Climate Investment Funds

CTF-SCF/TFC.3/3
October 16, 2009

Joint Meeting of the CTF and SCF Trust Fund Committees
Washington, D.C.
October 28, 2009

DRAFT

ANNUAL REPORT ON THE CIF "BUILDING PARTNERSHIPS FOR CLIMATE ACTION"

Proposed Decision of Joint Meeting of CTF-SCF Trust Fund Committees

The meeting reviewed the draft *Annual Report on the CIF "Building Partnerships for Climate Action"* (CTF-SCF/TFC.3/3) and welcomes the review of the experience and lessons learned from the design and start up of the funds. The meeting approves the report, subject to the comments made at the meeting. The meeting requests the CIF Administrative Unit to publish the Annual Report and make an on-line version available on the CIF website. The meeting invites the CIF Administrative Unit to expedite the publication of the report so it may be disseminated at the fifteenth session of the UNFCCC COP, Copenhagen, December 2009.

Introduction

1. The Governance Frameworks for the CTF and the SCF call for the preparation of an annual consolidated report on CTF and SCF on " activities, performance, and lessons, including details of the CTF's and SCF's portfolios, status of implementation, funding allocations for the previous period, pipeline of projects and funding projections, administrative costs incurred, and other pertinent information". [1] The draft Annual Report is to be reviewed by the MDB Committee and approved by the CIF Trust Fund Committees. This Annual Report is being submitted for approval by the CTF and SCF Trust Fund Committee at their joint meeting on October 28, 2009.

2. As the CIF were only approved on July 1, 2008, this report focuses on early lessons emerging from the design and start-up phases of the CIF, including governance design, initial financials, portfolio, and status of the various CIF programs.

3. The report incorporates preliminary results from a consultant's study on the early lessons learned in designing and operationalizing the CIF (see *Progress Report on Study on Lessons Learned from the CIF Design Process and Early Implementation*, document CTF-SCF/TFC.3/Inf.2) under preparation for consideration at the Partnership Forum in March 2010.

[1] See CTF Governance Framework, paragraph 37(d) and SCF Governance Framework, paragraph 38(e).

Climate Investment Funds

Building Partnerships for Climate Action

Draft October 2008-October 2009 Annual Report

Contents

Acronyms

ADB	Asian Development Bank
AfDB	African Development Bank
AMAN	Aliansi Masyarakat Adat Nusntara
CIF	Climate Investment Funds
CSO	Civil Society Organization
CSP	Concentrated Solar Power
CTF	Clean Technology Fund
DANIDA	Danish International Development Agency
DfID	United Kingdom Department for International Development
EBRD	European Bank for Reconstruction and Development
FCPF	Forest Carbon Partnership Facility
FIP	Forest Investment Program
GDP	Gross Domestic Product
GEF	Global Environment Facility
GHG	Greenhouse Gas
IADB	Inter-American Development Bank
IBRD	International Bank for Reconstruction and Development
IFC	International Finance Corporation
IDA	International Development Association
IUCN	International Union for Conservation of Nature
LDCF	Least Developed Country Fund
MDBs	Multilateral Development Banks
MDG	Millennium Development Goals
MENA	Middle East and North Africa
NAPA	National Adaptation Program of Action
NGO	Non-governmental Organization
ODA	Official Development Assistance
PPCR	Pilot Program for Climate Resilience
SCF	Strategic Climate Fund
REDD	Reducing Emissions from Deforestation and Forest Degradation
SME	Small and Medium Enterprise
SREP	Scaling Up Renewable Energy Program in Low Income Countries
TEIAŞ	Turkish Electricity Transmission Corporation
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
UNFPII	UN Permanent Forum on Indigenous Issues
UN-REDD	United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries
WBCSD	World Business Council for Sustainable Development

Climate Investment Funds in brief

The Climate Investment Funds (CIF) are two financing instruments designed to help developing countries transform to low-carbon and climate-resilient development through scaled-up financing channelled through the multilateral development banks (MDBs).

The Clean Technology Fund (CTF) provides scaled-up financing, principally to emerging economies and to regional groups, for demonstration, deployment, and transfer of low-carbon technologies that have significant potential for long-term greenhouse gas (GHG) emissions savings. The CTF is designed to support 15-20 country and regional Investment Plans that meet the criteria of significant GHG emissions savings, demonstrating good potential for scale, development impact, and implementation readiness.

The Strategic Climate Fund (SCF) is designed to support developing countries in their efforts to achieve climate-resilient, low-carbon development through three targeted programs with dedicated funding to pilot new approaches to climate action.

Pilot Program for Climate Resilience (PPCR)
Supports countries as they undertake scaled-up climate action and initiate steps toward transformational change by integrating climate resilience in their national development planning.

Forest Investment Program (FIP)
Provides financial and knowledge support for country-led initiatives to reduce GHG emissions from deforestation and forest degradation and to promote improved sustainable management of forests.

Scaling Up Renewable Energy Program in Low Income Countries (SREP)
Helps low income countries adopt renewable energy solutions through a programmatic approach that involves government support for market creation, private sector implementation, and efficient energy use.

Current funding

During the reporting period, 12 countries have pledged a combined $6.2 billion to the (CIF)—$5 billion to the CTF and $1.2 billion to the SCF.

What's happening

Clean Technology Fund
In the past year, the CTF has endorsed three investment programs that support wind power projects, rapid bus transit and light rail, energy efficiency schemes, and a low-carbon financial intermediary project. Investment Plans are under preparation in 10 more countries, and the CTF has a target of endorsing 15-20 Investment Plans by the end of fiscal year 2010.

Endorsed Investment Plans:

- Egypt (CTF: $300 million; leverages $1.9 billion).
- Mexico (CTF:$500 million; leverages $6.2 billion).
- Turkey (CTF: $250 million; leverages $2.1 billion).

Programs under preparation:

- Country: Colombia, Indonesia, Kazakhstan, Morocco, Nigeria, Philippines, South Africa, Thailand, Vietnam, Ukraine.
- Regional: Middle East and North Africa (MENA) Concentrated Solar Power (CSP).

Strategic Climate Fund

The PPCR and the FIP are operational. SREP awaits full funding ($250 million) before beginning operations. Based on expert advice, in the past year the PPCR Sub-Committee approved 9 countries and 2 regions to take part in assessment and strategic action plans. A joint mission went to Nepal in September, and joint missions to the remaining 10 countries and regions will take place this and next year.

Pilot Program for Climate Resilience

- Operational.
- Funding to date: $614 million (as of September 30, 2009).
- Country programs: Bangladesh, Bolivia, Cambodia, Mozambique, Nepal, Niger, Tajikistan, Yemen, Zambia.
- Regional programs: Caribbean, South Pacific Islands.

Forest Investment Program

- Operational.
- Design document approved by Trust Fund Committee in July, 2009.
- Funding to date: $350 million (as of September 30,` 2009).

Scaling Up Renewable Energy Program in Low Income Countries

- Design document approved by Trust Fund Committee in May, 2009.
- Funding to date: $206 million (as of September 30, 2009).
- Funding needed to become operational: $250 million.

First-year accomplishments

Built for rapid response
With a pragmatic operating approach to move quickly from concept to disbursement, the CIF have endorsed more than $1 billion in funding for clean technology programs and are developing adaptation and climate resilient development plans in 11 countries and regions.

Harvesting knowledge
The CIF have a systematic approach to harvesting early learning from the design of their governance and many programs. The CIF are designed to transfer knowledge to countries and diverse stakeholders.

Engaging stakeholders
With openness and inclusion as goals, the CIF governing structure has been designed to formally include nongovernmental organizations (NGOs), Indigenous Peoples, multilateral partners, and the private sector. Civil society, Indigenous Peoples, and the private sector joined with independent facilitators to develop a process to self-select active observers for Trust Fund Committees. Self-selected active observers met in October 2009.

Overview: Today's changing development context

To see today's effects of climate change, travel to the highlands of Yemen. The poorest country in the Arabian Peninsula, Yemen is also one of the driest on the planet: freshwater availability is 15 percent of the regional average. More than half of Yemen's cultivated area relies on rainwater for irrigation. For more than 2,000 years, farmers have terraced the hillsides and developed sophisticated agro-biodiversity to trap and make the most of water as a precious resource.

These traditional methods of survival have worked for millennia. Today, the agricultural sector, which adds 15 percent of GDP and employs 55 percent of the population, squeezes as much moisture out of the land (and sky) as possible, using 90 percent of the available water resources.

Climate change threatens all this. Modeling suggests that Yemen will be among the hardest hit by rising temperatures and droughts, which, along with flash floods, have become more frequent in recent years. According to one study, climate change could lead to a 50 percent drop in rain-based crop yields by 2020, a devastating proposition for rural areas that are home to 83 percent of Yemen's poor.[2] In 2008 flash floods killed more than 140 people and left 20,000 homeless in the Hadramout and Maharah provinces.

For developing countries like Yemen, climate change is about more than the environment: it is a primary development issue—often the difference between poverty and prosperity—that threatens to reverse recent strides toward the Millennium Development Goals (MDGs).[3]

Developing countries are eager to act. Yemen is incorporating climate change policies into its national development strategy (Vision 2025), better managing its coastlines in the face of rising sea levels, and developing a national strategy to manage water resources. But limited capacity means Yemen often cannot react quickly enough. The developed world must contribute—not only for the sake of the global climate, but also to enhance the capacity of developing countries to protect and build their economic and social future.

Recognizing climate change as a core development issue

Climate change is one of the largest impediments to sustained economic growth, and its effects are already being felt. Developing countries did not cause this problem: historically, the cumulative and per capita emissions of developed countries are far greater. But the carbon contribution of developing countries is rising rapidly. They now release 52 percent of carbon emissions—even with a big share of their people still in poverty. Based on past economic trends, a majority will have a middle-income lifestyle by 2050. Demographic trends will sharpen this trajectory: the global population will grow

[2] Yemen PPCR Application.
[3] Approved by the United Nations, the Millennium Goals are a set of development benchmarks that UN member-countries have agreed to meet by 2015.

to 9 billion people by the middle of the century, with 2.5 billion more people in developing countries than today.

