

CLIMATE INVESTMENT FUNDS

CTF/TFC.7/6
June 8, 2011

Meeting of the CTF Trust Fund Committee
Cape Town, South Africa
June 22, 2011

Agenda Item 8

CTF PROGRAMMING FOR FY12 AND ENHANCEMENTS TO PIPELINE MANAGEMENT

Proposed Decision by CTF Trust Fund Committee

The CTF Trust Fund Committee reviewed document CTF/TFC.7/6, *CTF Programming for FY12 and Enhancements to Pipeline Management*. The Committee takes note of the proposed pipeline for FY12, and approves the proposal to enhance pipeline management.

I. INTRODUCTION

1. According to the pipeline management process endorsed by the Trust Fund Committee in November 2010,¹ the pipeline will be managed on a fiscal year basis, and the process agreed by the MDB Committee includes the following:

- a) Prior to the start of the fiscal year, the MDB Committee, based on the projection of resources provided by the Trustee, will agree on an overall programming figure for the fiscal year.
- b) As an input to this process, the CIF Administrative Unit, based on the programming information submitted by the MDBs, will prepare a comprehensive list of programs and projects expected to be submitted for funding approval during the fiscal year. The Trustee will prepare a projection of resource availability for the fiscal year.
- c) The MDB Committee, based on the information provided under a) and b) above, will develop a proposed approval calendar for the fiscal year, with an indication of programs or projects to be submitted to the Trust Fund Committee for funding approval during each quarter of the fiscal year, taking into account the criteria proposed in the paper.

2. The purpose of this paper is to present the proposed CTF programming for FY12 (July 1, 2011 to June 30, 2012) in accordance with the above pipeline management process. In addition, the paper discusses a proposal to enhance pipeline management.

II. PROGRAMMING TARGET AND PIPELINE FOR FY12

3. Based on the projection of resources provided by the Trustee, the MDB Committee has agreed on an overall programming figure of US\$1.4 billion for FY12. In accordance with the criteria proposed in document CTF/TFC.6/5/Rev.1, and based on the programming information provided to the CIF Administrative Unit by the MDBs, the MDB Committee has developed a proposed approval calendar with 24 projects to be submitted to the Trust Fund Committee during FY12 for CTF funding (see Annex 1).

4. It should be noted that the MDB Committee had to take steps to match the expected request for funding with the actual funds expected to be available in FY12. The requests for CTF funding in FY12 would have been greater than US\$1.4 billion if more funds had been available.

5. The approval calendar will be reviewed on a quarterly basis, and revised as necessary, by the MDB Committee. The approval calendar, along with any quarterly revision, will be disseminated to the Trust Fund Committee members for information.

¹ Document CTF/TFC.6/5/Rev.1, *Proposal for Pipeline and Portfolio Risk Management*.

III. MANAGING PIPELINE CHANGES

6. According to paragraph 17 of the *Clean Technology Fund Guidelines for Investment Plans*,² the investment plan should be considered a dynamic document, with the flexibility to consider changing circumstances and new opportunities. The guidelines further state that “[i]t would require re-submission to the Trust Fund Committee in the event of changes in the sector or sub-sectors selected for CTF support, or requested increases in the resource envelope.” The proposal below regarding updating investment plans and managing pipeline changes, if approved by the Trust Fund Committee, will be reflected in a revised *Clean Technology Fund Guidelines for Investment Plans*.

7. During the recent pipeline management exercise, the MDBs indicated that due to changes in funding priorities and new situations in the countries, some CTF countries and MDBs are considering updating or revising the endorsed investment plans and making changes to the programs and projects originally identified in the investment plans.

8. In line with the existing guidelines, any strategic change to the investment plan should be presented to the Trust Fund Committee for review and endorsement. Specifically, it is proposed that guidance and endorsement from the Trust Fund Committee be sought for the following types of change to an investment plan:

- a) increasing the resource envelope for the investment plan;
- b) adding, dropping, or shifting resources between sectors or sub-sectors by more than 15 percent of the funding envelope of the investment plan or by more than US\$30 million, whichever is lower;
- c) shifting resources between the private and the public sector by more than 15 percent of the funding envelope of the investment plan or by more than US\$30 million, whichever is lower.³

9. Any other amendments to the investment plans will be notified to the Trust Fund Committee through the quarterly update of the CTF approval calendar.

10. When the proposed changes to an investment plan would require endorsement by the Trust Fund Committee, a request to the Trust Fund Committee should be submitted for review. Such a request should include the following:

- a) review of the status of the implementation of the original investment plan;
- b) explanation of the circumstances and rationale for revising the investment plan and making changes to the projects or programs included;
- c) description of the proposed changes; and
- d) assessment of the potential impact of the proposed changes on achieving the objectives and targets of the original investment plan.

² Revised document, August 6, 2009.

³ Projects implemented by the private sector arms of the MDBs are classified as private sector projects, whereas those implemented by the public sector arms of the MDBs are classified as public sector projects. It is recognized that projects implemented by the public sector arms of the MDBs may also engage the private sector through onlending and/or other schemes.

