

CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.9/4
October 15, 2012

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

Agenda Item 3

PROGRESS REPORT ON THE MEASURES TO IMPROVE THE OPERATIONS OF THE CIF

I. INTRODUCTION

1. At the joint meeting of the CTF and SCF Trust Fund Committees held on November 3, 2011, the meeting reviewed the documents, *Proposed Measures to Improve the Operations of the Climate Investment Funds* (document CTF-SCF/TFC.7/4) and *Climate Investment Funds: Lessons Learned through Private Sector Interventions through MDB Intermediaries* (document CTF-SCF/TFC.7/Inf.4), and approved the measures and associated follow-up actions to enhance the performance of the CIF. The CIF Administrative Unit was requested to collaborate with the MDB Committee to ensure that the approved measures and actions are carried out.
2. At the subsequent joint meeting of the CTF and SCF Trust Fund Committees held on May 2, 2012, the meeting reviewed the document *Progress report on measures to improve the operations of the CIF* (CTF-SCF/TFC.8/4/Rev.1). The meeting welcomed the progress made by the CIF Administrative Unit and MDB Committees in implementing the proposed measures, and requested Administrative Unit and the MDB Committee to continue to work together to ensure that the approved measures are incorporated into CIF activities.
3. This document, CTF-SCF/TFC.9/4, *Progress report on the measures to improve the operations of the CIF*, provides a further update on the progress made in implementing the proposed measures. A summary of completed measures is included as Annex 1.

OBJECTIVES	ACTIVITY	STATUS
Strengthened Country Ownership	<p>In May 2012, the joint meeting reviewed document CTF-SCF/TFC.8/5, <i>Enhancing Country Coordination Mechanisms, MDB Collaboration, and Stakeholder Engagement</i>, which discussed (a) the background and rationale for country coordination; (b) establishment and strengthening of country coordination mechanisms; (c) proposals to further strengthen country level partnerships among the MDBs, and improve in-country collaboration amongst stakeholders at the country level; and (d) potential cost implications.</p> <p>The joint meeting welcomed the existing mechanisms established by CIF pilot countries to strengthen country coordination and stakeholder engagement in CIF pilot countries and approved the proposals in the document to enhance country coordination.</p> <p>The joint meeting requested the Administrative Unit and the MDB Committee to provide information on the outputs from country coordination mechanisms and to collaborate with the pilot countries to support the implementation of the agreed activities.</p>	A paper responding to this request, (CTF-SCF/TFC.9/Inf.2, <i>Initial outputs and lessons from country coordination mechanisms in CIF programs</i>) will be presented in November 2012.
Engagement of the Private Sector	<p>In May 2012, the joint meeting reviewed document CTF-SCF/TFC.8/8, <i>Proposal for Additional Tools and Instruments to Enhance Private Sector Investments in the CIF</i>, and:</p> <p>(a) encouraged countries and the MDBs, in preparing new investment plans or revising/updating existing plans, to allocate an increased share of CIF funding to private sector investments;</p>	The CIF AU and MDBs have prepared proposals to facilitate allocation of an increased share of funding to the private sector for each of the CIF programs. These proposals (documents FIP/SC.9/8, <i>Proposal for allocation of FIP resources</i> , PPCR/SC.11/6, <i>Proposal for allocation of PPCR resources</i> , and SREP/SC.8/6, <i>Proposal for allocation of SREP resources</i>) will

