

CLIMATE INVESTMENT FUNDS

CTF-SCF/TFC.4/5
March 5, 2010

Joint Meeting of the CTF and SCF Trust Fund Committees
Manila, Philippines
March 16, 2010

CIF FY11 ADMINISTRATIVE BUDGET

Proposed Decision of the Joint Meeting of the CTF and SCF Trust Fund Committees

The Trust Fund Committees reviewed and approves the proposal for the CIF FY11 Administrative Budget (document CTF-SCF/TFC.4/5). The Committees welcome the business plan and notes that the proposed FY11 CIF budget provides administrative resources for the expected work program of CIF's entire corporate management structure: the Trustee as manager of the financial assets of CIF, the Administrative Unit as the coordinator of CIF work, the organizer of the Partnership Forum, and provider of support to the Trust Fund and other CIF committees, and the six MDBs as the "implementing agencies" under the CIF. The budget also covers the expenditures that the six MDBs will incur in assisting recipient countries in preparing investment plans and strategies for the CTF and the three targeted programs under the SCF in FY11.

The Joint Trust Fund Committees meeting takes note of the proposal for the organization of a broad consultative process to prepare a design proposal for the dedicated initiative for indigenous peoples and local communities under the FIP, and agrees that the final proposal for the consultative process approved by the FIP Sub-Committee, together with the associated budget, should be circulated to the members of the Trust Fund Committees for approval of the associated budget by mail and inclusion of the additional sums, as appropriate, in the FY10 and FY11 budget for the Administrative Unit.

CLIMATE INVESTMENT FUNDS BUSINESS PLAN AND FY11 BUDGET

BACKGROUND

1. The CIF Trust Fund Committees (TFCs), at their joint meeting on May 12, 2009, reviewed and approved the *Climate Investment Funds Business Plan and FY10 Budget Paper*. The Committee noted that the proposed CIF budget had been prepared to reflect the understanding that “compensation for administrative services and project related activities will be on the basis of full cost recovery for the entities but should be guided by the principles of value for money, reasonableness, and transparency”.
2. The approved FY10 budget, totaling \$23.3 million, provided \$14.0 million of administrative resources for the CIF Trustee, the CIF Administrative Unit, and the six participating Multilateral Development Banks (MDBs) to design, develop and coordinate the implementation of CTF and SCF programs, and put policies, business processes and administrative procedures in place to enable early start up of CIF operations at the country level. The budget also provided \$7.2 million to cover expenditures that the six MDBs as implementing agencies were expected to incur in assisting recipient countries in preparing strategic programs or plans for use of CIF funds.
3. The CIF are now about 18 months into operations. Programming of CTF resources is nearing completion with implementation of the investment plans already underway in several partner countries. Similarly, country-led efforts to establish strategic frameworks for use of SCF resources have been initiated in all but one of the PPCR pilot countries, and are expected to commence under FIP late this fiscal year, and in the first half of FY11 under SREP. As program development increasingly graduates into implementation, the main challenges for CIF will be to ensure that country partners are provided with timely access to CIF funding for preparation and implementation of program and project activities, that local stakeholders, including those in the private sector are enabled to participate in country program and project activities, that a deliberate process of capturing and sharing early experiences and lessons from CIF operations is put in place, and that results are monitored and measured against agreed targets.
4. The proposed CIF Business Plan and FY11 Budget elaborates on these challenges and identifies the resource requirements to address them. The paper (i) reports to the TFCs on achievements during FY10; (ii) sets out revised program targets for CIF business development FY11-14 and addresses associated thematic work program priorities; (iii) presents specific administrative services and associated budget requests for FY11 for the Trustee, the Administrative Unit, and the six MDBs; and (iv) summarizes planned MDB activities in support of country programming of CTF and SCF funds and their associated budget requests for FY11.

ACHIEVEMENTS FY10

5. CIF's work program during its second year of operation has focused on supporting country-led development of CTF Investment Plans and their early implementation, initiating the process of country-led preparation of Strategic Programs for Climate Resilience in PPCR pilot countries, moving the two last targeted SCF programs, FIP and SREP, from design to start up, planning the first full scale CIF Partnership Forum in Manila (March, 2010), and developing for early implementation CIF wide frameworks and programs for managing results and knowledge. A summary of what has been accomplished follows.

Program design and development

6. With the programming of CTF and PPCR activities proceeding in FY10 based on agreed criteria and operational guidelines, CIF program development efforts have focused on completing the necessary steps (selection of participating countries, adoption of investment criteria and operational guidelines) for FIP and SREP to become operational. Consistent with the findings under the PPCR start up, these steps take time to ensure transparency of process and outcomes that are responsive to program design principles and criteria. Consequently, the dialogue with partner countries of engaging in strategic country programming is now expected to commence the last quarter of FY10 in the case of FIP, and the first quarter in FY11 in the case of SREP.

The Forest Investment Program (FIP)

7. The FIP design document was approved by the SCF Trust Fund Committee on July 7, 2009 and as of February 3, 2010, six contributor countries, had pledged a total of \$406million to the program. Criteria for selection of FIP expert group members and for the selection of country and regional pilots were established in November 2009. By the time the Expert Group met on February 8-12, 48 countries had expressed an interest to participate. The Expert Group is expected to recommend 5 country or regional pilots that meet the criteria and other considerations agreed by the Sub-Committee. It will present its recommendations to the FIP Sub-committee during its meeting in March 2010 for review and approval. Revised proposals for operational guidelines, and investment criteria and financing modalities will be considered by the FIP Sub-Committee at its upcoming meeting on March 17.

8. The FP design provides for the establishment of a dedicated initiative for indigenous peoples and local communities "to ensure the full and effective, continuous participation of indigenous peoples and local communities in the design and implementation of FIP investment strategies." The design document further provides that the operational principles and priorities, funding modalities and governance of the dedicated grant mechanism is to be developed through broad, transparent consultation with indigenous peoples and local communities across all forest regions, and should build upon lessons learned from existing mechanisms. A proposal for the organization of a

broad consultative process to prepare a design proposal for the dedicated initiative is to be considered by the FIP Sub-Committee at its meeting on March 17.

9. **The Program for Scaling Up Renewable Energy in Low Income Countries. (SREP).** The final SREP design document was approved by the SCF at its May 13, 2009 meeting. With total donor pledges having surpassed the minimum level of \$250 million set as a target for operationalizing the fund, the program was officially launched in December 2009. Since then, total donor commitments have increased to \$292 million. As in the case of the FIP, the key steps toward initiating program implementation are being taken.

Policy and Operational Guidelines Documents Related to CIF Program Development, Approved or Submitted for Review during FY10
<p>FIP</p> <ul style="list-style-type: none"> • <i>Design Document for the Forest Investment Program, A Targeted Program under the SCF Trust Fund</i> (SCF TFC approved July, 2009) • <i>Proposed Work Program for the Forest Investment Program Sub-Committee</i> (approved by Sub-Committee October, 2009) • <i>Criteria for Selecting Expert Group Members Under the Forest Investment Program, Terms of Reference and Working Modalities</i> (approved November, 2009) • <i>Criteria for Selecting Country and Regional Pilots under the Forest Investment Program</i> (approved November, 2009) • <i>FIP Operational Guidelines</i> (proposed for FIP Sub-Committee review at March, 2010 meeting). • <i>FIP Investment Criteria and Financing Modalities</i> (proposed for FIP Sub-Committee review at March, 2010 meeting). <p>SREP</p> <ul style="list-style-type: none"> • <i>Criteria for Selecting Country and Regional Pilots under the Program for Scaling Up Renewable Energy in Low Income Countries</i> (submitted for SREP Sub-Committee February, 2010 meeting, revised version circulated for review by mail) • <i>Criteria for Selecting Expert Group members under the Program for Scaling Up Renewable Energy in Low Income Countries</i> (submitted for SREP Sub-Committee February, 2010 meeting, revised version circulated for review by mail) • <i>Proposed 2010 Work Program for the Program for Scaling Up Renewable Energy in Low Income Countries</i> (approved by Sub-Committee February, 2010) • <i>SREP Programming Guidelines and Operational Procedures (preliminary proposal)</i> (proposed for review at March, 2010 meeting) <p>CTF</p> <ul style="list-style-type: none"> • <i>"CTF Financing Products, Terms and Review Procedures for Public Sector Operations"</i> (proposed for review by the CFT Trust Fund Committee at the March, 2010 meeting)

10. At its first meeting (February 3, 2010) the SREP Sub-Committee adopted a work program for 2010, reviewed proposed criteria for selecting Expert Group members under SREP as well as for selecting country and regional pilots, and provided guidance on their further development to be circulated for subsequent approval by mail. The Sub-Committee has instructed the Expert Group to recommend up to six countries and

propose a list of up to three additional countries to be considered should additional funds become available or some of the selected pilots prove not to be feasible.

