



Joint Meeting of the CTF and SCF Trust Fund Committees  
Washington D.C. (Virtual)  
Tuesday, June 22, 2021 – Wednesday June 23, 2021

FY22 CIF BUSINESS PLAN AND BUDGET  
SUMMARY



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## 1 Strategic Overview

1. The Climate Investment Funds (CIF) are at the forefront of global climate action. Over the past 13 years, the USD 8.5 billion CIF has mobilized key development partners, and catalyzed transformational change through 376 innovative climate-smart investment projects in more than 72 developing countries. CIF has incentivized innovation and targeted strategic investments to priority climate action areas and continues to maintain its leadership role in climate finance, pioneering new business and investment models and driving multi-MDB cooperation and inclusive, country-led investment planning approaches.
2. Navigating the unprecedented and catastrophic disruption caused by COVID-19, CIF continued with its innovative and inclusive approach to support countries and MDBs with recovery-focused funding mechanisms to help build back greener and better, overcome the pandemic's lingering effects on people and economies, and to prepare for the next looming crises triggered by climate change. CIF also continued work toward the next set of innovative financing mechanisms, including modeling for a revitalized CTF 2.0, and design of a new venture-focused investment window to support high-risk but high-impact technologies, models, and approaches. Over the past year, CIF dedicated substantial efforts towards strategic engagement and outreach, including a focus on deepening partnerships and leveraging opportunities for complementarity with various global entities.
3. In FY22, CIF aims to pro-actively address emerging priorities through various innovative and inclusive approaches. The newly approved CIF investment programs, expected to be launched shortly, will help drive greater climate ambition within CIF partner MDBs and countries, while also helping to promote deeper alignment of expertise and resources across development finance institutions for greater impact. CIF will also continue to host engaging online events and webinars on pressing climate challenges and the future of climate action in a world rocked by COVID-19.

## 2 FY22 Budget Proposal

4. For FY22, a budget of USD 23.03 million is proposed to deliver on strategic focus areas of the CIF partnership, including USD 20.45 million for administration services and USD 2.58 million for multi-year activities<sup>1</sup>.

**Summary table: FY22 Budget Commitment (USD '000)**

	CTF	SCF	Total
<b>Total</b>	<b>11,775.6</b>	<b>11,254.0</b>	<b>23,029.7</b>
<b>Administrative Services</b>	<b>10,050.6</b>	<b>10,404.0</b>	<b>20,454.7</b>
<b>Multi-Year Activities:</b>	<b>1,725.0</b>	<b>850.0</b>	<b>2,575.0</b>
<i>Country Engagement</i>	-	625.0	625.0
<i>Special Initiatives</i>	1,725.0	225.0	1,950.0

5. FY21 budget utilization remains within the overall approved envelope, and due to the impact of COVID-19 is expected to be lower in certain areas since some planned activities were either held virtually or canceled. Trustee costs are expected to marginally exceed the approved budget due to an increase in the investment management fees on account of larger trust fund cash balances.
6. The Administrative Unit, the MDBs and the Trustee have made significant efforts through FY21 to develop and pursue operationalization of the approved new CIF programs, including the CIF COVID-19 Technical Assistance Response Initiative for Green and Climate Resilient Recovery (COVID-19 Window) and the Accelerating Coal Transition (ACT) investment program (See Section 3.2 for more details on new programs). Expected savings in FY21, due to cancellation of the TFC meetings and other in-person activities, are being used to pursue such efforts.
7. The proposed FY22 budget is aligned with projections provided for SCF administrative costs until FY28 and the decisions of the SCF Trust Fund Committee on cost reductions. Marginal increases in certain categories of the FY22 budget are primarily to provide for preparatory work and operationalization of the new programs, including the preparation of design documents, operational modalities, expressions of interests, and other activities, as well as to cover an expected increase in the World Bank indirect cost recovery for financial intermediary fund secretariats. A supplemental budget to cover expenses related to operationalizing the proposed new programs, including setting up the financial and governance structure, and to cover the cost of programming and pipeline preparation for the new programs will be requested upon receipt of sufficient contributions to such programs.