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	<p>(b) asked the CIF Administrative Unit and the MDBs to develop specific operational guidelines for financial instruments currently permissible under the CIF to help promote more diversity in instruments used in the CIF portfolio;</p> <p>(c) reconfirmed that CIF funding can be utilized in equity investments;</p> <p>(d) requested the CIF Administrative Unit and the Trustee, in collaboration with the MDB Committee, to prepare a detailed proposal as to how to facilitate the use of local currencies in CIF-funded projects and programs, where appropriate; and</p> <p>(e) requested the CIF AU and 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.</p> <p>The joint meeting asked that part of the CIF communication strategy <i>should focus on outreach to private sector players with the objective of promoting the CIF instruments</i>, including the development of a tool kit on best practice for engaging the private sector with the objective of assisting the country and MDB teams to develop a private sector deal flow within their CIF programs</p>	<p>be presented in November 2012.</p> <p>Guidelines remain under development pending progress on local currency and equity issues.</p> <p>Paper under development for May 2013.</p> <p>A paper (CTF-SCF/TFC.9/7, <i>Use of local currencies in CIF projects</i>) on the use of local currencies will be presented in November 2012.</p> <p>The Trustee recruited a firm, Booz Allen Hamilton, to prepare a proposal for a risk management framework. Booz Allen Hamilton will present a proposed risk management framework for discussion in November 2012.</p> <p>A work program on private sector engagement was included in the CIF Communications Strategy, which was approved in May 2012. The program is now under implementation. The Private Sector Forum, to be held during the Partnership Forum, is part of the outreach strategy to engage more private sector participants in the CIF. The private sector tool kit remains under development.</p>
Strengthened Communication	The CIF was asked to further promote country-to-country exchanges and regional level sharing of experiences through the <i>Global Support Program</i> , for pilot countries, other interested countries, and stakeholder groups, including civil society and women's groups, private sector and others.	FIP, PPCR, and SREP Pilot Countries meetings were convened in March and April 2012. Pilot country meetings for all four CIF programs will also be convened in November 2012. Other activities to promote country-country exchanges include: the two-day Partnership Forum, which provides a major opportunity to share knowledge and experiences, and the CIF

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		Knowledge Bazaar, which will promote knowledge and learning during the Partnership Forum. There will also be additional opportunities through various side events (e.g. wind energy, biodiversity, geothermal, and others) to share information on specific programs, projects and approaches.
Development Impacts	The joint meeting requested the CIF Administrative Unit to work with the MDB Committee to prepare indicators of development or poverty reduction impacts in the CIF funded activities, and asked that such indicators be included in proposals submitted for CIF funding <i>beginning in FY13</i> .	All proposed projects submitted to the CIF Administrative Unit are now required to include development indicators. A paper (CTF-SCF/TFC.9/5, <i>Development impact assessments</i>), proposing a common approach to inclusion of development impact indicators will be presented in November 2012.
Additionality of the CIF to Existing MDB Portfolios	The MDBs presented a document (CTF-SCF/TFC.8/11, <i>Additionality of CIF to Existing MDB Portfolios</i>) which provided information on the development of a joint methodology to identify mitigation and adaption finance in their regular portfolios for discussion at the joint meeting in May 2012. MDBs are requested to submit further information at the November 2012 meeting.	MDBs will present an information note providing further information at the meeting in May 2013.
Results	<p>The joint meeting reviewed document CTF-SCF/TFC.8/10, <i>Progress Report on Managing for Results</i> and requested the CIF Administrative Unit and the MDBs to submit proposals for simplified results frameworks for consideration at the November 2012 meeting.</p> <p>A first version of the web-based monitoring and evaluation platform should be available on the CIF website <i>by the end of calendar year 2011</i> for testing and with the expectation that the platform would be updated continuously</p>	<p>The SREP simplified results framework was approved by the SCF Trust Fund Committee in May 2012. Revised results frameworks for CTF, FIP and PPCR will be presented for review and approval in November 2012.</p> <p>The first version of the web-based monitoring and evaluation platform has been designed and was demonstrated at the committee meetings in May 2012. The platform will be formally launched after the finalization of the CTF, FIP, and PPCR results frameworks.</p>
Good Governance and Transparency	The CIF Administrative Unit shared an information document (CTF-SCF/TFC.8/Inf.5, <i>Progress Report on CIF</i>	A status report on progress towards achieving compliance will be presented in November 2012.