11. Preliminary proposals for programming and operational procedures and for financing modalities for public and private sector investments and related capacity building are being developed by the CIF Administrative Unit, to be submitted for review at the Sub-Committee's second meeting on March 17, 2010.

Country programming and project funding

12. The principle of country-led and MDB supported programming for the use of CIF resources is central to CIF's mission. The CTF Country Investment Plans (IPs).

13. PPCR Strategic Programs for Climate Resilience (SPCRs), FIP Investment Strategies (ISs) and SREP Investment Plans (IPs) will serve as frameworks for allocation of CIF funds, leading to the funding of individual programs and projects.

14. The progress made in country programming and approvals for project funding relative to targets set out in the FY10 Business Development and Budget paper is summarized in Table 1 below.

Table 1 Summary of Targeted vs. Projected Country Programming Activities FY09-10

	FY09 Target	FY09 Actual	FY10 Target	FY10 Projected	FY09+10 Target	FY09(actual) + FY 10 Projected	FY09+10 Projected as % of Target
<i>Joint Missions fielded</i>							
CTF	9	7	8	8	17	15	88
PPCR	5	2	6	8	11	10	91
FIP			6	1	6	1	17
SREP			3	0	3	0	0
<i>Country plans/programs for TFC/SC review</i>							
CTF	7	3	10	12	17	15	88
PPCR			5	0	5	3	60
<i>Indicative CIF funding commitments (\$'000)</i>							
CTF	2059	1050	2941	3700	4750	4750	100
PPCR			227	5	227	5	2
<i>Projects for TFC/SC review</i>							
CTF	2	2	15	13	17	16	94
<i>CIF commitments for project funding (\$'000)</i>							
CTF	300	116	1439	1080	1739	1196	69

15. **CTF.** Country programming of CTF resources is well on target. For planning purposes it has been deemed prudent to lower the total number of IPs under the program from 17 to 15 in order to hedge against currency fluctuations reducing the dollar value of funds available (leaving the possibility open for an additional country IP later on). All 15 planned joint missions have been fielded (see Annex 1). Nine Investment Plans (IPs)

have been endorsed by the CTF TFC with the remaining 6 on track for Committee review before the end of the fiscal year. Implementation of the six endorsed IPs is already underway in two countries (Mexico and Turkey). By end February 2010, six projects had received CTF TFC funding approval, totaling \$434,000. Another 9 projects seeking estimated CTF funding totaling \$762,000 are expected to be put forward for TFC approval by June 30, 2010.

16. **PPCR.** A year ago, the target was set for all 11 PPCR joint missions to have been initiated by the end of FY10. The current projection is for 10 of them to have been initiated.¹The first joint mission (the Nepal Pilot) was fielded in September 2009. As of end February 2 it had been followed by seven others (see Annex 1) Joint missions for the remaining pilots (one single country and two regional pilots) are expected to have been initiated by June 30, 2010, except in the case of Niger where it will slip into FY11 on account of the country situation.

17. It is expected that three pilot countries Zambia, Bolivia, and Tajikistan will request the PPCR Sub-Committee's approval of technical assistance grants for funding proposed PPCR Phase 1 activities. A primary delaying factor has been the need for additional analytical work and consultations among stakeholders to establish SPCR priority areas. To undertake such work and to do it in a consultative manner requires funding in the form of "an advance" on the PPCR TA preparation grant for Phase 1 activities.² MDB action is now being completed to put the required mechanisms in place to expedite such funding, including those relating to the rapid conclusion of the SCF Financial Procedures Agreements between the Trustee and the MDBs.

18. **FIP and SREP.** The business plan presented in the *CIF Business Plan and FY10 Budget Paper* included FY10 targets for the fielding of joint missions (6 and 3 respectively). These targets will not be reached given that the completion of the country selection processes can be expected at the earliest in March 2010 for FIP and in July-August of 2010 for SREP. For FIP, the projection is to initiate programming dialogue under one pilot (through first scoping mission) while for SREP such activity will not commence until the first half of FY11.

Managing stakeholder relations

19. The principles guiding the development of the CIF recognized that, if the CIF are to effectively contribute to a global solution to climate change, it is crucial for lessons and experiences to be shared in an inclusive, transparent, strategic and timely manner. Likewise, the implementation of the CIF needs to benefit from lessons and experience elsewhere and from reviews by stakeholders of progress and performance in CIF

¹ A "joint-mission" refers to support MDBs provide during the time-period for the country preparation of the strategic program (in the case of PPCR this time period is expected to average 10 months). Hence, a "joint mission" will comprise more than one visit to the country by the MDBs' team.

² The programming and financing modalities for PPCR provide for a grant amount up to \$1.5 million to be made available for Phase 1 activities. The specific amount is to be approved by the PPCR Sub-Committee, based on a work plan and budget for Phase 1 to be submitted by the pilot country.

implementation. Outreach to and engagement with a wide range of stakeholders, including the private sector, is therefore critical to CIF's mission.

20. **The CIF Partnership Forum.** The centerpiece of CIF stakeholder outreach is the annual Partnership Forum. The Forum is intended to provide for a dialogue on the strategic directions, results and impacts of the CIF and an opportunity to exchange independent and emerging scientific and technical information on major issues related to integrating climate change and development. The first gathering of the Forum took place in Washington, DC on October 14, 2008, at a time when CIF program development was still in its infancy and action at the country level yet to commence. Nevertheless, it provided an early opportunity to explore how best to promote dialogue and open exchanges on various aspects of the CIF.

21. The second CIF Partnership Forum will be held on March 18 and 19, 2010 in Manila, Philippines, and be hosted by the Asian Development Bank. It has been designed to promote an inclusive dialogue among all CIF stakeholders on lessons emerging from design and early implementation of the CIF. The program has been developed through a broad stakeholder consultative process, guided by an advisory group made up of representatives of developed and developing countries, northern and southern NGOs, indigenous peoples, private sector and the UN. In addition, a thematic underpinning has been created in the form of a study on emerging lessons from CIF design and early implementation commissioned by the CIF Administrative Unit.

22. The resulting program is a balanced combination of broad thematic plenary-style exchanges among all participants and targeted panels focusing on the individual CIF programs. In addition, there will be a symposium on new climate science and technology organized by UNEP. The program is structured so that participants have an equal opportunity to voice their views and share knowledge.

23. In order to ensure full and balanced representation across the spectrum of stakeholders, an invitation process was undertaken with guidance from the Forum advisory group and coordination and selection assistance from the Stakeholder Forum, a London-based organization (for representatives from civil society, private sector and indigenous peoples groups), in addition to inputs from CIF country focal points, MDBs, and others. All of the planning and preparation has been carried out through a rigorous process in partnership between the CIF Administrative Unit and the ADB as host.

