

CIF CLIMATE INVESTMENT FUNDS

Introduction to the CIF

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CIF

Design and Operating Principles

- **Multi-stakeholder with balanced governance**
- **Demonstrate scale and transformation**
- **Multilateral Development Banks leverage public and private sector**
- **Complementarity with partners based on comparative advantage**
- **Sunset clause**

Pledges to date	US\$M equiv.
Australia	129
Canada	92
Denmark	26
France	297
Germany	804
Japan	1,200
Netherlands	79
Norway	175
Spain	117
Sweden	86
Switzerland	20
United Kingdom	1,319
United States	2,000
Total	\$6.3 billion

*exchange rates as of September 15, 2009

Clean Technology Fund

Finance scaled-up demonstration, deployment and transfer of low carbon technologies

Strategic Climate Fund

Targeted programs with dedicated funding to pilot new approaches with potential for scaling up

Investment Plans

- Support country and regional development strategies
- Leverage financial products of Multilateral Development Banks
- Stimulate private sector engagement

±\$5 billion

Pilot Program for Climate Resilience

Mainstream climate resilience into core development planning

Forest Investment Program

Reduce emissions from deforestation and forest degradation

Scaling Up Renewable Energy in Low Income Countries

Initiate transformational change by use of renewable energy

±\$1 billion

Purpose

- to finance programs and projects for demonstration, deployment and transfer of low carbon technologies with significant potential for GHG emissions savings

Scale

±\$5.1 billion in concessional financing to help countries buy down costs of public and private sector investments in low carbon development

Governance

Trust Fund Committee: Australia, Brazil, China, Egypt, France, Germany, India, Japan, Mexico, Morocco, South Africa, Spain, Sweden, Turkey, UK and US + *observers (4 civil society and 2 private sector)*, GEF, UNDP, UNEP, and UNFCCC



Measuring Success

- ✓ Influence countries' low carbon development strategies;
- ✓ Promote market transformation through policy reforms, economies of scale, enhanced competition and private sector participation, and eventually savings in unit abatement costs; and/or,
- ✓ Realize broader employment, business/industrial growth, environmental and social co-benefits that contribute to sustainable development.

Endorsed Investment Plans January 2009

Egypt

Wind Power, Urban Transport
Proposed CTF \$300 million »
\$1.9 billion

Mexico

Energy Efficiency, Urban
Transport, Wind Power
Proposed CTF \$500 million »
\$6.2 billion

Turkey

Renewable Energy, Energy
Efficiency
Proposed CTF \$250 million » **2.1
billion**

Investment Plans under preparation

October 27, 2009

South Africa, Ukraine,
Morocco

December 2009

Colombia, Kazakhstan,
Philippines, Thailand,
Indonesia, Vietnam,
Regional Program for
Concentrated Solar Power
in Middle East and North
Africa

Accessing the CTF

ODA eligible with active MDB
country program

Investment plan embedded in
national development plan

Investment Criteria

✓ Potential for GHG
Emissions Savings

✓ Cost-effectiveness

✓ Demonstration Potential at
Scale

✓ Development Impact

✓ Implementation Potential

✓ Additional Costs and Risk
Premium

Financing Terms

Concessional Loans

CTF Loans	Maturity	Grace Period	Principal Repayments Year 11-20	Principal Repayments Years 20-40	FY09-10 MDB Fee a/	FY09-10 Service Charge b/	Grant Element c/
Harder Concessional	20	10	10%	N/A	0.10%	0.75%	~45%
Softer Concessional	40	10	2%	4%	0.10%	0.25%	~75%

Grants

Preparation grants may be used for:

- (a) Preparation of CTF investment plans, where needed
- (b) Preparation of CTF co-financed projects
- (c) Grant funding for investment plans may be considered on a case-by-case basis

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Strategic Climate Fund (SCF)

Purpose

to promote international cooperation on climate change and support progress toward future climate change regime by providing experience and lessons through learning-by-doing in sectoral areas or by piloting new approaches to development

Scale

\$1 billion + through a range of financing: grants, loans, credits, guarantees, and other support

Governance

Trust Fund Committee: Algeria, Australia, Bangladesh, Canada, Costa Rica, Kyrgyz Republic, Germany, Indonesia, Japan, Kenya, Netherlands, Norway, Switzerland, Thailand, UK, Yemen + observers (4 civil society, 2 Indigenous Peoples, 2 private sector), GEF, UNDP, UNEP and UNFCCC



Measuring Success

- ✓ Success is measured specific to targeted SCF programs

Purpose

To help highly vulnerable countries pilot and demonstrate ways to integrate climate risk and resilience into core development planning while complementing other ongoing activities.

Scale

\$620 million in pledges, mainly grants with option to augment with IDA-like resources

Governance

Sub-Committee: Australia, Bangladesh, Bolivia, Canada, Denmark, Germany, Japan, Maldives, Samoa, Senegal, UK, Yemen, the Adaptation Fund Board + observers (4 civil society, 2 indigenous peoples, 2 private sector, 1 rep. of community dependent on adaptation approaches), GEF, UNDP, UNEP, UNFCCC

Pilot Countries

Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia -- 2 regional programs in Caribbean (Haiti, Jamaica and OECS countries) South Pacific (Tonga, Samoa, PNG).



Measuring Success

- ✓ Increased capacity to integrate climate resilience into development
- ✓ Increased awareness of vulnerabilities and potential impacts
- ✓ Scaled-up investments for broader interventions and programming
- ✓ Improved coordination among stakeholders

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SCF: Forest Investment Program (FIP)

Purpose

To support countries' efforts to reduce emissions from deforestation and forest degradation (REDD+) by financing scaled-up replicable models of effective forest management efforts. REDD+ includes reducing emission from deforestation and forest degradation, conservation, sustainable management of forests and enhancement of carbon stocks.

Scale

\$350million in initial pledges

Governance

Sub-Committee: Australia, Brazil, Democratic Republic of Congo, Denmark, India, Morocco, Nepal, Norway, Romania, UK, and US; observers (self-selection in progress for CSO, private sector and indigenous peoples representatives), FCPF, GEF, UNFCCC, UN-REDD



Measuring Success

- ✓ Effective REDD+ programs
- ✓ Conservation or enhancement of existing carbon reservoirs
- ✓ Effectively address drivers of deforestation and degradation
- ✓ Effectively address economic benefits and incentive systems

Purpose

To assist low income countries to move towards low carbon energy pathways by exploiting their renewable energy potential in place of fossil-based energy supplies and inefficient use of biomass

Scale

Minimum of \$250 million in financing for significant programs of capacity building and investments in renewable energy

Governance

Sub-Committee: Up to six representative of contributor and six representatives of eligible recipient countries, with at least one member also being a member of the Strategic Climate Fund Trust Fund Committee + observers, including representative of Energy for the Poor Initiative



Measuring Success

- ✓ Remove barriers to renewable energy
- ✓ Lead to replication of renewable energy investments
- ✓ Increase installed renewable energy capacity in a country's energy supply

- CTF:
 - 15-20 Investment Plans
- SCF:
 - PPCR – Joint Missions launched (first: Nepal)
 - Operationalization of FIP and SREP
- Partnership Forum in March 2010 in Manila, Philippines as a platform for exchange of lessons learned from the design and early implementation of the CIF
- Managing for results: need for harmonization of CIF results frameworks