

# CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.9/2  
October 18, 2012

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Joint Meeting of the CTF and SCF Trust Fund Committees  
Istanbul, Turkey  
November 2, 2012

Agenda Item 2

## **ANNOTATED PROVISIONAL AGENDA**

#### **AGENDA ITEM 1. OPENING**

1. The co-chairs from the CTF and SCF Trust Fund Committees will be invited to consult before the meeting to agree on two co-chairs for this meeting, taking into account the importance of maintaining a balance between recipient and contributor countries.

#### **AGENDA ITEM 2. ADOPTION OF AGENDA**

2. A provisional agenda for consideration by the joint meeting has been circulated as document CTF-SCF/TFC.9/1/Rev.2. The joint meeting is **invited to adopt** the agenda for the meeting.

#### **AGENDA ITEM 3. PROGRESS REPORT ON THE MEASURES TO IMPROVE THE OPERATIONS OF THE CIF**

3. At the joint meeting of the CTF and SCF Trust Fund Committees in November 2011, the joint meeting approved *Measures to Improve the Operations of the Climate Investment Funds*. The CIF Administrative Unit was asked to collaborate with the MDB Committee to ensure that the approved measures and actions were carried out.

4. Document CTF SCF/TFC.9/4, *Progress Report on the Measures to Improve the Operations of the CIF*, provides an update on the status of implementation of the approved measures. The joint meeting is invited to **review and comment** upon the progress that has been made.

5. Additionally, a number of documents have been prepared in response to specific measures, including CTF-SCF/TFC.9/7, *Use of local currencies in CIF projects*, CTF-SCF/TFC.9/5/Rev.1, *Note on development impact indicators*, CTF-SCF/TFC.9/6, *CIF gender review*, and CTF-SCF/TFC.9/11, *CTF and development policy operations*. The joint meeting is invited to **review and approve actions proposed in** these documents to implement the agreed measures.

6. The joint meeting is requested to note that one of documents, CTF-SCF/TFC.9/7, *Use of local currencies in CIF projects*, will be considered under Agenda Item 6, CTF-SCF/TFC.9/9 *Financial risk monitoring and management framework*, given the interrelationship between risk management and local currency lending.

#### **AGENDA ITEM 4. PROGRESS REPORT ON PREPARATION OF THE INDEPENDENT EVALUATION OF THE CIF**

7. At the joint meeting of the CTF and SCF Trust Fund Committees in May 2012, the meeting reviewed document CTF-SCF/TFC.8/3, *Note on the Independent Evaluation of the CIF*, and welcomed the confirmation of the willingness of the evaluation departments of the CIF partner MDBs to undertake an independent evaluation of the operations of the CTF and SCF. The joint meeting requested the Evaluation Oversight Committee (EOC) to take into account oral and written comments on the consultation

draft in the preparation of an approach paper and proposed associated budget, which were to be reviewed and approved through a decision by mail.

8. The EOC duly prepared an approach paper and proposed associated budget, which were approved by mail on September 5, 2012. In their decision, the Committees requested the EOC to keep them informed of the progress being made in carrying out the evaluation and invited the EOC to present an update to the joint meeting of the CTF and SCF Trust Fund Committees in November 2012.

9. The joint meeting is invited to **discuss and comment** upon EOC's oral progress report.

**AGENDA ITEM 5. BASIS OF REPORTING FOR THE CTF AND SCF FINANCIAL STATEMENTS PREPARED BY THE TRUSTEE**

10. In document CTF-SCF/TFC.9/12, *Basis of reporting for the CTF and SCF Financial Statements*, the Trustee informs the CTF and SCF Trust Fund Committees of a new accounting standard that requires the auditor to ensure that the Trustee has obtained sufficient documentation to demonstrate that the preparation and audit of special purpose financial is performed following discussions with CIF participants. The joint meeting is therefore invited to **confirm** its desire that the financial statements of the Clean Technology Fund and Strategic Climate Fund administered by IBRD as Trustee be prepared going forward, using the special purpose basis of accounting as presented and described in Note 2 to the December 31, 2011 special purpose financial statements, including any future amendments to that note which the Trustee deems necessary.

**AGENDA ITEM 6. FINANCIAL RISK MONITORING AND MANAGEMENT FRAMEWORK**

11. In May 2012, the joint meeting requested the CIF Administrative Unit and the Trustee, in collaboration with the MDB Committee, to prepare a detailed proposal for a financial risk monitoring and management framework for the CTF and the SCF programs. In response to this request, the Trustee engaged Booz Allen Hamilton, a consultancy, to develop an enterprise risk management (ERM) framework and a corresponding risk assessment tool.

12. The joint meeting is invited to document CTF-SCF/TFC.9/9, *Financial risk monitoring and management framework* and approve the next steps for developing a financial risk monitoring and management framework for the CIF.

13. Additionally, the joint meeting is invited to **review** the proposals presented in document CTF-SCF/TFC.9/7, *Use of local currencies in CIF projects* with a view to **approving** them.

**AGENDA ITEM 7. CIF AND THE EMERGING FINANCIAL ARCHITECTURE FOR CLIMATE CHANGE**

14. At the joint meeting of the CTF and SCF Trust Fund Committees in May 2012, the joint meeting requested the CIF Administrative Unit, in consultation with the MDB Committee, to prepare a note to serve as the basis for a strategic discussion of the future of the CIF at the next joint meeting.

15. In response to this request, the CIF Administrative Unit prepared document CTF-SCF/TFC.9/10/Rev.1, *CIF and the emerging financial architecture for climate change*. The joint meeting is invited to **review and discuss** the document.

**AGENDA ITEM 8. OTHER BUSINESS**

16. Members of the Trust Fund Committees and the Co-Chairs may raise any other business under this agenda item. A number of papers have been submitted to the joint meeting for information. Members of the Trust Fund Committees may take this opportunity to raise issues related to any of the information papers.

**AGENDA ITEM 9. CLOSING**

17. The meeting is scheduled to close at 5:30 pm on Friday, November 2, 2012.