24. **Involving the greater civil society in CIF's decision making.** The TFC in reviewing a background study prepared by the IUCN, decided in January 2009 to invite civil society observers to the CTF and the SCF Committee and PPCR Sub-Committee meetings. This invitation was subsequently extended to cover the FIP and SREP Sub-Committee meetings. Such participation gives the CIF governing bodies the opportunity to benefit from the experience and views of civil society representatives on the broad subject of integration of climate financing in development. At the same time it enables such representatives to better understand and advise on what CIF can do to promote such integration. The CIF Administrative Unit has coordinated the management of the self

selection process of civil society, the private sector and the indigenous people representatives.³

25. The self-selection processes for non-profit civil society observers to all CIF Committees and for the private sector observers to the CTF and SCF Trust Fund Committees and the FIP Sub-Committee have been completed. Work on the self-selection process for the private sector observers to the PPCR and SREP is still ongoing, and for indigenous people's observers is expected to be concluded in FY11.

26. At the CIF Committee meetings in October 2010, an orientation session for self-selected observers was conducted providing an overview of the CIF as well as clarifying the roles and responsibilities of observers with regards to the CIF Committees.

27. **Collaboration with UN partner agencies.** The collaboration with UNEP has been further strengthened by involving UNEP in the design and implementation of a Symposium on Science and Technology during the 2010 Partnership Forum. The symposium will provide information on latest developments in climate change related science and technology relevant to the work of the CIF. UNEP will also contribute to a program session on SREP during the Partnership Forum. With SREP now in the process of being operationalized, the MDBs in collaboration with UNEP will further develop proposals for providing technical assistance support under SREP.

28. *UNDP* continues to be an active contributing partner in the dialogue and working groups on the PPCR. Discussions are under way how to link the ongoing work in PPCR pilot countries with UNDP's ongoing programs and projects on adaptation. UNDP was actively involved in the first meeting of PPCR pilot countries which took place in October 2009, and UNDP country offices worked with governments in pilot countries to prepare for the joint missions. A second meeting of PPCR pilot countries will be organized in association with the 2010 Partnership Forum. Results from this meeting will inform a program session on the PPCR. UNDP is involved in the design of this session which is jointly prepared by the CIF Administrative Unit and the MDBs.

Engaging with the Private Sector.

29. Effective integration of private sector involvement in CIF's mission requires engagement at both the implementation and strategic levels. *At the implementation level*, engagement has to varying degrees formed part of the CTF joint mission activities through consultations on the proposed country Investment Plans and the opportunities for the private sector as potential project sponsors. As a result, the expected private sector parallel financing of the implementation of the nine endorsed Investment Plans (total

³ In this process it has engaged RESOLVE in the management of the self-selection process for Non-Profit Civil Society Organization observers, and the World Business Council for Sustainable Development in the self-selection of private sector observers. To facilitate the selection from among Indigenous People Groups, the CIF Administrative Unit engaged representatives of such groups who had participated in the FIP design process, and also the UN Forum on Indigenous Peoples Issues.

envisaged CTF funding \$3.3 billion) amounts to \$9.3 billion, i.e. CTF leveraging on average \$3 of private sector financing for every dollar of CTF funding.

30. To help guide the use of CTF funds in private sector investments, and in line with the *CTF Financing Products, Terms and Review Procedures for Public Sector Operations*, the MDBs have prepared a document entitled the *CTF Financing Products, Terms and Review Procedures for Private Sector Operations* (CTF/TFC.5/9). The paper has been submitted to CTF Trust Fund Committee for review and approval at its meeting in Manila on March 15, 2010.

31. *At the strategic level*, the engagement with the private sector has two purposes: to help the private sector realize its potential contribution to CIF objectives and to help CIF governing bodies and agencies understand the private sector's concerns and needs in respect to a low carbon or climate resilient business environment. To accomplish this, there is a need for a dialogue and open exchange of views and information.

32. A number of actions toward such a dialogue have been/are being taken: (i) a draft paper on *the Role of the Private Sector in Adaptation*, commissioned by the CIF Administrative Unit, will be presented for discussion among interested stakeholders during the Partnership Forum in March 2010; further to its presentation, the paper will be discussed with multiple PPCR stakeholders, leading to the finalization of a paper on how to effectively engage the private sector in adaptation projects to be ready in June 2010; (ii) the private sector has been invited as observers to the meetings of the CIF governing bodies (see above); (iii) the CIF Administrative Unit, working with the MDB Committee, has set up a Private Sector Practice Group on MDB collaboration on private sector; and (iv) the CIF Administrative Unit has from time to time attended to inquiries on the envisaged role of the private sector under the CIF and how it can become involved and engaged in preliminary dialogue with them.

Knowledge Management

33. To initiate the development of a CIF knowledge management strategy and program, the paper *Toward a CIF Knowledge Management Program, A Discussion Paper* (CTF-SCF/TFC.2/5) was presented to the Joint Trust Fund Committees (TFCs) for consideration at their May 12, 2009 meeting. The Joint TFCs supported the proposed framework and requested that a comprehensive CIF Knowledge Management Program be proposed for its review.

34. In responding to the request and guidance from the Joint-TFCs, the CIF Administrative Unit working with the MDB Committee, has prepared a paper outlining the objectives, modalities, priorities, implementation arrangements, and resource requirements for CIF knowledge management over the next few years. The paper entitled, *CIF Knowledge Management - Creating the Capacity to Act*, will be considered by the CIF Joint TFCs at their March meeting in Manila.

35. While a strategic program for knowledge management has been under development, early experiences in programming country resources are starting to be

captured and shared. Most importantly, the first meeting of the PPCR Pilot Countries took place on October 26-27, 2009 in Washington in which pilot country teams were able to exchange experiences and promote a shared understanding of the nature of the challenge they face. Similarly, early experiences are coming to light from MDB joint-missions under CTF and PPCR through mission debriefing, post-mission reporting, and exchanges between MDB teams. MDB focal points have come to serve as “repositories” for this knowledge for passing on to task teams due for joint-mission activity.

36. Recognizing the Partnership Forum’s function as a venue for sharing lessons among a wide range of stakeholders, the CIF Administrative Unit commissioned a study of stakeholder views on emerging lessons from the early start-up phase of the CIF. The resulting paper *Looking Ahead for Lessons in the Climate Investment Funds: Emerging themes for Learning*, will serve as a background document to help stimulate the discussion at the upcoming Second Partnership Forum in Manila in March.

Results Management

37. At its meeting in October, 2009 the CTF/SCF Joint Trust Fund Committee agreed to establish a working group to develop an integrated CIF results framework, and to harmonize the existing results frameworks for CTF, PPCR and SREP. A framework for the FIP is currently under preparation. The working group focused on two main issues - the harmonization and the integration aspect.⁴ A 'nested' set of results frameworks has been developed, where, for example, the framework for the PPCR is a stand-alone document, but the statements in it are linked to the framework for the CIF. The process of harmonization and integration was undertaken in a participatory and consultative fashion, within the limits of the timeframe required to develop the frameworks and the geographical locations of the various stakeholders.

38. The overall CIF, CTF, PPCR and SREP results framework will be submitted to the respective Trust Fund and Sub-Committee for comment and submitted to the Joint-TFCs for approval in March, 2010. It is envisaged that the FIP results framework will be presented in June 2010 for comment to the FIP Sub-Committee, and subsequently to the Joint-TFCs for approval.

39. In February 2010, the CIF Administrative Unit initiated preparation of a Strategic Environmental and Social Assessment (SEA). The objective is to assess the institutional procedures put in place to ensure that broader environmental and social considerations are taken into account, in terms of both managing effects and opportunities at the project, program and strategic level. The SEA will cover CTF and SCF’s three targeted sub-programs and their respective investment plans or other strategic country programs. It is expected that the SEA will be concluded in the first half of FY11.

⁴ In this context harmonization means having all three frameworks using the same labels (e.g., outcomes versus objectives), having the same structure of the results chain, and having a similar presentation (logical model). Integration specifies how the various results frameworks relate to each other or 'fit together' and how they link to the results at the CIF levels as well as level of programs and projects.