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<sup>1</sup> The budget proposal covers administrative services, which are the core services provided by the CIF Administrative Unit, the focal point teams of the MDBs, and the Trustee to deliver on the CIF mandate, and which are a sizeable portion of the annual CIF work plan. Multi-year activities are typically designed for specific initiatives or purposes that may extend over multiple fiscal years.

8. For FY22, the multi-year budget request is proposed under two categories: 1) Country Engagement for USD 0.625 million, and 2) Special Initiatives for USD 1.95 million. Details of activities to be undertaken with this budgetary support are given below:

**Proposed FY22 Budget for Multi-Year Activities (USD '000)**

	Total	CTF	SCF	SCF Programs		
				FIP	PPCR	SREP
<b>Multi-Year Proposed Total Budget</b>	<b>2,575.0</b>	<b>1,725.0</b>	<b>850.0</b>	<b>249.5</b>	<b>517.3</b>	<b>83.3</b>
<b>Country Engagement</b>	<b>625.0</b>	<b>-</b>	<b>625.0</b>	<b>200.0</b>	<b>425.0</b>	<b>-</b>
<i>CIF Administrative Unit-coordinated country engagement activities</i>	225.0	-	225.0	-	225.0	-
<i>MDB-coordinated country engagement activities</i>	400.0	-	400.0	200.0	200.0	-
<b>Special Initiatives</b>	<b>1,950.0</b>	<b>1,725.0</b>	<b>225.0</b>	<b>49.5</b>	<b>92.3</b>	<b>83.3</b>
<i>CIF Collaboration Hub (CCH) Phase III</i>	450.0	225.0	225.0	49.5	92.3	83.3
<i>E&amp;L Initiative Extension: Proposed Budget - Year 3 (FY22)</i>	1,500.0	1,500.0	-	-	-	-

9. **Country Engagement (USD 0.625 million):** The following activities are proposed under the country engagement budget category:
- a. **Development of Climate and Health Country Profiles (USD 0.225 million):** This budget will support, in collaboration with the World Bank, the preparation of six Climate and Health Country Profiles (CHCPs), which provide an initial country-level assessment of the human health risks of current and projected climate change and the public health policies and programs that need to be endorsed in order to reduce health risks.
  - b. **Support to MDB-Coordinated Country Engagement Activities (USD 0.4 million):** This budget will supplement funding to MDB-coordinated activities responding to country demand for support to gender mainstreaming, South-South learning, enhancing country systems for results reporting, and stakeholder reviews of implementation of investment plans and strategic programs for climate resilience (SPCR).
10. **CIF Collaboration Hub Phase III (USD 0.45 million):** This budget will support further development of the CIF Collaboration Hub (CCH) to include an expanded results dashboard and gender reporting and analytics. Annex 3 has more details on CCH Phase III enhancement proposal.
11. **E&L Initiative extension (USD 1.5 million):** A budget of USD 1.5 million is proposed for the **FY22 (year 3) activities of the E&L Initiative**. Funding in FY22 will be dedicated to expanded dissemination of E&L lessons to new audiences based on stakeholder mapping; strategic learning engagements and knowledge exchange with countries, MDBs, and others; implementation of a multi-faceted evaluation of development impacts in CIF programs; and other initiatives. The [E&L FY21 Annual Report and FY22 Business Plan](#) has additional details. A detailed work plan will also be discussed at the Joint Meeting of the CTF and SCF Trust Fund

Committees in June 2021. Allocation of proposed costs to SCF for this special initiative is consistent with the methodology for apportioning costs to SCF programs, as approved in [Long-term SCF Administrative Costs and Funding Options](#) (SCF/TFC.IS.1/2)

