading civil society organizations and the private sector with important contributions in knowledge and experience. Participation by external members in individual meetings will be at the discretion of the co-chairs.

- **Representation:** Different positions such as practitioners, experts, and members who have authority within the organization.
- **Number:** At least 8-10 members at inception, focused on PDBs, ideally increasing to about 15 per group once a work program is established. This may be revisited depending on member interest.
- **Other considerations:** To strengthen the linkage between MDBs and NDBs, some members of the workstream should have overlap with the relevant MDB-led labs. For example, members of the MDBs Joint Working Group on Climate and the MDBs Private Sector investment Labs Group are relevant candidates. This can help create an NDB-led initiative supported by the MDBs and support long-term coordination and cooperation.

### Governance

**Format:**

- Each group will ideally have two co-chairs, drawn from the FiCS membership. If necessary, working groups may proceed with a single chair on an interim basis. The co-chairs should be leaders of a FiCS member organization with authority, expertise in the relevant topic, and interpersonal skills.
- CPI will act as organizer and facilitator and provide technical inputs to inform the discussions.

### **We envisage two types of meetings:**

- 1) Core working group members, for operational sessions and
- 2) Open format, for learning sessions.

### **What is expected of participants:**

- **Chairs:** With the help of the CPI facilitator, they will help to shape the terms of reference for the working group, lead working group discussions, and engage in bilateral conversations to gather momentum from other members.
- **Members:** Regular attendance of the working group meetings by a designated representative, active participation in the discussion, and an open sharing of their own knowledge and experience.

Ideally, CPI will be able to provide travel funds for critical meetings for co-chairs and potentially members whose organizations would not be able to support travel to create an added incentive for engagement. Criteria for support of travel arrangements will be defined.

### **Mechanisms for adjustment**

CPI will have mechanisms to assess the working groups' effectiveness and adjust accordingly. Workplans and deliverables will be reviewed annually. Depending on member feedback and interest, the number of workstreams and the thematic focus areas may be revisited after the first year.

### **Looking ahead**

In future years/cycles, some of these topics will remain relevant and some will naturally move into new territories. A few ideas for the next relevant topics supported by the FiCS lab are:

- De-risking tools: This includes guarantees and risk pooling mechanisms, which are particularly relevant for NDBs.
- Project preparation and development, including potential linkages with other CPI efforts.
- An examination of the use of insurance products more broadly.

Work programs will be reviewed and updated on an annual basis, with input from within the working group members and from the broader FiCS membership.