Rapid economic growth is a good thing. Between 1990 and 2005, 400 million people escaped poverty in the developing world. But economic growth and low-carbon development should not be at odds. Rather than being considered inimical to development, climate adaptation and mitigation must become a central pillar. This will not be easy. Governments, financing institutions, and industry must view development as an opportunity to better prepare countries for climate change, reducing its costs while continuing to promote growth.

The encouraging news is that developing countries are still building their economies. Unlike many developed counties with entrenched fossil fuel-based power and transport systems, developing countries can take a different path. The economies of developing countries are set to triple between 2002 and 2030. To meet the rise in demand, they will increase capacity by expanding power infrastructure, building motorways to accommodate more automobile use, and increasing the productivity of farms and forests.

To transform GHG emission trajectories, developed countries must provide the financing and technology to enable developing countries to meet energy and transport demands in a more sustainable way. There is certainly a demand for alternatives: more than any, developing countries feel the repercussions of climate change—it severely affects many of them already—and welcome new adaptation schemes and investments in low-carbon technology.

The role of the Climate Investment Funds

The CIF are contributing to this shift, offering the financial assistance to catalyze lower carbon and climate resilient growth trajectories. Though CIF funding is small in relation to the overall financial need, it can help provide the critical mass needed for scaling up and replication. Successful programs can lead to more investment through newly developed funding mechanisms, boosting employment and manufacturing capacity.

Successful adaptation and mitigation efforts can embolden development aims and provide countries and development agencies with valuable lessons. The CIF aim to show that, with strategic financing, it is possible to have a combined development and low-carbon impact.

Indeed, the CIF are open for business. Since December 2008, with the $6.2 billion in pledges, the CIF approved investment plans for wind farms and transit in Egypt; wind farms, urban transport, mass transit, and efficiency measures in Mexico; and a renewable energy project and a low-carbon financing scheme in Turkey. Eleven low income countries and regions are beginning to develop adaptation and mitigation plans with CIF support to complement economic growth and poverty reduction efforts.

After one year: the CIF's contributions to climate action

In its first year, the CIF have moved from a concept to full-blown incipient operations. The speed of development is a testimony to the urgency of the challenges the CIF mechanism seeks to address; to the willingness of stakeholders across the board to take concerted action in the face of shifting need and response; and to the unique and innovative features designed and implemented by stakeholders that allow for flexibility, rapid action, authentic stakeholder engagement, and learning.

Features driving the early effectiveness of the CIF include:

Innovative design
The CIF design process aimed to be inclusive. The collaboration among developed and developing countries, MDBs, civil society, Indigenous Peoples, multilateral organizations, and the private sector was critical to the process. The result is a funding mechanism that is operated equally among developed and developing countries, and facilitated by the MDBs.

The CIF are also designed as an interim measure: participants took care to defer to the primacy of the United Nations Framework Convention on Climate Change (UNFCCC) in global climate negotiations and await its decisions at the close of 2009.

Country-led process
Developing countries are already making efforts to mitigate and adapt to climate change, crafting responses to the extent possible within the context of their development priorities. But many lack the funds and capacity to respond fully. In some cases, despite government efforts, rapid economic growth is outpacing efforts to incorporate low-carbon initiatives into national development plans. The country-owned approach, a key element of the CIF, is designed to enable countries to bridge the funding gap that limits their current capacity to incorporate low-carbon programs into national development plans.

Targeting transformational technologies and practices
The CIF present opportunities to invest in programs that use groundbreaking ways to develop sustainably. These can be in the form of new financial arrangements to scale up existing low-carbon technologies or though inventive adaptation schemes. Regardless of the path, each program must initiate or facilitate steps toward transformative impact to help catalyze low-carbon development. Identifying barriers and developing solutions, the CIF aim to provide tools and practices that can shift countries to low-carbon trajectories and develop good practices that can be replicated elsewhere, adapted to local conditions.

Representative governance structure
The CIF are governed by Trust Fund Committees on which representation is split equally between contributor and potential recipient countries. Decisions are based on consensus. MDB representatives sit on committees but do not vote. The MDBs collaborate and harmonize investment strategies for CIF programs.

Engaging the full range of stakeholders

The CIF are making strides to create an open process with effective stakeholder voice. In consultations with myriad groups, the CIF have incorporated into the governing structure formal self-selection processes for civil society, private sector, and Indigenous Peoples. Representatives from the UNFCCC and Global Environment Facility (GEF) are invited as observers. Stakeholders will also participate actively in the annual Partnership Forum, the second of which will be held in March 2010 at the headquarters of the ADB in Manila. The forum serves as an opportunity to openly and candidly assess progress made, suggest strategies going forward, and analyze lessons learned.

Systematically learning by design

Over the past year, the CIF have been laboratories for developing new ideas on how to provide large scale climate finance to developing countries to help mitigate and adapt to climate change. The CIF are designed to be flexible. As laboratories for transformative action, they conduct experiments that can be altered as the process goes along.

Adapting to climate change in Nepal

With a share of less than 0.025 percent of global GHG emissions, Nepal can hardly be considered a large contributor to climate change. But the effects of climate change on Nepal are easy to see. A national communication report projected that by the end of this century, temperatures in Nepal will rise 4°C in winter and 2.5–3°C in summer. Snowmelt is increasing water flow at an alarming rate, affecting agriculture and threatening to destroy infrastructure.

Citing needed adaptation measures and a lack of financial and technical capacity, Nepal collaborated with stakeholders to apply for funding under the PPCR, a program under the CIF's SCF, which was accepted by the Trust Fund Committee this year. Nepal's PPCR program is in addition to other measures to study its vulnerability. With the assistance of GEF, United Nations Development Programme (UNDP), United Kingdom Department for International Development (DfID), and the Danish International Development Agency (DANIDA), Nepal is developing a National Adaptation Program of Action (NAPA)[4] to identify affected sectors and come up with practical responses. The PPCR will support these efforts and develop a multi-stakeholder framework to address climate-related development issues.

In September 2009, a delegation from the CIF met Nepal's 23-member Climate Change Network, comprising the government ministries, NGOs, and members of academia and the private sector. During the consultations, Nepal stressed the importance of extensive

[4] The National Adaptation Program of Action UN program that provides a process for Least Developed Countries to identify priority activities that respond to their urgent and immediate needs to adapt to climate change – those for which further delay would increase vulnerability and/or costs at a later stage.

stakeholder consultations to develop and implement projects under the PPCR and expressed intent to integrate the PPCR program into the overarching NAPA.
Source: Nepal PPCR Application

Part I: What are the Climate Investment Funds?

The Climate Investment Funds (CIF) are a pair of financing instruments designed to initiate transformational change toward low-carbon and climate-resilient development through scaled-up financing administered by the MDBs.

The CTF finances scaled-up demonstration, deployment, and transfer of low-carbon technologies for significant GHG reductions. The focus is on opportunities with large GHG abatement potential at the country (or regional) level.

The SCF finances targeted programs in developing countries to pilot new climate or sectoral approaches with scaling-up potential. Three programs operate under it: PPCR, FIP, and SREP.

Recognizing that climate change is also a developmental issue, the CIF fund low-carbon projects that bolster country-led development and poverty reduction efforts.

With over $6 billion in pledged funding to date, the CIF open the opportunity for blending funding for climate solutions with financing from other multilateral banks, contributor governments, and the private sector, thereby leveraging substantial additional funds.

In accord with the Bali Action Plan, the CIF are designed to offer valuable lessons for deliberations underway in the UNFCCC. They are seen as an interim measure to strengthen the global knowledge base for low-carbon and climate-resilient growth solutions.

An innovative governing structure

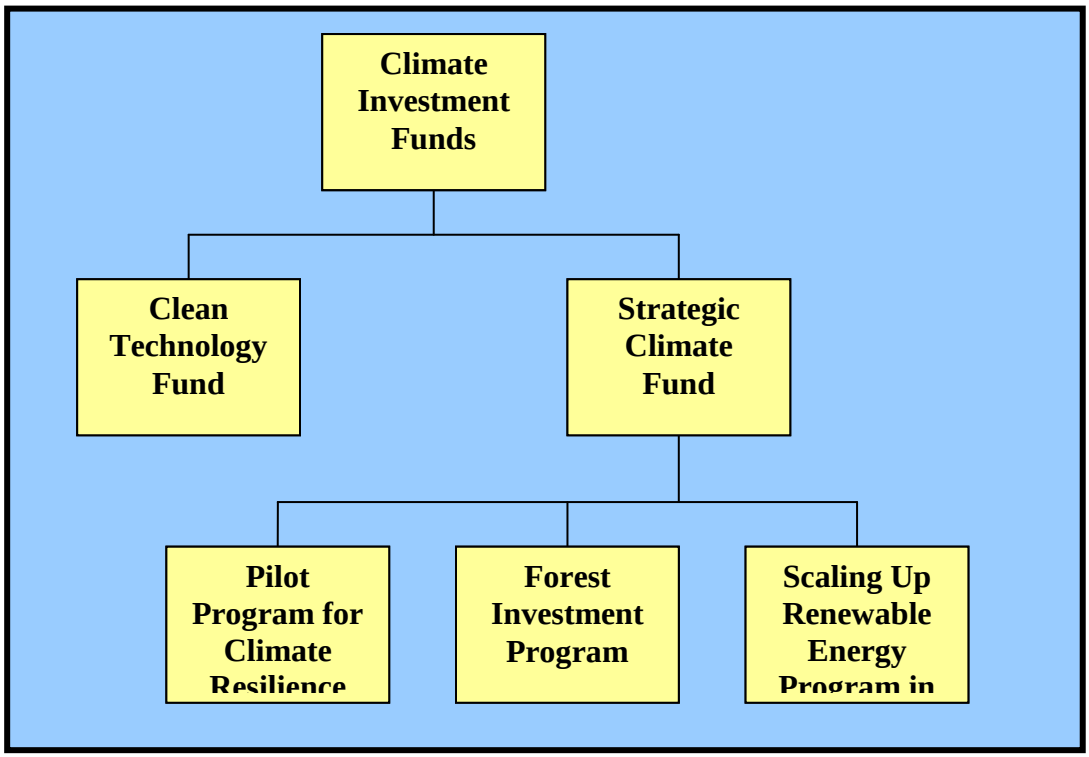
The CIF were designed collaboratively with a range of stakeholders—developed and developing countries, MDBs, UN agencies, GEF, NGOs, Indigenous Peoples, and the private sector.