### 3 Strategic Focus for FY22

12. In addition to the regular core and special initiative work program of the CIF Administrative unit, the MDBs and the Trustee, CIF will also focus on the following activities:
13. **Operationalizing new CIF investment programs:** Work toward operationalizing the five new CIF investment programs will continue to be a major FY22 strategic objective. Related activities in FY22 will include establishment of new program account(s), changes to existing governing and legal documents, finalization of new legal documents (including updating the program design/operational documents), implementation of a process for eligible recipient countries to submit expressions of interest and establishment of an expert group to review them, commencement of preparation and endorsement of investment plans, and establishment of a governance structure for the new programs.
14. **COVID-19 Window:** CIF will continue operationalization of the COVID-19 window in FY22. This window will continue to offer technical assistance and capacity building support to low- and middle-income countries to integrate green, low-carbon and climate-resilient policies and investments into their COVID-19 recovery plans.
15. **CIF Climate Ventures Window and private sector mobilization:** Once approved, CIF will work towards quick operationalization of the Climate Ventures (CCV) window as a mechanism within the CIF business model to give MDBs the flexibility and incentive to support particularly high-risk but high-impact technologies, models, and approaches. In addition to CCVs, it is expected that there will be significant private sector support under the new CIF programs. The new program country selection process would commence in FY22 upon their launch. CIF will also continue to advance potentially transformative structures to engage the private sector, including institutional investors, at the CIF fund level.
16. **CIF's strategic engagement and outreach:** CIF will continue focus on deepening partnerships, leveraging opportunities for complementarity with key development partners, and building on CIF's continuing contribution to global climate action.
17. **CIF-TAF:** A final list of projects that help countries to achieve a green and resilient recovery will be approved by end of June 2021. In FY22, CIF-TAF will coordinate with donor countries and MDB partners to manage and monitor the implementation of approved projects under the initiative. In addition to programming, insights and lessons learned from knowledge sharing activities and local consultations will contribute to program design and inform future case studies on how developing countries can build back better in a post COVID-19 era.
18. **CCH Phase 3 Development:** In FY22, additional systems development work for substantive upgrades and new process automations for the CCH will be undertaken to cover the following

enhancements: Gender module, Results enhancements and improvements, Alert system and Migration to cloud platform

#### **4 CIF Portfolio Review**

19. As of FY21, CIF is supporting 72 countries to achieve climate-smart sustainable development through the delivery of a portfolio of 376 projects leveraging USD 61.2 billion in co-financing, of which USD 19.6 billion is from the private sector. As of June 30, 2021, CTF will be supporting 159 projects<sup>2</sup> in 38 countries with total approved amount of USD 5.5 billion. The three current SCF programs—Pilot Program for Climate Resilience (PPCR), Forest Investment Program (FIP), and Scaling Up Renewable Energy Program in Low Income Countries (SREP)—show continued progress, with resources for 187 projects in 49 countries expected to be approved by June 30, 2021 for a total approved amount of USD 2.3 billion. The Technical Assistance Program is advancing in project implementation with a portfolio of 30 projects for a total approved amount of USD 32 million.
20. CIF continues to progress toward full commitment of its resources with approximately USD 8.2 billion expected to be programmed by end FY22, corresponding to 96 percent of the current CIF pipeline. In FY22, it is projected that the six remaining projects for USD 50 million in the SCF programs will be approved by the Sub-Committee and the GESP will continue progress towards operationalization of the implementation plan and the indicative project pipeline. Additional CTF funds available through cancellations will be redirected toward new and innovative programs. Similarly, though there are nine projects in the SREP reserve pipeline, assessments will continuously be done to ensure optimal allocations for best impact.
21. The COVID-19 pandemic continues to have an impact on CIF programs, both for projects under implementation and those in the pipeline. Government guidelines on social distancing, travel restrictions, and gatherings have slowed some project activities, translating into slower disbursements. Delays have been experienced in the conduct of procurement, field work, delivery of goods and installation of equipment, stakeholder engagement, and civil works. These challenges have also resulted in extended project closing dates and target dates of funding approval.

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<sup>2</sup> Projections are based on updates to the pipeline as of February 2021.