




# CIF FY22 SUPPLEMENTAL BUDGET REQUEST FOR THE CIF

January 25, 2022

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# **Rationale for the FY22 Supplemental Budget Request**

# FY22 Approved Budget



In June 2021, the Joint Meeting of the CTF and SCF Trust Fund Committees approved the FY22 business plan and administrative budget contained in the document *Joint CTF-SCF/TFC.24/5, FY22 CIF Business Plan and Budget*, as summarized below:

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

# Why the Supplemental Budget Request

- CIF Partnership is undertaking activities in addition to the FY22 approved business plan, including in relation to —
  - Operationalization of two new CIF programs — the ACT and REI
    - Administrative Services for operationalization
    - Country Engagement to support Investment Plan Preparation
    - CCH Systems development for new programs
  - CTF 2.0 proposal development and related activities
  - South Africa Just Energy Transition Country Action Plan
- FY22 budget proposal indicated that a supplemental budget to cover costs of such additional activities will be requested upon the receipt of sufficient contributions to the relevant programs.



# Summary of FY22 Supplemental Budget Request

# Proposed FY22 Supplemental Budget (USD '000)



	CTF	SCF	Total
<b>Total</b>	<b>2,500.5</b>	<b>1,895.5</b>	<b>4,396.0</b>
Administrative Services	721.2	926.8	1,648.0
Special Initiatives	1,779.3	968.7	2,748.0
<i>Country Engagement</i>	400.0	806.2	1,206.2
<i>Systems Development</i>	162.5	162.5	325.0
<i>CTF 2.0</i>	666.8	-	666.8
<i>South Africa JET-CAP Work Program</i>	550.0	-	550.0

# Administrative Services Budget

- Significant efforts made since the beginning of FY22 to develop and operationalize the two approved CIF programs – ACT and REI.
- Country selection process for both the programs, started in July 2021, was conducted in record time.
- CIFAU and MDBs supported countries with EoI submissions and IEG reports were completed under significant pressure on time for CoP26 program launches.
- The FY22 expenses incurred or committed by the CIFAU for the administration of ACT-IEG and REI-IEG are included in this supplemental budget request.





# Administrative Services Budget (Cont.)

- MDBs will continue working on operationalizing the two new programs, including
  - setting up operating structures and systems
  - bringing in implementation resources.
  - working with countries to help complete IP development processes and submit IPs on time.
- The Trustee will continue to work on establishing the two programs in the Trustee systems to enable the Trustee to efficiently perform agreed functions



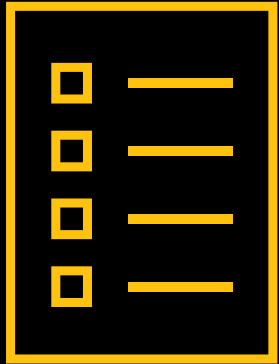
# FY22 Supplemental Budget (USD '000)

## - Administrative Services



Administrative Services	CTF	SCF	Total
<b>Total</b>	<b>721.2</b>	<b>926.8</b>	<b>1,648.0</b>
<b>Administrative Unit</b>	<b>155.0</b>	<b>190.5</b>	<b>345.5</b>
<b>MDBs</b>	<b>566.2</b>	<b>604.3</b>	<b>1,170.5</b>
<i>ADB</i>	<i>103.6</i>	<i>91.0</i>	<i>194.6</i>
<i>AfDB</i>	<i>118.0</i>	<i>64.0</i>	<i>182.0</i>
<i>EBRD</i>	<i>132.0</i>	<i>193.9</i>	<i>325.9</i>
<i>IDB Group</i>	<i>52.8</i>	<i>122.5</i>	<i>175.3</i>
<i>IBRD</i>	<i>100.0</i>	<i>100.0</i>	<i>200.0</i>
<i>IFC</i>	<i>59.8</i>	<i>32.9</i>	<i>92.7</i>
<b>Trustee</b>	<b>-</b>	<b>132.0</b>	<b>132.0</b>

## FY22 Supplemental Special Initiatives Budget



- Budget for country engagement activities by MDBs in support of investment plan preparation for ACT and REI
- Systems Development
- CTF 2.0
- Services in support of the South Africa JET-CAP