The governing structure incorporates equal representation of the contributor and recipient countries, who together adopt programs by consensus under agreed criteria. All investment plans, strategies, programs, and policies are disclosed.

Stakeholders from civil society, Indigenous Peoples, and the private sector are chosen through self-selection to observe and contribute to CIF deliberations. Representatives from the UNFCCC and GEF are also invited as observers. Representatives from the MDBs take part in committee meetings but do not have a vote in funding decisions.

The CIF are implemented jointly by the MDBs: African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD), Inter-American Development Bank (IADB), and World Bank Group, including the International Finance Corporation (IFC).

Figure 1. The CIF structure



Clean Technology Fund (CTF)

Emerging economies will see an inevitable large increase in emissions in the next decade. But faced with energy and environmental challenges, many see value in clean technology to meet their energy security and development goals, and thereby reduce the rate of emissions growth. Countries also seek improvements in efficiency and new transport systems to unclog congested cities. But a financing gap often prevents them from using low-carbon technologies.

The CTF was created to support and speed the process of deploying low-carbon technologies to meet countries' development objectives. Providing scaled-up financing to reconcile development and carbon reduction, it offers highly concessional financing for large-scale, country-initiated energy and transportation projects that have significant potential for long-term GHG emissions savings.

The CTF is expected to support 15–20 country and regional Investment Plans that meet the criteria of significant GHG emissions savings, development impact, and implementation readiness. To access CTF funding, a country must be eligible for official development assistance (ODA) and have an active MDB country program.

When a country expresses interest in the CTF's financing, it must work with the MDBs, private industry, and other stakeholders to develop an Investment Plan highlighting how the proposed CTF investment program fits with a low-carbon national development vision.

The CTF also looks to support ideas that transcend local energy concerns, such as programs that can shape markets for technology or provide broader development and environmental benefits. By building new creative financing models, overcoming existing risk perceptions, and creating knowledge spillover, these pilot projects seek to encourage initiatives outside the CTF—from the public and private sectors and in MDB energy portfolios.

Within a short time, the CTF has approved large-scale collaborative projects in many locations, supporting a wide range of technologies and financial arrangements in the hope of maximizing climate impact and lessons learned.

First Clean Technology Fund Investment Plans Underway June 2009

Endorsed Investment Plans: Egypt, Mexico, Turkey.

Investment Plans under preparation: Colombia, Indonesia, Kazakhstan, Morocco, Nigeria, Philippines, South Africa, Thailand, Ukraine, Vietnam, regional (Middle East and North Africa CSP).

First project approved by MDB Board: Turkey Renewable Energy and Energy Efficiency Project.

First private sector project approved by the Trust Fund Committee: Mexico Private Sector Wind Development.

CTF AT A GLANCE	
Implemented by	MDBs: AfDB, ADB, EBRD, IDB, International Bank for Reconstruction and Development (IBRD), and the IFC
Governance	CTF Trust Fund Committee (TFC) with representatives of eight contributor and eight beneficiary countries
Financing	Concessional financing instruments (such as grants and concessional loans), risk mitigation instruments (such as guarantees), and equity.
Country eligibility	ODA and MDB eligibility.

CTF Turkey

The Turkey CTF Investment Plan is the first ever CTF plan approved for renewable energy and energy efficiency. It aims to support the low-carbon objectives in the country's ninth Development Plan (2007–13) and related strategies, legislation, and programs. The Investment Plan is a partnership among the Government of Turkey, the World Bank (IBRD), the IFC and the EBRD.

.Turkey's GHG emissions are growing rapidly, and the energy sector is the major contributor, with energy needs continuing to grow. The CTF Investment Plan will assist the government in promoting clean energy development from domestic renewable resources (such as wind, hydro, biomass, and solar) and improving energy efficiency, primarily in industry and small and medium enterprises (SMEs).

For example, Turkey wants to expand renewable energy, particularly wind power, to help reduce CO_2 emissions and ensure security of the energy supply. The Investment Plan will help the government expand wind energy toward its target of 20,000 MW by 2020—an amount that would meet almost half of Turkey's present energy needs.

The Investment Plan identifies two priority investment areas:

Private sector renewable energy and energy efficiency

The objective of the Investment Plan is to help increase privately owned and operated energy production from indigenous renewable energy sources in the market-based

framework of the Turkish Electricity Market Law, and enhance energy efficiency in order to curb GHG.

The CTF co-financed projects in the Investment Plan, which will also mobilize resources from EBRD, IBRD, and IFC, aim at using local financial institutions to intermediate the funds to the private sector—a model expected to enable spreading the experience beyond the project's boundaries. Turkey aims to use the CTF to help banks and industry surmount barriers, increase lending for clean energy, and create a market for energy efficiency investments.

Turkey is also launching an energy efficiency program covering industries, SMEs, municipal facilities, as well as buildings.

Smart grid design

Turkey's CTF Investment Plan aims to help the development of smart-grid solutions to better integrate renewable resources into the national transmission grid.

CTF financing will help the Turkish Electricity Transmission Corporation (TEIAŞ) start implementing a modern high-technology solution to grid problems caused by intermittent renewable energy. The project will help promote and foster large-scale integration of renewable energy resources in a manner that meets the requirements of grid security and economic efficiency.

Source: CTF Turkey Investment Plan

Strategic Climate Fund (SCF)

For the urban and rural poor in low income countries, climate change is more than just an abstract concept; they already feel its impact in drought, declining crop yields, and flooding. To make matters worse, countries often lack the infrastructure and basic services that could prevent climate-related maladies from becoming a humanitarian crisis.

Because global warming intensifies the costs of poverty and reverses recent development gains, stakeholders must take action to help low income countries better manage the effects of climate change through development and anti-poverty efforts. This response requires a two-pronged approach: mitigation, to avoid rapidly increasing GHG emissions, and adaptation, to manage short and long-term effects.

The SCF is an overarching fund designed to support developing countries in their efforts to achieve climate-resilient, low-carbon development. Targeted programs will provide grants and concessional loans to pilot new development approaches or scaled-up activities aimed at a specific climate change challenge or sectoral response.

The SCF has three targeted programs:

- The PPCR is designed to support countries as they undertake scaled-up climate action and transformational change by integrating climate resilience in their national development planning.
- The FIP provides financial and knowledge support for country-led initiatives to reduce GHG emissions from deforestation and forest degradation and to promote improved sustainable management of forests. It also provides a voice to Indigenous Peoples and local communities to develop forest-related policies and has a dedicated initiative to offer grants for indigenous and community-generated programs.
- The SREP helps low income countries adopt renewable energy solutions.

Through the targeted programs, the SCF is designed to generate useful experience and lessons from learning-by-doing; channel new and additional financing for climate change; provide incentives for scaled-up and transformational mitigation and adaptation action in the context of poverty reduction; bolster efforts to maintain, restore, and enhance carbon-rich natural ecosystems; and maximize co-benefits of sustainable development.

CIF programs aim to complement other multilateral financial mechanisms, such as the GEF, the Adaptation Fund, and bilateral initiatives, and to build on the various capacity-building initiatives, supported by UN organizations and NGOs.

SCF AT A GLANCE	
Implemented by	MDBs: AfDB, ADB, EBRD, IDB, IBRD, and the IFC
Governance	SCF Trust Fund Committee (TFC) with representatives of eight contributor and eight beneficiary countries, World Bank, MDBs.
Financing	Concessional financing instruments (such as grants and concessional loans) and risk mitigation instruments (such as guarantees and equity)
Country eligibility	ODA and MDB eligibility

PPCR: Bolivia

High in the Andes, near Lake Titicaca, Bolivian families are trying to adapt to an unpredictable climate. Over the past five years, rain patterns have varied—hail, frost, and high winds threaten agriculture. In the last few years, 1.4 million people have been affected by six large flooding episodes and 75,000 by droughts. The Chacaltaya glacier, which supplies water to La Paz, has lost 82 percent of its surface area since 1982 and could disappear by 2013.

In response, Bolivia has made climate change adaptation a central aspect of its 2006–2010 development plan. A National Plan of Adaptation is helping apply top-down reforms (food security, human health, education, and hydric resources) to complement grassroots efforts on the counties level (assessing vulnerability and developing local adaptive capacity).

Recently selected as a PPCR pilot program, Bolivia has identified critical sectors that can benefit—water resources management, food security, and vulnerability reduction—and will combine the PPCR with existing efforts.

Source: Bolivia PPCR Application

Pilot Program for Climate Resilience (PPCR)

Even though they emit substantially less carbon, the world's poorest countries and communities are the most vulnerable to the impacts of climate change, handicapping development and prosperity. But as they deal with the problem governments face capacity and resources constraints, and climate uncertainty also makes decision-making more difficult.

The PPCR is a program under the SCF designed to address these issues. It pilots and demonstrates ways to integrate climate risk and resilience into low income countries' core development planning. The PPCR operates in two phases: phase one supports countries to develop a Strategic Program for Climate Resilience, including an underlying investment program, and phase two supports implementing of the Strategic Program.

Developing a Strategic Program for Climate Resilience

- Indicative timeframe: 3–18 months; preferable to limit to 12 months.

- Up to $1.5 million available in grant financing depending on country needs. Regional pilots may request additional funding to cover transaction costs.

- Deliverables: enhanced cross-sectoral coordination for integration of climate resilience into national development planning and financing processes; Strategic Program for Climate Resilience, including a program of priority investments (institutional strengthening, policy reform, sector investments); financing plan; and expected funding from PPCR and collaborative arrangements.

Country-led pilot programs build on NAPAs and are strategically aligned with other sources of adaptation finance, such as the Least Developed Countries Fund (LDCF), the Special Climate Change Fund (SCCF), UNDP, and other donor-funded activities. They aim to provide an inclusive platform for all development partners to cooperate, engage in dialogue, and align behind a common strategic approach.