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	<i>Compliance with the International Aid Transparency Initiative)</i> which described the process required to achieve compliance.	
Operations	The May 2012 joint meeting reviewed CTF-SCF/TFC.8/7 <i>The Use of Financing Instruments in CIF Public Sector Investments</i> , which presented information on the broad use of instruments available through the MDBs. The joint meeting recommended that an annual stock-taking of the financial instruments being employed in the CIF.	A stocktaking of financial instruments will be provided in May 2013.
Gender	The joint meeting requested that the CIF include at least one indicator disaggregated by gender in each project, and also requested the CIF to undertake a gender impact assessment review of the CIF, building on the Strategic Environment, Social and Gender Assessment of the CIF prepared in 2010.	The MDBs are providing gender indicators where feasible, and a gender impact assessment (CTF-SCF/TFC.9/6, <i>Gender assessment</i>) will be presented in November 2012.
Partnership on a Global Level.	The joint meeting requested the CIF Administrative Unit to consult with the UNFCCC Secretariat to explore how the CIF may most effectively engage with the UNFCCC to share information on its programs	<p>The CIF Administrative Unit has met with staff of the UNFCCC to discuss areas of engagement, and followed up by participating in the UNFCCC Standing Committee and discussions on long term finance in Bangkok (August 2012) and Cape Town (October 2012) respectively.</p> <p>The CIF AU also provided inputs to a UNFCCC publication on ways to promote enabling environments and to address barriers to technology development and transfer to the Technology Executive Committee.</p>

ANNEX 1: COMPLETED MEASURES

OBJECTIVES	ACTIVITY	STATUS
Strengthened Country Ownership	The CIF Administrative Unit and the MDB Committee should revise the templates for reporting on joint missions and for submission of project and program proposals to include the reporting requirements.	Templates have been revised by the CIF Administrative Unit and MDB Committee.
Strengthened Communication	<p>A comprehensive communication strategy (CTF-SCF/TFC.8/6 <i>CIF Communications Strategy</i>) was approved during the joint meeting of the CTF and SCF Trust Fund Committees in May 2012</p> <p>Steps should be taken to enhance the CIF website with a goal of launching an improved site by the end of the first quarter in 2012</p>	<p>The CIF communications strategy is currently being implemented by the CIF Administrative Unit in collaboration with the CIF MDB Communications Working Group.</p> <p>An improved website has been launched.</p>
Results	<p>Clear tools and guidelines as to how the CIF results frameworks cascade to the country investment plan and project level should be available as early as possible, and no later than the end of calendar year 2011</p> <p>The joint meeting of the CTF and SCF Trust Fund Committees approved amendments to the Governance Frameworks and the Rules of Procedure</p>	<p>Guidelines were agreed with MDBs and were shared during the joint meeting of the CTF-SCF Trust Fund Committees in Joint in November 2011.</p> <p>All proposed amendments have been approved</p>
Good Governance and Transparency	<p>The CIF Administrative Unit should take steps to ensure that at the joint meetings of the CTF and SCF Trust Fund Committees there is equal representation by recipient country members and contributor country members.</p> <p>Comments of Committee and Sub-Committee members on proposed investment plans, programs and projects should routinely be made publicly available on the CIF website</p>	<p>Equal representation at joint meetings has been implemented as of the May 2012 meeting.</p> <p>This is current practice.</p>

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Operations	<p>A proposal (document CTF/TFC.9/6, <i>Proposal for Establishing Targets to Monitor Delivery of CTF Projects</i>) establishing targets to monitor the delivery of CTF projects was approved by the joint meeting in May 2012.</p> <p>Monitoring and reporting on this target, including reporting on reasons for any delays, should be achieved through transparent reporting on the pipeline and its management.</p>	<p>The proposal has been implemented and will be reflected in all pipeline reports.</p> <p>Pipeline management is now an ongoing activity and the pipeline is presented to Committees every six months for review.</p>
Gender	<p>Experts with gender expertise should be included in missions and in project preparation to ensure gender considerations are sufficiently incorporated.</p> <p>At least one indicator disaggregated by gender should be included in each project.</p>	<p>MDBs are ensuring that experts with gender expertise are included in joint missions.</p> <p>Currently being done where feasible.</p>