Governance and management

40. *The Trust Fund Committees and the PPCR Sub-Committee* will by the end of the fiscal year each have convened in three sets of meetings to execute its responsibilities (October 2009, March and June 2010) with the CTF TFC in addition meeting in December 2009. The FIP Sub-Committees will have met four times (Oct 2009, February and March 2010 and the SREP Sub-Committee twice (February and March 2010).

(i) *The CTF Trust Fund Committee's* deliberations have focused on the review and endorsement of country investment plans and projects. In that context they have approved and applied procedures for virtual intersessional meetings on a pilot basis. It has considered and emphasized the need to define and track climate financing, and provided guidance on CTF pipeline management to ensure compatibility with resource availability.

(ii) *The SCF Trust Fund Committee* has reviewed progress and provided guidance and feedback to the Sub-Committees on the further development of the targeted programs on Forest Investment (FIP), which it approved in July, 2009, and the Scaling Up Renewable Energy in Low Income Countries (SREP). It has monitored progress toward completion of Financial Procedures Agreements with the MDBs.

(iii) The two TFCs jointly have provided guidance on the harmonization of CIF results frameworks, assessed progress in the process of self-selection of observers, and reviewed and provided comments on preparations for the *Second Partnership Forum* and the first Annual Report on the CIF, *Building Partnerships for Climate Action*. The joint Committees will at their March Meeting in Manila consider proposals for Harmonization of CIF Results Framework, CIF Knowledge Management, and a CIF FY11 Business Plan and Budget.

(iv) As detailed earlier, the *FIP and the SREP Sub-Committees*, in accordance with their adopted work programs have guided the work managed by the CIF Administrative Unit on completing the actions that will lead to the selection of pilot countries, and to the development of investment criteria and operational policy guidelines for the respective sub-programs.

41. *The CIF Administrative Unit*, established within the Vice-Presidency for Sustainable Development in the World Bank, completed recruitment for its immediate staff requirements in early FY10. However, the scope and volume of work required to facilitate the activities and proceedings of the TFCs and their Sub-Committees, manage institutional relations, including the annual Partnership Forum, support the development and coordination of further policy and program development and start-up, including knowledge and results management, and private sector engagement, have grown faster than anticipated. Hence, as elaborated later in Section IV (FY11 Budget) the staffing complement of the Unit needs to be expanded and functional responsibilities realigned.

42. *The MDB Committee* members have met in person in connection with Trust Fund Committee meetings. Between these meetings it has conducted business through regular weekly, bi-weekly and periodically even more frequent teleconferences. To help expedite its work on multiple and growing agendas, the Committee has organized itself into smaller groups of MDB staff with specific expertise and responsibilities, i.e. individual groups for the CTF, PPCR, FIP and SREP programs and for thematic programs relating to results management, knowledge management, business planning and budgeting etc.

43. *The Trustee.* The Trustee's main activities during FY10 included, but were not limited to, (i) negotiation to conclude Contribution or Loan Agreements/Arrangement with each contributing donor country; (ii) negotiations to conclude the Financial Procedures Agreements for both CTF and SCF with each MDB; (iii) management of financial models to project cash flows, to manage a liquidity reserve, and to monitor the capacity of the Funds to meet obligations to MDBs and to donor loan contributors; (iv) development of an accounting framework for CTF and SCF as well as pro-forma financial statements and discussion with the MDBs to design the process flows for the financial transactions for both the CTF and the SCF; and (v) designing of a new stand-alone system for the CIF to ensure the Trustee's ability to manage the complex and unique financial characteristics as well as an automated system platform for sharing data electronically across the MDBs, Administrative Unit and the Trustee.

BUSINESS DEVELOPMENT ACTIVITIES AND TARGETS - FY11 UPDATE

44. Going forward, the main tasks facing CIF management, that is the MDBs, the CIF Administrative Unit and the Trustee, working together under the oversight and guidance of the TFCs, are to

- (i) support country-led strategic programming for the use of CIF resources (from here-on focusing on SCF), and assist recipient countries in preparing and financing public and private sector activities identified through such programming;
- (ii) through the MDBs' regular practices support recipient country institutions and partners in their implementation of CIF funded activities, and monitor progress and evaluate outcomes of these activities;
- (iii) capture and share lessons learned from the above activities and reach out to stakeholders, including the private sector, in a strategic manner in order to leverage climate financing; and
- (iv) implement effective systems for measuring results on all of the above fronts.

45. The FY10 CIF Business Plan established multi-year business development targets as a means of monitoring progress in CIF program implementation and guiding the

MDBs, the Administrative Unit and the Trustee in organizing, planning and resourcing their work programs. Section I (Table 1) provided a summary of the projected FY10 outcomes of CIF activities relative to these targets. The business development targets for FY11 and beyond have been revised in the light of these outcomes and anticipated country programming and project preparation activities. They are presented below together with a summary of the main implications for management of CIF project pipelines.

Revised Business Development Targets

46. The business development targets for the period FY11-14 are shown in Table 2 together with actual outcomes for FY09 and projected outcomes for FY10.

Table 2 - Business Development Targets for FY09-13 by CIF Program

		FY09	FY10	FY11	FY12	FY13	FY14	Total
CTF total								
1. Joint missions fielded	nos.	7	8					15
2. Country plans/programs for TFC/SC review	nos.	3	12					15
3. Indicative CIF funding commitments	US\$m	1,050	3,700					4,750
4. Projects to the TFCs/SCs for review	nos.	2	14	24	31			71
5. Potential project funding commitments	US\$m	116	1,080	1,569	1,985			4,750
PPCR								
1. Joint missions fielded	nos.	2	8	1				11
2. Country plans/programs for TFC/SC review	nos.		-	5	6			11
3. Indicative CIF funding commitments	US\$m		-	335	400			735
4. Projects to the TFCs/SCs for review	nos.			5	14	11	3	33
5. Potential project funding commitments	US\$m			111	312	245	67	735
FIP								
1. Joint missions fielded	nos.		1	4				5
2. Country plans/programs for TFC/SC review	nos.			3	2			5
3. Indicative CIF funding commitments	US\$m			240	160			400
4. Projects to the TFCs/SCs for review	nos.				5	7	3	15
5. Potential project funding commitments	US\$m				134	186	80	400
SREP								
1. Joint missions fielded	nos.		-	4	2			6
2. Country plans/programs for TFC/SC review	nos.			2	4			6
3. Indicative CIF funding commitments	US\$m			97	193			290
4. Projects to the TFCs/SCs for review	nos.			-	2	6	10	18
5. Potential project funding commitments	US\$m			-	32	98	160	290
SCF total								
1. Joint missions fielded	nos.	2	9	9	2	-	-	22
2. Country plans/programs for TFC/SC review	nos.	-	-	10	12	-	-	22
3. Indicative CIF funding commitments	US\$m	-	-	672	753	-	-	1,425
4. Projects to the TFCs/SCs for review	nos.	-	-	5	21	24	16	66
5. Potential project funding commitments	US\$m	-	-	111	478	529	307	1,425
CIF Total								
1. Joint missions fielded	nos.	9	17	9	2	-	-	37
2. Country plans/programs for TFC/SC review	nos.	3	12	10	12	-	-	37
3. Indicative CIF funding commitments	US\$m	1,050	3,700	672	753	-	-	6,175
4. Projects to the TFCs/SCs for review	nos.	2	14	29	52	24	16	137
5. Potential project funding commitments	US\$m	116	1,080	1,680	2,463	529	307	6,175

47. The targets have been developed based on parameters introduced in the FY10 Business Plan and Budget Paper. These parameters have been adjusted (as shown in Table 3) for purposes of the FY11 Business Plan to reflect (i) the Trustee’s statement of total pledges from contributor countries to the targeted programs under the SCF (as per January 31, 2010), (ii) a reduction in the anticipated availability of CTF funds from \$5.0 billion to \$4.75 billion recognizing the risk of exchange rate fluctuations (a planning assumption adopted by the MDB Committee), and (iii) expected somewhat smaller numbers of participating countries under FIP and SREP (as per decisions taken by the respective Sub-Committees) as well as under CTF (as a result of the downward adjustment of the overall resource envelope used for planning purposes just referred to).