Immediate outcomes of the PPCR program should include:

- Increased capacity to integrate climate resilience into country and sectoral strategies.
- More inclusive strategies for climate-resilient growth and development.
- Increased awareness of vulnerabilities and potential impacts of climate change among government and non-government stakeholders.
- Scaled-up investment for broader interventions and programming for integrating climate resilience into national/sectoral, private, and sub-national development plans and budgeting.
- Improved coordination among key stakeholders to implement country-specific climate resilient programs.

In May 2009 the PPCR Sub-Committee discussed forming a global support program to promote knowledge management and sharing. To bolster collaboration, a process was devised to self-select observers from civil society and the private sector in order for them to take an active part in Sub-Committee deliberations. A self-selection process for Indigenous Peoples is also being developed.

An expert group was formed to identify potential programs, based on need and location, and to encourage vulnerable countries to apply.

PPCR AT A GLANCE	
Design	SCF under the CIF
Implemented by	MDBs: AfDB, ADB, EBRD, IDB, IBRD, and the IFC
Governance	PPCR Sub-Committee with representatives of six contributor and six beneficiary country, Adaptation Fund Board, recipient countries
Country eligibility	ODA and MDB eligibility

The PPCR Expert Group

To provide guidance and identify countries with the most vulnerability and potential for transformative action, the PPCR Sub-Committee established an eight-person Expert Group with varied backgrounds and expertise. The Group operates off of eight specific criteria, in ranking order. Vulnerability and eligibility are two key features in choosing a country, along with a country's preparedness and the possibility for rapid results. Geographic and hazard distributions are also a factor: the more varied the circumstances, the greater breadth of lessons provided.

After consultations with outside stakeholders, the Expert Group submits a list of 5–10 potential candidates ahead of the Trust Fund Sub-Committee meeting. Along with the list, they provide detailed justifications for each choice and comprehensive findings from their deliberations.

Members of the Expert Group are chosen by the Sub-Committee. The Expert Group includes a climate change scientist who has a background assessing global risks and vulnerabilities associated with climate change; and a development and climate change specialist familiar with country policies and development processes; together with economists, environmental specialists, governance and institutions specialists, anthropologists, and specialists in rural development and resources management.

Forest Investment Program (FIP)

Developing countries face an increasingly urgent need to sustainably manage their forests to reduce GHG emissions and achieve other develop and environmental objectives. Deforestation and forest degradation is the second leading cause of global warming, producing roughly 20 percent of the world's GHG emissions and a third of emissions in developing countries.

Rural populations in many developing countries depend on forests and their rich ecosystems for their livelihoods, sustenance, and cultural survival, including over 60m Indigenous Peoples. Poverty, population growth, poor agricultural practices, and increasing demand for wood (for markets and domestic use) all contribute to the destruction of forest habitats and related livelihoods.

But sustainable management of forests is a particularly complex problem in the face of competing development priorities: forest products are one of the most important economic assets for many developing countries in Latin America, Central Africa, and Southeast Asia. Slash-and-burn agricultural practices are rampant in many countries, and globally there is a lack of economic recognition of the value of forest-related environmental services.

This must change. Filling an investment gap for carbon-reducing forest initiatives, the FIP is designed to offer a critical financing bridge to work with countries in addressing the direct and underlying drivers of deforestation and forest degradation. The carbon benefits are vast: forests provide a cost-effective means to address climate change—better forest practices reduce GHG emissions—and preserving forest biomass boasts substantial carbon reduction benefits.

Success depends on stakeholder voice

To be effective, support must be built from the ground up, incorporating forest communities, Indigenous Peoples, and other locally involved communities. Their participation depends on strengthening their capacity to play an active role in national REDD (Reducing Emissions from Deforestation and Forest Degradation) and FIP processes and on recognizing and supporting their tenure rights, forest stewardship roles, and traditional forest management systems.

The FIP Indigenous Peoples and Local Communities Dedicated Initiative has been established to provide grants to these communities, countries, or regions where there are FIP activities. In the planning stage, the grants will support participation in the development of FIP investment strategies, programs, and projects. At the implementation stage, grants to Indigenous Peoples and local communities will be an integral component of each pilot.

The FIP promotes inclusive, multi-stakeholder ownership at national that includes equal emphasis on the rights of men and women. The FIP provides scaled-up forest financing

to catalyze shifts from business-as-usual policies and development paths. It is a learning tool to initiate and facilitate steps toward transformational change in developing country forest policies and practices. At the implementation level, it is a vehicle to pilot and scale up replicable models of sustainable forest management efforts. It is designed to help finance large-scale investments and leverage additional financial resources, including those from the private sector.

The FIP will implement a small number of country-led pilot programs to support:

- Investments that build institutional capacity, forest governance, and information.
- Investments in forest mitigation efforts, including forest ecosystem services.
- Investments outside the forest sector to reduce the pressure on forests.

Significant multilateral efforts are under way to help developing countries engage in large-scale response to deforestation, including REDD; however, additional global investment is needed to complement these efforts. The FIP is designed to work with other mechanisms in the forest aid architecture by providing up-front financing to countries to support their readiness strategies for REDD, which emerge from inclusive national planning processes.

FIP AT A GLANCE	
Funding	US $349 million as of September 30, 2009.
Implemented by	MDBs, in close collaboration with other development partners, including UN and bilateral agencies (MDBs: AfDB, ADB, EBRD, IDB, IBRD, and the IFC)
Governance	FIP Sub-Committee: six contributor + six beneficiary countries; active observer representati from Forest Carbon Partnership Facility (FCPF) secretariat, GEF, UNFCCC, United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradatio Developing Countries (UN-REDD) technical secretariat, two from civil society, two from Indigenous Peoples, and two from private sector.
Country eligibility	ODA and MDB eligibility

Scaling Up Renewable Energy in Low Income Countries Program (SREP)

Renewable energy is often considered a luxury in the developing world. With 1.5 billion people without electricity—mostly in Sub-Saharan Africa and Asia—mass energy production is a top priority. Low income countries must often make difficult trade-off decisions, choosing among a set of competing economic, social, and environmental priorities. To achieve development goals, the International Energy Agency expects that Africa will require an additional 250 million tons of oil equivalent between 2006 and 2030, and Asia (not including China and India) an additional 400 million.

As countries themselves recognize, non-renewable development would be a missed opportunity for climate and economic growth. Developing regions are awash with untapped renewable potential. Africa uses less than 10 percent of its hydro capacity. Asia (excluding China) uses only 25 percent. Kenya has large geothermal resources, and Africa has one of the highest average annual solar radiations in the world.

To tap into this potential, the Scaling Up Renewable Energy in Low Income Countries Program offers a two-pronged approach. It is designed to support developing low income countries in their efforts to expand energy access and stimulate economic growth through the scaled-up deployment of renewable energy solutions. It will transform the renewable market through a programmatic approach that involves government support for market creation, private sector implementation, and productive energy use.

SREP will generate lessons and experience to help demonstrate how scaled-up financing can support low-carbon development in low income countries.

Moving from demonstration to scaled-up delivery
SREP will be implemented in a small number of low income countries selected on objective criteria to maximize its impact and demonstrative effects. It aims to achieve widespread deployment of small renewable projects through a country-led, outcome-focused, and programmatic approach. SREP should assist in government policy, barrier removal, and capital and revenue funding that can be achieved only through interventions involving all stakeholders and a range of funding sources and incentives.

SREP is designed to achieve results through action on the ground

The program aims to:

- Provide policy support and technical assistance to develop ambitious national renewables strategies.

- Support scaling-up of renewable energy by underwriting additional capital costs and risks associated with renewable energy investments and other instruments for reducing risk to investors.

- Help tackle real and perceived risks in the financial sector through concessional credit lines.
- Encourage private sector investment to significantly increase renewable energy capacity in a country's energy supply.

SREP AT A GLANCE	
Funding	Target of $250 million minimum launch for pilots/demonstrations.
Design	Program under SCF of the CIF
Implemented by	MDBs: AfDB, ADB, EBRD, IDB, IBRD, and the IFC.
Governance	SREP Sub-Committee: six contributor + six beneficiary countries; active observer representatives, two from civil society, two from Indigenous Peoples, two from private sector, and one from Energy for the Poor Initiative (EFPI).
Country Eligibility	Must be low income country eligible for MDB concessional financing and engaged in an active MDB country program.

Part II: The CIF's contribution to climate action

Innovative design

In May 2008 representatives from roughly 40 countries, the multilateral development banks (MDBs), and other development partners gathered in Potsdam, Germany to finalize a proposal for the Climate Investment Funds (CIF). This marked the end of a six-month process to build a representative framework for the distribution of funds to transform how development projects approach climate change.

Along with country representatives and the MDBs, the design process relied on representatives from the UN and UN agencies, Global Environment Facility (GEF), bilateral agencies, Non-governmental organizations (NGOs), private sector entities, and technical experts.

The process began with a call for action. As the United Nations Framework Convention on Climate Change (UNFCCC) continues to develop a comprehensive strategy to combat climate change, the Bali Action Plan[5] made a call for new approaches to low-carbon development—technologies, financial schemes, adaptation plans—that can deliver an immediate impact and provide new ideas to transform how developing countries react to climate change, and how to pay for it.

Participants wanted the CIF to help scale up existing practices, but also to serve as a laboratory for new financing schemes, and a chance to develop sustainable development strategies with stakeholders. Stakeholders recognized that the money can travel a lot further if the pilot projects are designed to provide lessons learned and engender the use of best practices.

To do this it was imperative that the CIF be responsive to a diverse set of stakeholders and engage developing countries with a central role in distributing the funds. The Trust Fund Committees were designed to be small, with equal representation of contributor countries and potential recipients. Decisions are based on consensus, with procedural rules for blocking and abstaining.

The meetings also focused on what to fund. Initially the major donors pledged to support large technology projects in emerging countries. But not all countries have the capacity to scale up large power projects or build large city transport networks. Many have different interests and priorities, for example, adapting to climate unpredictability and improving development plans to better take account of climate change.