11. The Trust Fund Committee will review the request and consider whether or not to endorse the proposed changes. If the proposed changes are endorsed by the Trust Fund Committee, the pipeline will be updated accordingly.
12. If the proposed changes are not endorsed, the Trust Fund Committee may propose an alternative way forward, in consultation with the concerned country and MDBs. Such proposals will indicate whether the projects and programs concerned will be removed from the pipeline, whether the associated resources will be released from the funding allocation to the investment plan, and, in the case of funding being released, how the released resources may be used.
13. In the event that funding is released from an investment plan, the Trust Fund Committee may consider as a first option to keep the released resources within the same investment plan where they may be used for new projects or programs for that country or region.
14. Other options for programming the released resources may include:
 - a) re-allocating the released resources for another existing investment plan to fund projects and programs therein;
 - b) reserving the released resources for a new investment plan; or
 - c) making other arrangements as appropriate.
15. Furthermore, it is proposed that the above process of releasing resources and subsequently programming such resources at the level of an investment plan also apply to projects or programs not approved by the Trust Fund Committee upon submission (or re-submission, if applicable) or withdrawn by the countries and concerned MDBs.

Annex 1: Proposed Project Approval Calendar for FY12
(in million US\$)

	COUNTRY	MDB	PROJECT TITLE	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
1	Colombia	IDB	Sustainable Transport System(SETP)	20.0	-	-	-	-	-	-	-	-	-	-	-	20.0
2	Colombia	IDB	Energy Efficiency-Private-Public Sector Energy	-	-	-	-	16.4	-	-	-	-	-	-	-	16.4
3	Egypt-CSP-MENA	IBRD	Egypt Kom Ombo CSP	-	-	-	-	-	-	-	-	-	50.0	-	-	50.0
*	Egypt-CSP-MENA	AfDB	Egypt Kom Ombo CSP	-	-	-	-	-	-	-	-	50.0	-	-	-	50.0
4	Egypt	IBRD	Egypt Urban Transport	-	-	-	-	-	-	-	-	-	50.0	-	-	50.0
5	Egypt	AfDB	Wind Energy Scale Up Program(IPPs)	50.0	-	-	-	-	-	-	-	-	-	-	-	50.0
*	Indonesia	ADB	Indonesia-Geothermal Clean Energy Investment(Public Sector)	-	-	-	-	-	-	-	125.0	-	-	-	-	125.0
*	Indonesia	IFC	Geothermal	-	-	25.0	-	-	-	-	-	-	-	-	-	25.0
6	Jordan-CSP-MENA	IBRD	Jordan CSP Transmission	-	-	-	-	-	-	-	-	-	-	-	40.0	40.0
7	Kazakhstan	EBRD	Renewable Energy II	-	-	-	-	-	45.0	-	-	-	-	-	-	45.0
*	Kazakhstan	IFC	District Heating	-	-	20.0	-	-	-	-	-	-	-	-	-	20.0
8	Kazakhstan	IFC	Energy Efficiency	-	-	22.0	-	-	-	-	-	-	-	-	-	22.0
*	Mexico	IDB	Public Sector Renewable Energy	-	71.6	-	-	-	-	-	-	-	-	-	-	71.6
*	Mexico	IDB	Public Sector Energy Efficiency	-	-	-	-	-	-	-	50.6	-	-	-	-	50.6
9	Mexico	IFC	Renewable Energy	-	-	-	-	-	-	14.4	-	-	-	-	-	14.4
10	Morocco	IBRD	Morocco FDE Energy	-	-	-	-	75.0	-	-	-	-	-	-	-	75.0
11	Morocco	IFC	Renewable Energy	-	-	-	-	25.0	-	-	-	-	-	-	-	25.0
12	Philippines	ADB	Philippines Solar	-	65.0	-	-	-	-	-	-	-	-	-	-	65.0
13	Philippines	IBRD	Philippines RE/EE	-	-	-	-	-	-	-	-	-	45.0	-	-	45.0
14	Philippines	IBRD	Philippines BRT	-	-	-	-	15.0	-	-	-	-	-	-	-	15.0
15	Thailand	IBRD	Thailand EGAT/PEA - Advancing Clean Energy Investments with Public Utilities	-	-	-	-	-	110.0	-	-	-	-	-	-	110.0

Continued – Annex 1

	COUNTRY	MDB	PROJECT TITLE	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	TOTAL
16	Thailand	IBRD	Thailand BMA -Urban Transformation	-	-	-	-	-	70.0	-	-	-	-	-	-	70.0
17	Tunisia-CSP-MENA	IBRD	Tunisia STEG CSP	-	-	-	-	-	-	-	-	25.0	-	-	-	25.0
*	Tunisia-CSP-MENA	IFC	Tunisia STEG CSP	-	-	-	-	-	-	-	-	25.0	-	-	-	25.0
18	Turkey	IFC	Private RE -RE/EE Projects	-	-	28.3	-	-	-	-	-	-	-	-	-	28.3
19	Ukraine	EBRD	Renewable Energy II	22.4	-	-	-	-	-	-	-	-	-	-	-	22.4
20	Ukraine	EBRD	Energy Efficiency	-	-	-	-	50.0	-	-	-	-	-	-	-	50.0
*	Ukraine	IFC	Energy Efficiency	-	25.0	-	-	-	-	-	-	-	-	-	-	25.0
21	Vietnam	ADB	Vietnam EE - Industrial Energy Efficiency	-	50.0	-	-	-	-	-	-	-	-	-	-	50.0
22	Vietnam	ADB	Vietnam Transport (Ha Noi)	-	-	-	50.0	-	-	-	-	-	-	-	-	50.0
23	Vietnam	IBRD	Vietnam Transmission-Smart Grid technology	-	-	-	-	-	-	-	-	30.0	-	-	-	30.0
24	Vietnam	IFC	Risk-Sharing Facility for RE	-	-	40.0	-	-	-	-	-	-	-	-	-	40.0
			TOTAL	92.4	211.6	135.3	50.0	181.4	225.0	14.4	175.6	130.0	145.0	-	40.0	1,400.7

* Projects supported by 2 or more MDBs or projects financed in tranches.