Table 3 - Main Assumptions Underpinning the Revised CIF Business Development Targets

Key Parameter	Unit	CTF	PPCR	FIP	SREP
1. CIF funds available	(US\$mil)	4,750	735	400	290
2. Number of countries participating	(nos.)	15	11	5	6
3. Average number of CIF funded projects per country plan/ program	(nos.)	5	3	3	3
4. Average time required to prepare country plan/ program	(months)	3	10	10	8
5. Average time required to prepare project for TFC/SC review	(months)	12	12	12	12

Notes:

1. For CTF: A planning assumption adopted by the MDBs during FY10. For SCF programs based on contributor country pledges as of January 31, 2010.

3. For CTF number refers to projected actual

4. Measured from initial proposal to field joint mission to endorsement of country plan/program by TFC/SC

5. Measured from TFC/SC endorsement of country plan/program to TFC/SC review of project document

Summary and implications

48. The key features of the projected CIF business development scenario over the next four years and their main implications for CIF’s work program are as follows:

49. *Country programming.* The six MDBs, working together, face the task over the next four years of supporting country led preparations of strategic frameworks for deployment of SCF resources in 20 individual countries and 2 regional groups which in turn involve a total of 9 island countries. Throughout this period, the effectiveness and outcome of MDB joint mission support will be monitored, and lessons on the effectiveness of the approaches taken to country programming will be captured and shared as detailed in the proposed CIF Knowledge Management Program.

50. *Preparation of activities flowing from country programming.* A minimum of 120 programs and projects are expected to be prepared for CIF funding over the next four years, 65 of which under the three SCF programs and 55 under the CTF program. The MDBs will support country led preparation of these activities as part of their regular operational programs, and channel CIF technical assistance grants, primarily under the SCF programs, to partner countries.

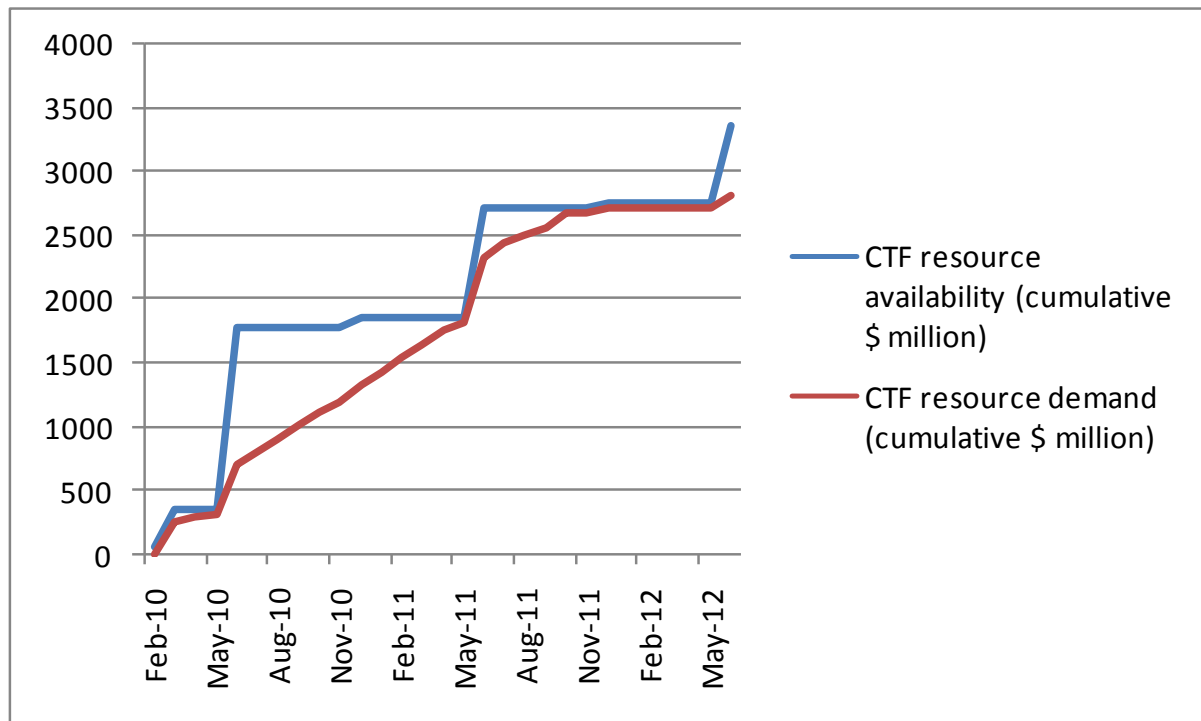
51. *Commitment of CIF funds:* Proposals for project funding will be submitted for review and approval by CIF Committees throughout the planning period, escalating from 14 in FY10 to 29 in FY11, and peaking in FY12 with 52 before declining and tailing off in the outer fiscal years involving primarily FIP and SREP activities. Correspondingly, potential commitments of funds will increase from \$1080 million in FY10 (100% CTF) to \$1680 million in FY11 (over 90% CTF), and rise to \$2463 million in FY12 (80% CTF) followed by a decline to about \$530 million and 310 million in FY13 and FY14 respectively (all SCF).

52. The realization of the above business development scenario and the achievement of a goal of committing \$6.2 billion of CIF resources to program and project funding by June 30, 2014, assumes that funds will be on hand at the required points in time. Also, as elaborated below, this will require a coordinated effort to match pipeline development with timely availability of CIF funds.

Resource availability and pipeline management

53. The development and submission of proposed strategic country programs and proposals for CIF project funding need to recognize potential constraints caused by the levels of projected availability of CIF resources. This has been clearly demonstrated under the CTF (see *CTF/TFC.5/4 "Pipeline of Projects under Development and Projections of Resource Availability"*). The CTF targets for project funding in FY11-14, as shown in Table 2 below and illustrated partially in Figure 1 below, are consistent with the Trustee's projections of CTF resource availability.

Figure 1: CTF pipeline: Projected Resource Demand and Supply (February 2010-June 2012)



(Source: CTF/TFC.5/4 “Pipeline of Projects under Development and Projections of Resource Availability”)

54. The Trustee’s revised projections of available funds over the next three fiscal years have necessitated substantial adjustments to the schedule of presentation of CTF project funding proposals for CTF TFC review and approval. A number of projects in the pipeline have had to be slipped from FY11 to FY12. This will result in longer elapsed time from project identification to ultimate MDB management approval, with potential risks for disruptions to the MDBs’ dialogue with recipient countries and the integration of CIF funding with regular MDB funding.

55. Management of such risks under all CIF programs is the responsibility of the CIF Administrative Unit and the MDB Committee under guidance from the CTF Trust Fund Committees. The tools of pipeline management include:

- (i) a system and common format for regular MDB reporting to the CIF Administrative Unit updating the status of project development activities and projected schedule of completion;
- (ii) monthly updates from the Trustee on current and projected resource availability under each the CTF and the SCF’s sub-programs;

- (iii) monthly MDB Committee meetings to review CIF project pipelines and assess their conformity with the Trustee's projections of resource availability, and based on a set of adopted decision criteria agree on actions to address cases of non-conformity – appropriately based on prior discussions with MDB Task Teams; and
- (iv) Early communications to MDB operational units on actions agreed by the MDB Committee to address pipeline issues and conflicts, to enable timely adjustments to the MDBs' proposed schedules for development and approval of projects.

Thematic support

56. As a necessary complement to the work by the MDBs on country programming of CIF resources and project development and financing, the CIF Administrative Unit, working with the MDB Committee and partner agencies and organizations, is developing and implementing thematic support activities in the areas of private sector engagement, knowledge management, stakeholder relations, and M&E results management. The priorities of work in these areas and their associated activities during the next fiscal year are summarized below.