[5] The Bali Action Plan on Climate Change, agreed at the 2007 UNFCCC meeting in Bali, calls for the international community to do more in providing financial resources and investments that support action on mitigation, adaptation, and technology cooperation.

In response, representatives decided to design two funds: one for clean technology and the other for strategic adaptation and mitigation in the world's poorest countries. This would ensure that the CIF would provide a more comprehensive approach to addressing climate mitigation and adaptation in a manner that reflects the priorities of the full spectrum of developing countries.

Another aspect of the design process was defining the role of the MDBs, which agreed to collectively implement the CIF. Countries recognized the advantages of MDB participation: donors can pool their money in one central fund, and developing countries can work with institutions where they already have a long-standing relationship. The MDBs also have the operational capacity and unmatched ability to leverage additional funds from the public and private sectors.

The CIF provide a new framework for MDB collaboration. The investment plans under each fund would provide a common platform for MDB assistance to the countries, and also enhance broader donor coordination by recipient countries.

Stakeholders also recognized that for the CIF to be effective it was important that they complement other initiatives under the UNFCCC framework. Contributors agreed that these funds should be additional to what exists currently and should not divert interest from worldwide climate negotiations.

Members agreed that CIF projects and decisions should be transparent. They designed a Partnership Forum, an annual meeting of stakeholders, for dialogue on strategic directions of the CIF and analysis of results and impacts.

The planning process added language to welcome external "active observers" at Trust Fund meetings. Stakeholders indicated that they wanted these observers to have more influence. During the next nine months, a new framework was designed to self-select observers from civil society, Indigenous Peoples, and the private sector. Self-selected representatives met for the first time in October 2009.

Country-led process

Developing countries are already taking action toward low-carbon development. Many countries are investing in and encouraging clean technology. Mexico proposes a 50 percent emission reduction from 2002 to 2050 and wants 8 percent renewable-generated power by 2012. Brazil aims to reduce deforestation by 70 percent. Colombia installed a highly successful bus rapid transit system. And Indonesia is reducing fossil-fuel subsidies and offering tax breaks for pollution control equipment.

Many low income countries have national development and poverty reduction plans and want to buttress them with low-carbon development initiatives. Facing severe water shortages, in 2009 Yemen's cabinet endorsed a National Adaptation Program for Action (NAPA) that identifies priority adaptation options, which they can combine with Vision 2025, their Poverty Reduction Strategy. Governments are also using creative schemes to address the risks of a changing climate: in Mongolia, livestock herders are partnering with the government and private insurers to mitigate the risks of losing herds during severe winters. In 2008, Malawi's government made a similar arrangement to protect itself against drought.

The objective of the CIF is to bolster these efforts for sustainable development and poverty reduction by scaling up projects and increasing the speed of implementation. Activities financed by the CIF, based on a country-led approach, will be integrated into country-owned development strategies, consistent with the Paris Declaration.[6]

When a country approaches the CTF Trust Fund Committee, it must offer a detailed proposal that includes existing efforts to integrate climate change policies into national development plans. Once a proposal has been accepted, a joint MDB mission visits the country to help the government develop a low-carbon investment plan. The Government also ensures coordination with other development partners and outreach to stakeholders in the country. The plan will function as the basis for investment finance intended to support country-owned programs in partnership with MDBs and the private sector. The programs will operate under a common framework for planning, implementation, expenditure, and monitoring and evaluation. This streamlines the process and aligns it with other country-led initiatives.

The Strategic Climate Fund (SCF) also supports joint missions to selected countries to develop initiatives that align with existing country-owned adaptation and mitigation strategies. For example, the Pilot Program for Climate Resilience (PPCR) is designed to

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[6] The 2005 Paris Declaration endorsed by over 100 countries, aims to increase harmonization, alignment and managing aid for results with a set of actions and indicators that can be monitored.

provide programmatic finance for country-led climate resilient development plans and NAPAs.

The CIF are making efforts to balance a country-led emphasis with a desire to ramp up programs quickly in order to generate knowledge ahead of UNFCCC climate negotiations. Thus far, countries have responded quickly to the CTF: three programs are already endorsed, and nine other investment plans are under preparation by the countries and the MDBs. The CTF Trust Fund Committee is looking for comprehensive large-scale projects that can get the most impact. But it is also realistic about the time it takes to put together a sound proposal, and does not want to compromise important country-generated sustainable development plans for the sake of speed.

Efforts must ensure that the investment plans are drafted through a collaborative process that includes myriad interests and aligns with existing programs offered by other development partners. Lessons from the initial Investment Plans can then be applied in the preparation of the next cohort.

Supporting Mexico's low-carbon overhaul

Mexico has emerged as a global leader in climate change. In 2008, Mexico announced a plan to reduce greenhouse gas (GHG) emissions by 50 percent below 2002 levels by 2050. To meet this ambitious goal, Mexico launched the Special Climate Change Program as part of its 2007–2012 national development plan. The program identifies funding priorities and potential financing resources.

The CTF is boosting these efforts with $500 million to improve bus and light rail transit in big cities, increase energy efficiency, and built wind power plants.

Transport is a top priority. Over 75 percent of Mexicans live in sprawling cities, and transport contributes 18 percent of Mexico's GHG emissions, a 27 percent increase from 1990 to 2005. The CTFs will supply $200 million to the plan, buttressed by a $600 million loan from the World Bank.

Several wind power projects are under way in Mexico, mostly in the state of Oaxaca. CTF money will support a 500MW wind power project and a small hydropower project with an estimated capacity of 325MW.

CTF money will also support energy efficiency projects. Studies estimate that more than 20 percent of Mexico's energy consumption can be reduced through more efficient energy use.

Targeting transformative potential

With UNFCCC negotiations ongoing to develop a 2012 framework to address climate change, the CIF offers an unprecedented opportunity to make an impact quickly by scaling-up financing and other incentives for climate mitigation and adaptation. This can have immediate on-the-ground impacts: reducing CO_2, preserving forests, and shoring up adaptation practices.

But other benefits are analytical. With more than $6 billion in commitments, the CIF Fund can operate in countries and select programs that will have a wide impact. Trust Fund Committees approve programs based on their potential to catalyze low-carbon development in the long-term.

This can happen in several ways. Building 400MW of wind power generation can jumpstart the capacity to build more, reducing the initial capital costs and encouraging investment. Working with countries and stakeholders to create sustainable development plans can help a country identify sectors vulnerable to climate change so that they can target the largest needs. Establishing landownership titles for rainforest areas can engender sustainable management.

All this can be replicated in other countries with different investment schemes.

The country-led approach builds national capacity for low-carbon development. Countries are involved during the entire process—project design, consultations, and implementation. Trained government officials, technicians, and local manufacturers can apply their greater knowledge. The CIF also identify barriers and initiate their removal to low-carbon growth, from financing to regulation.

The lessons can transform how contributing countries finance low-carbon development. By learning from the CIF, funders can target practices that have the biggest low-carbon development potential, leveraging the investments to the fullest.

Programs also develop partnerships, transforming how different agencies and countries work together. The CIF hope to foster more collaboration with NGOs and other interests not always invited to the table to plan development projects. The MDBs can also learn from CIF practices and incorporate them in MDB-wide lending activities.

Concentrated solar power: a transformative technology

Soaring energy demand is a global phenomenon. But nowhere is growth more precipitous than in the Middle East and North Africa (MENA), thanks to burgeoning populations and rapid economic growth. Since 1980 the region has set the pace globally. This development is positive. But it puts a strain on current power systems and presents governments with the daunting task of meeting soaring energy demand while also avoiding the inefficient and polluting means of generating it.

Despite high capital costs, renewable energy is an attractive solution: it is clean, potentially inexhaustible, and avoids the headaches of volatile commodity prices. And of all the options, CSP is of particular interest in MENA countries—areas hardly short of sunlight. Projects are in the design process in Morocco, Egypt, and Algeria.

To bolster these efforts, the CTF Trust Fund Committee approved a concept note in May 2009, circulated ahead of a formal proposal, to co-finance a regional CSP program that would build 8–10 large CSP power plants—a one gigawatt deployment in total—across 6–9 countries in the region.

According to estimates, the program would avoid releasing 2.6 million tons of carbon emissions into the atmosphere per year, roughly 1.5 percent of the current energy sector emissions in the Southern Mediterranean countries. This will diversify energy portfolios and allow some capacity to be sold to Southern Europe at a premium price. Revenue could also come from carbon trading schemes.

If the projects are approved, the CTF can overcome the initial financial barriers to building CSP on a large scale. It will provide the critical mass to attract private investment, use economies of scale to reduce costs, and manage country and technical risk. Increased manufacturing capacity would follow, boosting the local economy (current MENA region solar projects use 30 percent locally manufactured hardware) and providing long-term production capacity.

Expert groups to speed the transformation

The PPCR, FIP, and SREP includes, in each case, an independent expert group to make recommendations for country selection based on program-specific criteria. Each group consists of members chosen for expertise, strategic and operational experience, and diversity of perspectives (scientific, economic, gender, and developmental). Group members must also have climate change experience in such areas as agriculture, forestry, fisheries, and health.

Leveraging transformation

The MDBs, the largest development organizations in the world, can offer attractive grants, highly concessional financing, and experience. The leveraging capacity is unmatched. It has been estimated that for every dollar an MDB spends, it leverages six more from outside. For the CIF, MDB involvement mitigates risk and encourages other actors to invest in low-carbon business plans.

An innovative approach to governance

The governing structure

The governing structure of the CIF is unique. Contributor and developing countries (potential recipients) are represented and vote equally. Each country receives one vote, and decisions are by consensus of the decision-making members. If a consensus is not possible, the proposal is postponed or withdrawn. A country can block a vote or state an objection by attaching a note to the decision, in which case the majority will carry.

The Trust Fund Committees of the Clean Technology Fund (CTF) and the Strategic Climate Fund (SCF) each consist of eight members from contributor countries, chosen through a consultation among contributors, and eight representatives from eligible recipient countries. Representatives from eligible recipient countries are selected on a regional basis through consultations among such countries. Each representative serves for a two-year term; however, to begin, some members will serve only one year, to stagger arrivals.