# Country Engagement Budget

- To supplement funding to MDB-coordinated IP preparation support activities for ACT and REI, including:
  - Reviewing country policies, regulatory and institutional frameworks/ roadmaps and identifying possible interventions and recommendations;
  - Identifying key stakeholders, implementing ongoing and planned activities, and organizing consultation workshop(s) on barriers and possible measures for accelerating coal transitions in relevant countries;
  - Supporting development of project and program ideas/concepts, along with structuring and implementation arrangements;
  - Conducting national-level scoping studies on just transition issues related to coal phaseouts; as well as
  - Running scoping, technical, and joint missions, as relevant, for the above purposes.



# Country Engagement Budget (USD '000)



MBD	CTF	SCF	Total
<b>Total</b>	<b>400.0</b>	<b>806.2</b>	<b>1,206.2</b>
ADB	100.0	150.0	250.0
AfDB	80.0	100.0	180.0
EBRD	-	115.0	115.0
IDB Group	-	276.2	276.2
IBRD	220.0	165.0	385.0
IFC	-	-	-

# Systems Development

- USD0.325m budget for upgrading the CCH to meet the coding, data capture, workflow and reporting requirements of ACT and REI, including
  - development of sub-window structures;
  - system setup for the new GCAP Sub-committee;
  - addition of the necessary country co-financing, project milestones, project status, sector, and thematic records;
  - updating of the financial, operational, and results reporting templates;
  - updating of relevant portfolio management functions; and
  - updating of system to factor in unique requirements of IP preparation phase.



# CTF 2.0

- To continue implementing the October 2021 decision of the CTF TFC to proceed with finalization of the CTF 2.0 Proposal, CIFAU and Trustee **estimate a budget of around USD 1.167m through the end of FY22.**
- Of the USD 1m approved as part of the FY17 Budget for the CTF Financing Modalities Special Initiative, an **amount of USD 0.5m remains unutilized.**
- Accordingly, the **difference of around USD 0.667m** (USD 1.167m less USD 0.5m) is being requested as part of the FY22 Supplemental Budget Proposal



# Support to RSA JET-CAP

- At COP26, a new ambitious, long-term **Just Energy Transition Partnership** (JETP) to support the RSA's decarbonization effort was announced.
- JETP aims to help RSA achieve updated NDC emissions goals with initial support of appx. **USD 8.5b** through mechanisms, including grants, concessional loans, investments, and risk-sharing instruments through both private/public sources
- **CIFAU was requested to provide technical coordination services to help facilitate support from key stakeholders** to help steer ambitious coal transition reforms on behalf of international partners, for which a budget of **USD 0.55m** is being requested to cover FY22 costs.







# Budget Process

# Budget Process

- Planning and Budgeting for new programs very challenging without clarity on
  - When programs enter implementation phase
  - Levels of engagement by various CIF Partners.
- CIF Partners could start budget process only in late November 2021, once new programs received initial contributions, launched in CoP26, and the initial set of countries were selected. Similarly, CTF 2.0 and RSA JET-CAP work program became clearer only in October/November 2021.
- FY22 budget proposal indicated that a supp. budget to cover costs of additional activities for new programs will be requested upon the receipt of sufficient contributions.





# Summary of proposed decision

# Proposed Decision

## - FY22 Supplemental Budget (USD '000)



The Joint Meeting of the CTF and SCF TFCs approves the administrative budget contained in the document Joint CTF-SCF/TFC.25/5, Supplemental Budget Request for CIF, as detailed in the FY22 Supplemental Budget Commitment Table below and supported by Tables 2 and 3 in the document.

	CTF	SCF	Total
<b>Total</b>	<b>2,500.5</b>	<b>1,895.5</b>	<b>4,396.0</b>
Administrative Services	721.2	926.8	1,648.0
Special Initiatives	1,779.3	968.7	2,748.0
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<i>South Africa JET-CAP Work Program</i>	550.0	-	550.0

**QUESTIONS?**

# CIF



# CLIMATE INVESTMENT FUNDS

*Investing in the future*