Engagement of the Private Sector

57. With the CIF program now underway, the focus of CIF's efforts to engage the private sector is two fold: first, *at the implementation level* to support private sector involvement in the development of strategic country programs for use of CIF resources, leading in turn to the identification of opportunities for private sector investments in such programs; and second, *at the strategic level* to pursue a dialogue and open exchange of views and information with private sector interests to help realize their important potential contributions to CIF's objectives.

58. At the implementation level, programming of CTF resources will by the end of this fiscal year be completed in 15 countries covering a range of investment opportunities in the public and the private sectors. Important lessons will have been learned on approaches for engaging the private sector in the country-led processes and on the structuring of private sector involvement in the implementation of the country programs that have been arrived at. These lessons now urgently have to be captured and transmitted to MDB and country teams that are or will be involved in programming SCF resources in close to 30 pilot countries as well as to the broader CIF stakeholder community.

59. At the strategic level, CIF activities to engage with the private sector will be developed and implemented as part of the broader CIF partnership and stakeholder relations program (see section on Stakeholder outreach below.) Elements of such a program will involve (i) effective use of the Partnership Forum for exchange with private sector interests, possibly supplemented by selective and targeted regional meetings, (ii) CIF attendance at private sector clean technology, renewable energy and forestry focused

events to capture the trends and needs and reach out to potential partners; (iii) finding ways of engaging with private equity funds, institutional investors, technology providers etc. to identify areas of common interests; and (iv) exploring opportunities for CIF stakeholders to tap into industry based-based platforms for knowledge sharing.

Knowledge management

60. The start up phase of the CIF has naturally focused attention on getting policy and operational guidelines and procedures for CIF operations in place and above all on ensuring that country programming gets effectively underway. As implementation take-off occurs it becomes critical to deploy resources and mechanisms for the capture and sharing of experiences and lessons coming out of CIF, most immediately at the country program level and later at the project levels.

61. The transition into the new fiscal year will therefore mark the launching of a program to systematically address knowledge managements required at all levels of CIF operations. The proposal submitted to the Joint-Trust Fund Committees for consideration at their March meeting, entitled *CIF Knowledge Management – Creating the Capacity to Act* (CTF-SCF/TFC.4/4), provides a first road map for such an effort. Delays in committing to such a program are likely to be costly to the CIF mission in the form of missed learning opportunities.

62. The immediate challenges will be to (i) put deliberate processes and tools in place for listening to the stakeholders' needs for knowledge, starting with consultations on the basis of the proposed program; (ii) implement a set of already identified steps to systematically capture, document and share knowledge with early emphasis on lessons coming out of the country programming, (iii) ensure that all CIF projects going forward include learning components supported by CIF technical assistance grants; (iv) develop and implement a program for learning from other recent or ongoing climate finance activities for purposes of strengthening the knowledge base on which to design and implement CIF operations; and (v) to build up within the CIF Administrative Unit a capacity to support the above activities.

Stakeholder outreach

63. As CIF moves further into operations, stakeholder outreach, including the pursuit of partnerships, will focus on two interrelated objectives: (i) to keep stakeholders at local, regional and global levels informed of CIF objectives, activities and results in order facilitate their participation in CIF operations and activities as well as in climate change financing more broadly, and (ii) to access the expertise and knowledge from others and share with them the lessons that come out of the CIF.

64. This will be done by establishing priorities and implementing a strategic program for stakeholder outreach that, *inter alia*, takes into account the objectives and proposed activities for knowledge sharing set out in the proposed CIF Knowledge Management Program. The preparation and implementation of a CIF communications plan would be coordinated with the development of the strategic program for stakeholder outreach. The

CIF Administrative Unit, working closely with the MDB Committee and the MDBs, will coordinate this task with the intent of submitting a proposal for a strategic CIF stakeholder outreach program for consideration by the Trust Fund Committees at their November 2010 meeting.

65. The stakeholder outreach during FY11 will involve the following main activities to be managed by the CIF Administrative Unit in close coordination with the MDB Committee.

(i) 2011 Partnership Forum in Tunis. The third partnership forum (2011 Partnership Forum) will be held in Tunis, Tunisia, hosted by the African Development Bank. The objective of the third Forum will shift the focus to lessons learned from and knowledge exchange on the implementation of CIF-funded programs. By the time of the 2011 Partnership Forum, it is expected that the CTF and PPCR are in full implementation while FIP and SREP will have started joint missions and country programming in selected pilots.

(ii) Completion of self-selection process of observers to CIF Committee meetings. Outstanding action under the self-selection process is expected to be completed early in the coming fiscal year. Once all representatives have been identified, there will be a need for designing a strategic approach to effective participation of non-profit civil society, private sector and indigenous peoples in the work of the CIF. The CIF Administrative Unit will continue gathering information and views from observer representatives on how to enhance their involvement in the CIF. It is also proposed that the CIF Administrative Unit prepare a review of the process of selecting observers to the CIF Committees and Sub-Committees for consideration by the Trust Fund Committees at the November 2010 meeting.

(iii) Outreach to development partners. Targeted outreach will be undertaken to raise awareness on the CIF at the international level. Collaboration will be sought with other development banks, bilateral aid agencies as well as other interested civil society groups to discuss comparative advantages and enforce the strategic approach for CIF investments at the pilot country level.

Managing for results

66. The FY11 priorities on results management will shift to the implementation of the harmonized and integrated results frameworks, and major reporting activities, such as the annual report, will be based on and structured in line with these frameworks.

67. The MDBs will work together to test the validity and robustness of proposed indicators to assess whether vertical integration or cascading down to the program and project level allows for sufficient flexibility to accommodate the MDBs' varying approaches to "*managing for development results*". The CIF Administrative Unit will work closely with the MDBs in exploring options for linking the CIF results frameworks

to individual projects. Field testing in at least one country will provide the basis for detailed guidelines to MDB staff on how to link the CIF results frameworks to approaches for “*managing for development results*” at the country and project levels. This process will allow the CIF Administrative Unit to further refine and validate the set of identified indicators.

68. The design of the CIF establishes that “an independent evaluation of the operations of the Trust Fund[s] and the impacts of [their] activities will be carried out jointly after three years of operations by the independent evaluation departments of the MDBs.” During FY11 the CIF Administration Unit, working closely in coordination with the MDB Committee, will initiate discussions with these MDB departments on the process, arrangements and timing of this evaluation, and report on outcomes and proposed next steps to the Joint Trust Fund Committees at their spring 2011 meeting.

FY10 BUDGET OUTCOME

69. The TFCs at their joint meeting in May, 2009 approved a total budget of \$14.0 million for FY10 to cover estimated expenditures for administrative services. In addition, it approved \$7.2 mill in additional funding to the multi-year budget for MDB support to country-led strategic programs for deployment of CIF resources. The activities supported by the FY10 administrative budget were reported on earlier in this document (Section II). What follows is a brief report on the budget outcome (Tables 4-6 below) with details in Annex 2.

Administrative Services

70. A budget review in February, 2010 concluded that the estimated cost for completing CIF’s administrative work program in FY010 was expected to come in at \$2.2 million (or 16%) below budget. The under run is the result of two developments during FY10. First, the Trustee incurred substantially lower expenditures as a result of (i) external audits of the MDBs’ FY09 financial statements proving not to be required because of the limited number of financial transactions involved, and (ii) lower than projected investment management fees which in turn resulted from the fact that only recently were contribution payments being deposited with the Trustee; these two factors are responsible for \$1.43 million, or almost two-thirds of the under run.⁵ Secondly, the MDBs’ expenditures for CIF coordination were reduced by \$0.74 million (or 14%) as a result of start up of FIP and SREP falling behind the schedule foreseen in the FY10 CIF business plan. The CTF and the SCF both contributed to the under-run.

⁵ The Trustee’s investment management fees are based on 3.5 based on points on the average annual portfolio balance.