The CTF Trust Fund Committee has some of the biggest developing countries: India, China, Brazil, South Africa, Morocco, Mexico, Turkey, and Egypt.

The SCF Sub-Committees have six representatives from provider and potential recipient countries respectively. At least one member from each should also have a seat on the SCF Trust Fund Committee. Like the CTF and SCF committees, countries are geographically representative. Countries selected for pilot programs are given first priority to sit on Sub-Committees.

One representative of the MDBs, selected by the MDB committee, and a representative from the World Bank also serve as nonvoting members on each committee. Other stakeholders may observe and take part in the meetings. Representatives from the UNFCCC, GEF, civil society, Indigenous Peoples (on the SCF), and the private sector can all attend meetings. Civil society, Indigenous Peoples, and the private sector are chosen though a formal self-selection process.

Disclosing the process

The CIF recognize the fundamental importance of transparency and accountability to the success of their investments and the governing bodies of the funds have agreed that it is essential to be open about its activities and to seek out opportunities to share lessons with the widest possible audience.

The CIF have established a website in which it regularly posts information on the funds, including the document and proposed decisions to be considered by the CIF Committees. The first Partnership Forum was broadcast on the web to allow for wider participation in the event.

In May 2009, the Trust Fund Committees approved a disclosure policy that calls for country-owned investment plans and strategies developed under each of the Trust Funds

to be disclosed in-country prior to their submission to a CIF Committee for approval. Proposed plans are also posted on the CIF website no later than 3 weeks prior to review of the proposal by a Committee.

In the case of proposed programs and projects, an information document describing the proposal is to be made public at least two weeks prior to a decision on the funding of the proposal.

The policy recognizes that a country or a project proposer may have justifiable reasons for not publicly disclosing all information in an investment plan or project. In this case, certain information may be kept confidential. This is to be done only on an exceptional basis, and non-disclosure of information is to be justified to the Committee.

MDB collaboration

A partnership among MDBs on this scale is unprecedented. If the framework of the CIF gets MDBs to join forces more broadly, it could contribute to shifting how the lending community approaches climate change – and can lead to better results.

The geographical presence and the financial resources at the disposal of the MDBs are enormous. Their leveraging power is unmatched. Thousands of managers with global expertise bring knowledge to local projects. Combining these resources maximizes lending impact.

This is an attractive prospect for contributors and for countries seeking large-scale financing. But for it to succeed, the MDBs must work to operate a common, coordinated, and lean framework to oversee the disbursement of funds and knowledge.

Understanding the proper role of the MDBs is critical. In a governance capacity, the MDBs function as a facilitator and advisor, as spelled out in the governance framework. Bank representatives do not vote on the Trust Fund Committees and defer to country representatives to select programs and appoint expert groups. An Administrative Unit, housed at the World Bank, supports the work of the CIF in an advisory and secretarial capacity.

A separate MDB committee, comprising a representative from each bank, harmonizes MDB climate change portfolios and links programs with CIF-supported initiatives. It meets virtually with the CIF Administrative Unit on a regular basis to give MDBs a more active role in this capacity: reviewing CIF documentation, making recommendations to the secretariat, and monitoring progress in implementing approved programs. The committee also engages with outside actors—bilateral development agencies and development partners—to promote cofinancing.

Getting the banks to assume a cooperative, advisory role takes time. The potential for competition between the banks is being addressed and resisted. All banks must have an equal voice. Individual banks must not attempt to influence countries at the expense of the other MDBs. And the CIF should not be misunderstood as solely a program of one bank.

Some early results on the ground show increased cooperation among MDBs and also with the private sector. Regular MDB Committee meetings have helped align activities, and this cohesion is trickling down.

Engaging a full range of stakeholders

The CIF are part of the ongoing collaborative effort to address climate change. To align development and low-carbon aims, the CIF attempt to engage a diverse set of interests, to make the reaction as inclusive as global warming is widespread. This approach is designed to encourage collaboration among interests that have not always been involved together in strategic discussions.

Climate Investment Fund stakeholders include contributor and eligible recipient countries, MDBs, UN organizations, GEF, UNFCCC, the Adaptation Fund, bilateral development agencies, (NGOs), private sector entities, and scientific and technical experts.

The approach also recognizes the ongoing work under the UNFCCC, where many of the same parties are working on a new global response to climate change. Involving as many interests as possible can maximize the generation and dissemination of ideas while these deliberations are still under way.

Engaging civil society

Over the past year, stakeholders and CIF administrators engaged in a collaborative effort to formalize a role and selection process for civil society observers on Trust Fund Committees. Each operational Trust Fund Committee and Sub-Committee has four civil society organization (CSO) observers chosen by self-selection. Observers serve for one year.

This solution began with concerns over the approval of the CIF. After a highly collaborative design process, civil society representatives—NGOs, Indigenous Peoples, and the private sector—wanted to play a larger role in Trust Fund Committee deliberations. Indeed, the design documents for each operational Committee (CTF, SCF, PPCR) did not provide for civil society representation. The Trust Fund Committees agreed on the need for formalizing NGO attendance and civil society participation. In December, the Administrative Unit contacted the International Union for Conservation of Nature (IUCN), an NGO umbrella organization, to conduct a review and prepare a proposal.

Based on current practices of other multilateral bodies, the IUCN's findings advocated for greater civil society involvement to offer independent monitoring, technical expertise, and access to different audiences. The IUCN also believed that CSO presence would strengthen the democratic process of the CIF Trust Fund Committees. The review suggested that observers be self-selected under criteria that maximised expertise (relevant to a particular Committee) and achieves a geographical balance and equitable gender representation.

To begin the process, the CIF Administrative Unit reached out to RESOLVE, a non-profit facilitator, which then conducted interviews with NGOs to gather ideas for the self-

selection process. In April 2008, drawing on these interviews, RESOLVE formed a group of non-profit civil society members (not interested in CIF representation) to serve on an advisory committee to develop selection criteria.

In June a call for applications, translated into 11 languages, went out to non-profit CSOs. A month later, after the application window shut, RESOLVE posted a shortlist of candidates on its website for NGOs to vote on. Based on the results and an interest in balanced representation (based on region and need), the advisory committee and RESOLVE selected candidates and an alternate for each committee.

In addition to the new selection process, Committee members agreed to include one or two Indigenous Peoples representatives on the SCF Committees. A self-selection process is under development in collaboration with Indigenous Peoples.

Self-selection of Indigenous Peoples observers

Regarding the self-selection process of active observers for Indigenous Peoples, the CIF Administrative Unit (AU) approached representatives of the Indigenous Peoples groups who had participated in the FIP design process, and also the UN Permanent Forum on Indigenous Issues (UNPFII), to receive advice on an approach for the observer self-selection process which would be appropriate for the indigenous community. In response, the Aliansi Masyarakat Adat Nusntara (AMAN) proposed "Process and Criteria for the Selection Process of the Indigenous Peoples Observers to the Trust Fund Committees and Sub-Committees of the CIF." This proposal was based on experience of Indigenous Peoples in Asia. In a teleconference with representatives from the Indigenous Peoples community (including UNFPII), the CIF AU, and RESOLVE (the NGO that facilitated the self-selection process for civil society), the proposal was discussed in light of the lessons learned from the self-selection process for civil society. It was decided to revise the draft taking into consideration all comments and adapt the process to take account of diverse regional capacities and needs.

The October meetings will be the first test of the self-selection process. Civil society representatives are invited to participate in Trust Fund Committee Meetings as active observers, where they can request the floor, add items to the meeting agenda, and recommend external experts to speak on a specific agenda item.

Civil Society Organizations (CSOs)
Term: October 2009- Partnership Forum 2011

Clean Technology Fund

Observer	Region	Organization
John Gakumba Bosco	Africa	NILE Basin Discourse Forum in Rwanda (Rwanda)
Bhawani Shanker Kusum	Asia	Gram Bharati Samiti (GBS) (India)
Smita Nakhooda	Developed Countries	World Resources Institute (U.S.)
Omar Esau Nuñez Vasquez	Latin America	Honduran Association of Boards for Water, Systems Administration (Honduras)
Wasim Wagha	Alternate	DAMAAN Development Organization (Pakistan)

Strategic Climate Fund

Observer	Region	Organization
Elder Ogazi Emeka	Africa	Transparency and Economic Development Initiatives, Climate Change Nigeria, and Publish What You Pay Nigeria (Nigeria)
Bhola Bhattarai	Asia	Federation of Community Forestry Users, Nepal (FECOFUN) (Nepal)
Susanne Breitkopf	Developed Countries	Greenpeace International (USA)
Teresa Flores Bedregal	Latin America	Association for Defense of Nature—PRODENA (Bolivia)
Sena Alouka	Alternate	Jeunes Volontaires pour l'Environnement (Togo)

Pilot Program for Climate Resilience

Observer	Region	Organizations
Maurice O. Odhiambo	Africa	Resource Conflict Institute (RECONCILE) (Kenya)
Maksha Ram Maharjan	Asia	CARE Nepal (Nepal)
Ilana Solomon	Developed Countries	ActionAid (USA)

Sergio Fonseca	Latin America	APREC Coastal Ecosystems (Brazil)
Ghan Shyam Pandey	Alternate	FECOFUN (Nepal)

Engaging the private sector

Some skeptics might look at the CIF and suggest that $6 billion will do little to keep global warning to an increase of 2°C. In a sense, they are right: while $6 billion is an achievement, it falls dishearteningly short of the $140–165 billion the World Bank estimates is needed annually.

But in another sense, they should be hopeful: during the next 20 years, trillions of dollars will be spent to upgrade power plants, run power lines, and build subways. And the majority of this money will come not from bilateral funding or MDB loans, but from the private sector. The challenge is to ensure that much of this development is low in carbon. The private sector has a critical role in this because it can bring in financial leverage to the public funding. In developing countries, engaging the private sector will lead to a much needed expansion of the number of counterparts for project development and implementation.