Table 4 - FY10 Administrative Services -- Estimated Outcome by Program Fund. (\$ '000)

	FY10 Approved Budget	FY10 Revised Budget	Difference
CTF	6,318.0	5,405.9	(912.1)
SCF	7,720.5	6,389.0	(1,331.5)
Total	14,038.5	11,794.9	(2,243.6)

Table 5 – FY10 Administrative Services -- Estimated Outcome by CIF Unit (\$ '000)

	FY10 Approved Budget	FY10 Revised Budget	Difference
Trustee	2,952.7	1,520.0	(1,432.7)
Admin Unit	5,831.4	5,762.5	(68.9)
MDBs Total:	5,254.4	4,512.4	(742.0)
ADB	769.1	592.9	(176.2)
AFDB	768.0	723.5	(44.5)
EBRD	403.0	403.0	-
IADB	827.0	826.8	(0.2)
IBRD	1,689.2	1,295.0	(394.2)
IFC	798.1	671.2	(127.0)
Total	14,038.5	11,794.9	(2,243.6)

MDB Support to Country Programming of CIF Resources

71. Section II provided a summary of the MDBs' FY10 activities in support of country-led programming of CIF resources. The CIF budget rolls over from year to year, and is, if so required, topped up annually (Table 6).

72. *For the CTF*, the budget allocations FY09 and FY10 totaled \$4.05 million (\$2.98 million and \$1.07 million respectively). The total cost of MDB support in the 15 countries involved is estimated at \$3.19 million which averages out at \$213,000 per country, as compared to the revised budget norm of \$280,000 (see footnote 2 in Table 6).⁶ A full analysis of the costs incurred will be done once the actual cost data are in for all of the joint-missions.

73. *For the targeted programs of the SCF*, the approved budgets for FY09 and FY10 for country programming totaled \$7.36 million (\$1.20 million and \$6.16 million respectively) of which \$5.32 million are projected to have been committed by the end of FY10 for MDB support in all but one 11 PPCR pilot countries/regions and in one FIP partner country. In each country, MDP support through joint-mission work will continue during the entire period of country strategic program preparation. MDB Committee approval of joint-mission funding covers the anticipated total cost of such an MDB

⁶ This amount covers the costs of all MDBs participating in the mission (typically including the World Bank, one of the Regional Development Banks and the IFC)

engagement, \$388,000 being the revised budget norm for single country pilots and \$920,000 the revised norm for regional pilots (see footnote 3 in Table 6).

Table 6 - Utilization of CTF and SCF Budgets for MDB Support for Country Programming FY09 and FY10 (\$'000)

	CTF	SCF	Total
1. Total budget approved (FY09+FY10)	4,047.9	7,360.0	11,407.9
2. Costs of FY09 joint-missions 1/	1,200.5	-	1,200.5
3. Est. costs of FY10 joint-missions (revised) 2/	1,989.5	5,332.0	7,321.5
4. Balance available to allocate during FY11	857.9	2,028.0	2,885.9

1/ Two SCF joint missions (scoping part) were initiated during FY09. Since their budgets were formally approved by the MDB Committee in FY10 they are included under line 3.

2/ CTF revised cost estimates for FY09 and FY10 include a provision for \$20,000 per joint-mission which has been added to the budget norm to allow for expected MDB expenditures for staff support to country teams to capture and document lessons learned.

3/ SCF revised estimates for FY10 includes 10 PPCR joint-missions and 1 FIP joint-mission. The estimated joint-mission cost per country has been raised from \$368,000 to \$388,000 for single country pilots to cover expenditures for MDB support to capturing lessons learned and from \$368,000 to \$920,000 for regional groups to meet the required support for development of Strategic Programs for Climate Resilience in multiple countries (6 in the case of the Caribbean Islands and 3 in the case of the Pacific Islands) and addressing associated regional collaboration priorities and activities). These budget norms cover the costs of MDB support throughout the extended Phase 1 period (i.e. involve more than one mission).

74. A number of PPCR pilot countries are expected to complete their Phase 1 work during FY11, and it will then be possible to assess what the final actual costs of MDB support have been. In the meantime, and given the inherent uncertainty in estimating requirements of MDB support, the budget norm has to be implemented with flexibility and sensitivity to the requirements of individual countries (see also footnotes 2 and 3 to Table 6 above).

75. As indicated in the previous CIF Business Plan and Budget Paper, the estimated costs for MDB participation in joint-missions under FIP and SREP will initially be based on the PPCR norm (i.e. \$388,000 per country). The adequacy of this provision will be reviewed when the programming guidelines for these sub-programs have been finalized and as experience is gained from the first joint-missions.

FY 11 BUDGET

76. The proposed FY11 CIF budget is based on the estimated expenditures for activities that the Trustee, the Administrative Unit and the six MDBs plan to undertake during the period July 1, 2010 to June 30, 2011 to help CIF reach its business development targets and deliver its work program in key thematic areas as summarized in Section III.⁷ It comprises two parts: administrative services and MDB support to country

⁷ Consistent with provisions under the agreed CIF design, costs that MDBs will incur in administering individual investment or technical assistance projects are not included in the proposed budget. Such costs are to be recovered through an MDB fee.

programming of CIF resources. The proposed FY11 budget is summarized in Tables 7 and 8 below and detailed in the sections to follow.

**Table 7 - Approved FY10 and Proposed FY11 Budgets
By Budget Category (\$ '000)**

	FY10 Approved Budget	FY11 Proposed Budget	Difference
Administrative Services			
Trustee	2,952.7	3,022.0	69.3
Admin Unit	5,831.4	8,538.0	2,706.6
MDBs	5,254.4	5,958.2	703.8
Sub-total	14,038.5	17,518.1	3,479.6
MDB Support for Country Programming	7,231.1	1,464.0	(5,767.1)
Systems Development	2,000.0	-	(2,000.0)
Total	23,269.6	18,982.1	(4,287.5)

77. The estimated expenditures for administrative services and MDB support to country programming are specific to activities envisaged under CTF and SCF. The budget presentation assumes that the two new targeted programs under SCF will move into full implementation during FY11. The proposed budgets for CTF and SCF are the result of costing out activities specific to programs envisaged under the respective funds. Whenever that has not been feasible, costs have been allocated between the two funds using best estimates.

78. The budget presentation recognizes the importance of being able to assess the proposed FY11 budget in relation to the approved FY10 budget (Table 7). It may, however, be more relevant to compare FY11 estimated expenditure levels (which translate into the proposed budget) to the revised estimates of FY10 expenditures (Table 8).

**Table 8 – FY10 Revised Estimates and Proposed FY11 Budget
By Fund Program and Budget Category (\$ '000)**

	CTF		SCF		Total		Difference
	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget	
Administrative Services							
Trustee	884.8	1,627.0	635.2	1,395.0	1,520.0	3,022.0	1,502.0
Admin Unit	2,155.4	2,977.7	3,607.1	5,560.2	5,762.5	8,538.0	2,775.4
MDBs	2,365.7	2,319.4	2,146.7	3,638.8	4,512.4	5,958.2	1,445.8
Sub-total	5,405.9	6,924.1	6,389.0	10,594.0	11,794.9	17,518.1	5,723.2
MDB Support for Country Programming	1,066.0	-	6,165.2	1,464.0	7,231.2	1,464.0	(5,767.2)
Systems Development	1,000.0	-	1,000.0	-	2,000.0	-	(2,000.0)
Total	7,471.9	6,924.1	13,554.2	12,058.0	21,026.1	18,982.1	(2,044.0)

79. *In summary*, the estimated expenditures for FY11 translate into a proposed budget of \$18.98 million. This represents a decrease of \$4.29 million, or 18%, from the FY10 approved budget of \$23.27 million, and a decrease of \$2.04 million, or 10%, from the revised estimate of FY10 expenditures of \$21.03 million.