To achieve the goal of shifting private sector investment onto a low-carbon path, a mix of financial incentives, technical assistance, and knowledge transfer will be required, while the goal of additionality must be kept in mind. Cash incentives alone are a help. But they will not suffice. CIF funding can provide large volumes of concessional funds, as well as the much smaller funding required for capacity building, to ensure that the investment will achieve the transformation objective. Combining the CIF with the demonstrated expertise of the MDBs will give the private sector an opportunity to experiment with more large-scale green technology projects, and it will address the challenge of adaptation. Technical assistance combined with concessional finance reduces the risk and increases the attractiveness of projects to private investors, allowing businesses to work with new clients in emerging- or low income countries that need to either replace or expand their energy infrastructure. Large-scale projects also increase familiarity and build delivery capacity in the industry that establishes them, and this can reduce costs and barriers in the future.

There are already several encouraging signs that this is happening. All the approved CTF projects have some private involvement and foresee capacity building measures. For the Turkish investment plan, the CTF is investing $250 million in local financing institutions, and this will be supported by considerable technical assistance. These local banks can then offer loans to private projects with carbon-reduction benefits; in the process the banks will develop lasting management capability to assessing such loans. Mexico is using development bank loans, including $200 million in CTF money, for urban transport projects, which have leveraged $643 million in private funding. Another $50 million CTF loan bolsters an existing $135 million International Finance Cooperation (IFC) initiative for private investment in renewable energy. And a $1.1 billion public-private wind project in Egypt is using $200 million in CTF funding for transmission lines.

Two CTF projects in Egypt

As Egypt's population grows at an astonishing clip of 2 percent a year, it faces massive challenges to meet energy demand that is increasing at 7–8 percent annually. To meet the surge, a bevy of power projects are slated for constriction over the next five years, ramping up energy production to 32,000MW, up from 22,000 currently.

While carbon-based power plants will be the bulk of the new projects, Egypt is making significant strides to expand renewable energy production. This can help compensate for declining oil production—now averaging 664,000 barrels a day in 2007, down from 950,000 in 1995—which threatens to make Egypt more vulnerable to volatile commodity prices.

The renewable goals are ambitious: the government has set a target of 20 percent renewable energy production by 2020, and by then hopes to generate 7,200MW from wind alone.

To meet this, Egypt is one of the first countries to apply for funding through the CTF, which has endorsed $300 billion in concessional financing that augments additional funding from the World Bank, the AfDB, bilateral development agencies, the private sector, and other sources.

Two projects will benefit. The first is a wind project, already 400MW strong, which lacks adequate transmission capacity to build an additional 600MW installation. The CTF will contribute $200 million for the $1.1 billion project. The second part of the program offers $100 million to help finance a public transit overhaul in Cairo, an $865 million undertaking.

Both programs offer relief for Egyptian air quality and roadways. Egypt has some of the fastest growing GHG emissions in the world, ranking in the top 11 globally. Under current trends, Egypt faces a 50 percent increase in GHG emissions, 70 percent of which comes from the electricity and transport sectors.

Public transport reform has much potential in Egypt; roughly two-thirds of the population use it, so significant changes can have a big impact. The CTF will partially finance light rail and bus rapid transit to help reduce the 20 million motorized person trips clogging the roadways at present—and spewing 13 million tons of CO_2 a year. The government hopes to reduce carbon emissions by 1.5 million tons annually by constructing six new bus rapid transit corridors in Cairo and rail links to major suburbs.

Involving the private sector in CIF governance
On a governance level, the CIF are making strides to include the private sector. Once the CIF were operational, stakeholders suggested creating a formal self-selection process to choose private sector observers. In response, the CIF Administrative Unit invited the World Business Council for Sustainable Development (WBCSD), a CEO-led global association of roughly 200 companies dealing with business and sustainable development, to create and administer a self-selection process.

The Council received applications for three committees—the CTF, SCF, and the PPCR—and two observers were selected on the basis of criteria created by the WBCSD advisory board that maximized representation from different types of business and spread representation across different geographical locations. The selection process was designed to attract highly qualified candidates that can make a contribution to the specific committee. To this end, the advisory board did not think any applicants for the PPCR were eligible and decided to wait for more applications before choosing a candidate.

Observers are instructed to report findings and circulate them to the WBCSD and other sustainable development partners. The WBCSD's website will post the observations.

The selected private sector observers will first participate during meetings at the end of October 2009. The WBCSD has been requested to assist in the self-selection process for the private sector observers in the Forest Investment Program (FIP) and the Scaling Up Renewable Energy Program in Low Income Countries (SREP).

Private Sector Observers
Term: October 2009- Partnership Forum 2011

Clean Technology Fund

Observer	**Company/Organization Represented**
Marc Stuart, Ecosecurities	The World Business Council for Sustainable Development (WBCSD)
Steve Sawyer (supported by Business Council for Sustainable Energy/Lisa Jacobson)	Global Wind Energy Council

Strategic Climate Fund (SCF)

Observer	**Company/Organization Represented**
Granville Martin, JPMorgan Chase	International Chamber of Commerce (ICC)
Elizabeth Wallace	MEDA Investment Inc

Pilot Program for Climate Resistance

The process for self-selecting private sector representatives for the PPCR has not been concluded yet. The WBCSD decided not to recommend anyone but to keep the opportunity open and continue to seek a suitable candidate.

Including Indigenous Peoples: the FIP design process

During the final design meeting of the CIF, it was agreed that to form a comprehensive response to climate change, a Forest Investment Program should be established to mobilize funds to reduce deforestation and degradation and promote sustainable management of forests. Poverty and potentially more profitable land uses in forested and semi-forested regions are the leading cause of deforestation and degradation, which contributes 18 percent of global GHG emissions.

But forest policy affects more than the climate; it affects livelihoods. Forests are home to 60 million Indigenous Peoples who are completely dependent on forest resources, while 350 million are highly forest-dependent. Forests provide fuel, food, medicines, building material, and sellable goods.

In the first design meeting in October 2008, countries agreed that it was imperative to include Indigenous Peoples communities and take into account country-led priority strategies, along with other programmes, such as the Forest Carbon Partnership Facility (FCPF) and United Nations Collaborative Programme on Reducing Emissions from Deforestation and Forest Degradation in Developing Countries (UN-REDD). Learning lessons from designing the CTF, SCF, and PPCR, it was also decided to form a working group of government representatives, NGOs, Indigenous Peoples, the private sector, and UN agencies to draft a design document ahead of the second meeting.

At the second meeting in March 2009, a draft design was circulated and posted on the FIP website for comments. Developed and developing countries and NGOs sent in comments, which were then posted for others to read. Many comments fed off previous posts.

Groups offered praise for including Indigenous Peoples organizations in the design process as a logical legal consequence of the rights of Indigenous Peoples to participate in international policy processes related to developments that will affect their territories, and in support of rights protected in the UN Declaration on the Rights of Indigenous Peoples.

Other comments centered on a definition of what constitutes a forest and what is sustainable forestry. Financing was also an issue: many worried about using loans instead of grants. NGOs were concerned with how the FIP fit in with the UNFCCC framework and coordinated with REDD policies.

After the third design meeting, in May, the co-chairs formed two working groups comprised of governments, NGOs, and indigenous groups to develop precise language for two critical sections of the FIP design document. Each group then presented its findings to the co-chairs, ahead of the pledging meeting in July 2009.

One substantial outcome of the design process was a dedicated initiative to provide grants to Indigenous Peoples and local communities. Among other things, the grants aim to support capacity building for Indigenous Peoples and local communities to secure customary land tenure and resource rights and to participate in planning, implementing, monitoring, and evaluating forest activities.

Working with institutional partners

In response to the 2007 Bali Action Plan, which called for multilateral bodies to support integrated adaptation and mitigation, the CIF are a way to increase the availability of innovative financing for low-carbon projects. Within this framework, the CIF are intended to complement and support the efforts of other institutions and bilateral efforts.

They also aim to include them. Other developing partners can collaborate on CIF programs, and representatives from the UNFCCC and GEF are invited to join Trust Fund Committees as observers.

Additionality

The CIF are designed to bolster existing funding mechanisms, not deplete them. Upon pledging money to the CIF, contributors agreed that such funding would be in addition to existing development financing. While climate change is a major global issue, combating it should not be at the expense of other efforts.

Sunset clause

The CIF are designed to conclude operations once a new financial architecture is established by the UNFCCC. If so decided, the CIF will not enter any new agreement with contributors once the agreement providing for a new financial architecture is effective. The CTF and the SCF will decide when to cease making allocations from outstanding balances.

Part III: Learning by design

Getting results

Within one year, the Climate Investment Funds (CIF) have moved rapidly from the design phase to implementation. The CIF have already allocated close to $1 billion, mostly for clean technology investment plans. Interest among developing countries continues to grow. At the beginning of 2009 three countries had submitted investment plans to the CTF. As of October 2009, 15-20 more are planning to do so. Meanwhile, 9 countries and 2 regions are slated to participate in the Pilot Program for Climate Resilience (PPCR). A joint mission from the Asian Development Bank (ADB), World Bank, and International Finance Corporation (IFC) met recently with government representatives in Nepal to discuss country priorities for climate resilience and a subsequent investment program.

The Forest Investment Program (FIP), unveiled this summer, now has enough financing to begin operations. Meanwhile, the Program on Scaling Up Renewable Energy in Low Income Countries (SREP) will start as soon as sufficient funds are pledged.

Speed is the key to the CIF's success. Their impact depends on action. To develop lessons ahead of a new climate change agreement, programs must be up and running soon.

Engaging stakeholders

The challenge in the first year was translating the cooperative effort of the design process to an inclusive operational structure. Decision-making and disclosure were problematic at the beginning. But as time went on, Trust Fund Committee members agreed on the need for developing a formal role for other stakeholders as observers. The design of the self-selection process was based on independent advice (from non-governmental organizations (NGOs) and the private sector) and using best practices from other organizations. The NGO and private sector observers met for the first time at the October 2009 meetings. A self-selection process for Indigenous Peoples observers awaits approval.

The 2010 Partnership Forum: encouraging feedback and learning

Learning is a systematic component of the CIF. In a sense it is the primary objective. During the first year, the CIF benefited from this quality, revising the governing structure to include civil society observers, and incorporating lessons into the FIP design process. Lessons to date have focused mainly on the design process and the new governing structure.

To catalyze dialogue among all relevant stakeholders and harvest learning from experiences to date, the CIF hold an annual Partnership Forum to openly assess existing programs and to promote feedback and an exchange of ideas among stakeholders. The

next Partnership Forum is in March 2010 at the headquarters of the ADB in Manila. Participants will include: developed and developing countries involved in the CIF, the multilateral development banks (MDBs), the UN and UN organizations, Global Environment Facility (GEF), United Nations Framework Convention on Climate Change (UNFCCC), the Adaptation Fund, Bilateral Development agencies, NGOs, Indigenous Peoples, scientific and technical experts, and the private sector.

Discussions will focus on the design process of the CIF and early feedback from programs. Participants are encouraged to be open and candid about what has been achieved and what improvements can be made. The Forum is also a chance to build awareness of the opportunities for CIF participation and showcase how quickly the CIF have has gone from design to providing funding for ongoing projects.

Learning symposiums will be held during the weeklong event. A private sector forum will explore opportunities to engage in implementing the CIF and their programs. Another will present emerging scientific and technical knowledge led by the UN Environment Programme (UNEP). Current pilot countries will also provide early lessons.

To bolster consultations with outside groups, the Trust Fund Committees suggested forming an advisory committee ahead of the March meeting to provide strategic advice on the design of the Forum. The eight member committee has representatives from the Administrative Unit, MDBs, NGOs (North and South), UNEP, Indigenous Peoples, and the private sector.

The CIF also commissioned a study on lessons learned from the design process and operational lessons, to be released at the Partnership Forum. The study relies on accounts from those involved in every stage of the CIF—from design to implementation—and aims to catalyze a constructive dialogue on how best to move forward. The study seeks the views of a wide range of stakeholders, including governments and organizations from developing countries.

Funding will be provided for participation in the Partnership Forum by country representatives and stakeholders from low Income countries. Rotating the location of the Forum will provide opportunities for greater regional representation.

Annexes

Financial statements

CLEAN TECHNOLOGY FUND
Table 1. Status of Pledges, Contributions and Receipts
as of September 30, 2009
(in millions)

		Pledges	
Contributor	**Contribution Type**	**Currency**	**Amount a/**
Australia	Grant	AUD	100
France	Loan	EUR	203
Germany	Loan	EUR	500
Japan	Grant	USD	1,000
Spain	Capital	EUR	80
Sweden	Grant	SEK	600
United Kingdom b/	Capital	GBP	385
United States	Grant	USD	1,980

a/ Total value amounts to USD eq. 4.9 billion.

b/ Amount pledged under the Strategic Climate Fund and allocated to the Clean Technology Fund.

c/ Represents countersigned contribution agreement.

STRATEGIC CLIMATE FUND

Table 1. Status of Pledges, Contributions and Receipts

as of September 30, 2009

(in millions)

		Pledges	
Contributor	**Contribution Type**	**Currency**	**Amount a/**
Australia	Grant	AUD	50.0
Canada	Grant	CAD	100.0
Denmark	Grant	DKK	130.0
Germany	Grant	EUR	50.0
Japan	Grant	USD	200.0
Netherlands	Grant	EUR	54.4
Norway b/	Grant	USD	176.0
Switzerland	Grant	USD	20.0
United Kingdom c/	Capital	GBP	800.0
United States	Grant	USD	20.0

a/ Total value amounts to USD eq. 2 billion.

b/ Norway's pledge to Forest Investment Program was made in USD and to Scaling Up Renewable Energy in NOK.

c/ Includes allocation of GBP 385 million to the Clean Technology Fund, GBP 3.5 million to Readiness Fund of the Forest Carbon Partnership Facility (FCPF), GBP 11.5 million to Carbon Fund of the FCPF and GBP 50 million to the Congo Basin Fund.

d/ Represents countersigned contribution agreement.

STRATEGIC CLIMATE FUND

Table 1a. PPCR - Status of Pledges, Contributions and Receipts

as of September 30, 2009

(in millions)

		Pledges	
Contributor	**Contribution Type**	**Currency**	**Amount a/**
Australia	Grant	AUD	40.0
Canada	Grant	CAD	100.0
Germany	Grant	EUR	50.0
Japan	Grant	USD	50.0
United Kingdom	Capital	GBP	225.0

a/ Total value amounts to USD eq. 614 million.

b/ Represents countersigned contribution agreement.

STRATEGIC CLIMATE FUND

Table 1b. FIP - Status of Pledges, Contributions and Receipts

as of September 30, 2009

(in millions)

		Pledges	
Contributor	**Contribution Type**	**Currency**	**Amount a/**
Australia	Grant	AUD	10.0
Denmark	Grant	USD	10.0
Norway c/	Grant	USD	150.0
United Kingdom d/	Capital	GBP	100.0
United States	Grant	USD	20.0

a/ Total value amounts to USD eq. 330 million.

b/ Represents countersigned contribution agreement.

c/ USD 50 million will be released after January 2010, with a higher level of funding to be released over the following two years contingent upon (i) the significant participation of other donors; (ii) operational progress of the program; and (iii) outcome of UNFCCC deliberations on financing for REDD.

d/ The UK pledge is GBP 50 million, with up to a further GBP 50 million available contingent upon (i) operational progress of the program and (ii) the outcome of wider deliberations on interim forest financing.

STRATEGIC CLIMATE FUND

Table 1c. SREP - Status of Pledges, Contributions and Receipts a/

as of September 30, 2009

(in millions)

		Pledges	
Contributor	**Contribution Type**	**Currency**	**Amount b/**
Netherlands	Grant	EUR	54.4
Norway	Grant	NOK	150.0
Switzerland	Grant	USD	20.0
United Kingdom	Capital	GBP	50.0

a/ SREP is not officially established yet.
b/ Total value amounts to USD eq. 206 million.
c/ Represents countersigned contribution agreement.
d/ Represents provisional allocation.

STRATEGIC CLIMATE FUND

Table 1d. Status of Pledges, Contributions and Receipts - Unallocated

as of September 30, 2009

(in millions)

		Pledges	
Contributor	**Contribution Type**	**Currency**	**Amount a/**
Denmark	Grant	DKK	79.2
Japan	Grant	USD	150.0

a/ Total value amounts to USD eq. 166 million.
b/ Represents countersigned contribution agreement.

Endorsed Investment Plans and approved projects

EGYPT - INVESTMENT PLAN: $300 MILLION IN CTF FINANCING		
Project	**Notional CTF Amount**	**Key Milestones**
Public-Private Partnership for Wind Commercialization *(AfDB/IFC)*	$50 million	*AfDB*: Golf El-Zeytt wind Farm is currently under restructuring in collaboration with NREA, the private developer and the AfDB. Concept Note expected in February 2010. Appraisal of the project will be in November 2010. *IFC*: A programmatic approach involving other wind farms together with the wind farms specifically mentioned in the investment plan is being considered.
Wind Energy Development Project (formerly, Transmission System Upgrade for Wind Commercialization) *(IBRD)*	$150 million	Project Concept Note Review: August 5, 2009 IBRD Board Date: May 2010
Greater Cairo Urban Transport *(IBRD)*	$100 million	Project Concept Note Review: October 2009 IBRD Board: July 2010

MEXICO - INVESTMENT PLAN: $500 MILLION IN CTF FINANCING		
Project	**Notional CTF Amount**	**Key Milestones**
Urban Transport *(IBRD)*	$200 million	Allocation of CTF Co-Financing Approved by CTF Trust Fund Committee: October 8, 2009 IBRD Board: December 2009
Renewable Energy Program *(IDB)* (To include public sector and private sector project components)	$125 million	Mexico Renewable Energy Program Proposal for $50 million envelope for private sector renewable energy projects, and $500,000 for technical cooperation to be submitted to TFC in October 2009. First project to IDB Board: December 2009. Mexico Renewable Energy Program Proposal for upto $75m for a public sector financing facility. To be submitted to TFC in December 2009/ January 2010. IDB Board: February/March 2010.
Energy Efficiency Program *(IDB)* (To include public sector and private sector project components)	$75 million	Proposal for public/private sector energy efficiency program – Carbon Footprint Reduction for Financial Institutions - to be submitted to TFC in December 2009. First project to IDB Board: January/February 2009.
Lighting and Appliances Efficiency *(IBRD)*	$50 million	Project Concept Note Review: April 1, 2009 IBRD Board: March 2010
Private Sector Energy Program *(IFC)*	$50 million	In May 2009, the Trust Fund Committee reviewed and approved CTF financing for the IFC project, *Mexico: Private Sector Wind Development* ($15.6 million). IFC Board: December 2009 The proposal, co-financed by an IDB loan, is part of a larger public/private sector IFC/IDB programmatic approach to sector.

TURKEY - CTF INVESTMENT PLAN: $250 MILLION IN CTF FINANCING		
Project	**Notional CTF Amount**	**Key Milestones**
Private Sector Renewable Energy and Energy Efficiency *(IBRD)*	$100 million (approved allocation)	IBRD Board: May 28, 2009 CTF Loan Effective: August 12, 2009
Energy Efficiency Financing *(EBRD/IFC)*	$60 million	In September 2009, the Trust Fund Committee reviewed and approved CTF financing for the IFC project, *Turkey: Commercializing Sustainable Energy Finance Program* ($21.7 million) The EBRD component had a concept review on October 9, 2009, and will be submitted to the Trust Fund Committee by the end of October/ early November. The proposal will cover approximately US$44m of CTF co-financing, for both energy efficiency and renewable energy.
Renewable Energy Financing *(EBRD/IFC)*	$40 million	See above.
Transmission SmartGrid *(IBRD)*	$50 million	Project Concept Note Review: mid-2011 IBRD Board: late-2011

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Clean Technology Fund

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FIP Sub-Committee members

The Administrative Unit is awaiting country nominations.

SREP Sub-Committee members

The Administrative Unit is awaiting country nominations.