80. The projected \$2.04 million decrease from FY10 expenditures (revised estimate) is the net result of (i) the combined administrative expenditures of the Trustee, the CIF Administrative Unit and the MDBs increasing by an estimated \$5.72 million; (ii) the MDB support for country programming under FIP and SREP requiring an FY11 injection of \$1.5 million as compared to \$7.23 million in FY10, translating into a decrease of \$5.77 million; and (iii) the special initiative on CIF systems development (funded at \$2.0 million in FY10) requiring no additional resources during FY11.

Part A - Administrative Services

The Trustee

81. Table 9 below shows the projected budgetary requirements for Trustee services between July 1, 2010 and June 30, 2011.

Table 9 - Estimated FY10 Expenditures and Proposed Budget for Trustee Services FY11 (\$ '000)

Trustee Services	CTF		SCF		TOTAL	
	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget
Financial Management and Relationship	228.0	235.0	152.0	157.0	380.0	392.0
Investment Management a/	180.0	458.0	107.0	264.0	287.0	722.0
Accounting and Reporting	181.8	180.0	121.2	180.0	303.0	360.0
Legal Services	120.0	79.0	80.0	119.0	200.0	198.0
One-time Trust Fund Fee b/	125.0	-	125.0	-	250.0	-
External Audit c/	50.0	675.0	50.0	675.0	100.0	1,350.0
Total Costs	884.8	1,627.0	635.2	1,395.0	1,520.0	3,022.0

a/ Investment Management fees are calculated based on a cost of 3.5 basis points against the average annual balance of the portfolio; the projected average portfolio size is \$1.3 billion for the CTF trust fund and \$754 million for the SCF trust fund for FY11.
b/ One-time Trust Fund fee of \$250,000 per fund to be charged over two years. This charge is to recover IBRD long-term costs of trust fund administration, including but not limited to, quality control and compliance, internal audit, human resources, and institutional integrity.
c/ Represents expected costs for external audits to be conducted by Trustee as well as by the 6 MDBs.

82. The proposed budget for FY11 represents the following assumptions:

- a) Financial management and relationship management: Costs are based on staff time required for management of financial models to assess and ensure the sound financial structure of the Trust Funds; implementation of operational procedures for recording allocations and commitments and making cash transfers to MDBs; donor relationship management; coordination with the CIF Administrative Unit and the MDBs to develop best practice operational policies relating to financial transactions; and implementation of the reporting and transactional processes and procedures for the Trust Funds;
- b) Investment management: Investment management fees are calculated based on a cost of 3.5 basis points against the average, annual balance of the portfolio; the projected average portfolio size for the CIF trust funds for FY11 is \$2 billion in total, of which \$1.3 billion represents the estimated portfolio size for the CTF and \$754 million for the SCF;

- c) Accounting and reporting: Costs are based on the management of the accounting model for the Trust Funds, including further development and implementation of accounting policies for tracking both donor loan contributions and for reflows from MDBs (i.e., interest and principal repayments on loans to recipients); maintenance of appropriate records and accounts to identify contributions and other receipts (reflows and return of unused funds) as well as Trust Fund liabilities to MDBs, and preparation of Financial Statements and arrangement of external audits;
- d) Legal services: Costs are determined based on the time required to finalize Contribution Arrangements including Loan Agreements with each donor and Financial Procedures Agreements to be entered into between MDBs and the Trustee. Costs also include staff time needed for drafting new legal documents as well as amending the existing legal documents for the Trust Funds operation as necessary; and
- e) External audit costs: The costs of external audits are estimated to be on average \$75,000 for each external audit of the MDBs' special purpose financial statements and \$150,000 for the Trustee's special purpose financial statements. The Trustee and the EBRD have agreed that EBRD must prepare two financial statements: one in the EBRD's operating currency and the other in the operating currency of the CIF. The Trust Funds will pay for both audits.

83. **Systems Development.** At the CTF and SCF Trust Fund Committee meeting in May 2009, the budget for special initiative on systems development was approved in the amount of \$2 million, of which \$1 million represents the Trustee costs and another \$1 million is to be shared amongst the MDBs.

84. Since last reported, a Short-Term Consultant (STC) was employed to research and develop the business requirements for an automated system platform to support the CIF Administrative Unit's work on planning, management and reporting on CIF funded activities and their results. The STC is expected to collaborate with the Trustee and the CIF Focal Points in all six MDBs to ensure that the requirements meet their business needs and can be integrated with existing systems. The final business requirements will drive the corresponding technical specifications and design for a data base and system for CIF's business operations.

85. The Trustee, the Administrative Unit, and the MDBs have begun discussions on development of an automated system platform for sharing of data electronically across the MDBs, Administrative Unit and the Trustee. The Trustee and the Administrative Unit visited each MDB to discuss with their operational, accounting and Information Technology ("IT") staff MDB processes, procedures, and IT systems. The Trustee's IT team has initiated its work of designing the Trustee system based on the outcome of the meetings, and the team is putting together a recommendation for moving forward with the shared platform.

86. After analyzing the work program and the budgetary requirements, it was determined that the approved amount of \$2 million is sufficient to continue the systems development project for the next fiscal year, and therefore, the Trustee is not requesting additional funding from the CIF for FY11. As the system development is further advanced and it is determined that additional funding is needed, the Trustee, the Administrative Unit and the MDBs will request the Trust Fund Committees for additional funding.

CIF Administrative Unit

87. During FY11, the Administrative Unit, working with the MDB Committee, will facilitate the work of the Trust Fund Committees and their Sub-Committees, manage institutional relations, internal and external, support the development of further policy and program development, and coordinate start-up activities of the FIP and the SREP programs. In addition, it will, working with the MDB Committee and in consultation with partner agencies and organizations, coordinate the various “corporate” CIF thematic work programs, including the launching of the proposed CIF Knowledge Management Program and the implementation of the CIF Results Framework. The estimated expenditures for these activities total \$8.54 million and include a preliminary provision of \$1.35 million to meet the costs of the third Partnership Forum, to be hosted by the African Development Bank, planned for Tunis in FY11.

88. It has become apparent after the 18 months of CIF operations that the current structure and size of the staff resources of the CIF Administrative Unit do not meet the requirements as they are driven by a growing and complex program. Ongoing staff recruitment for an Operations Officer and a Coordinator for the Global Support Program will only partially address these requirements. There is, therefore, an urgent need to establish dedicated staff functions for coordination of the four operational programs, the further development and implementation of a comprehensive knowledge management program, and CIF communications.

89. Including ongoing recruitment, the Unit’s staff complement consists of the Program Manager, 4 senior staff positions (the Sr. Coordinator for the Global Support Program included), 3 positions at the operations officer/analyst level and 2 administrative staff. The intention is to augment this complement with a Deputy Program Manager, 3 new senior staff positions, 1 operations analyst- level position, and 2 more administrative staff. With these new staff positions filled, the CIF Administrative Unit would be expected to handle its responsibilities vis-à-vis the TFCs and their Sub-Committees, the MDB Committee, the MDB Focal Points, and a growing number of external stakeholders. The proposed new staffing arrangements will be phased in over the remainder of 2010.

Table 10 - Estimated FY10 Expenditures and Proposed FY11 Budget for Administrative Unit Services (\$’000)

	CTF		SCF		TOTAL		Staff weeks		Consultant weeks	
	FY10 Rev Budget	FY11 Budget	FY10 Rev Budget	FY11 Budget	FY10 Rev Budget	FY11 Budget	FY10 Rev Budget	FY11 Budget	FY10 Rev Budget	FY11 Budget
1. Facilitating the work of TFCs and Sub-Committees	342.7	408.3	342.7	665.5	685.4	1,073.8	55.00	86.6	8.5	3.6
2. Managing Institutional Relations and Partnership building (incl Partnership Forum)	1,198.3	1,528.9	1,729.5	3,081.6	2,927.8	4,610.5	151.57	189.9	51.9	47.3
3. Policy and Program Development	376.9	769.6	1,297.4	1,440.5	1,674.3	2,210.1	163.41	400.4	102.2	21.9
4. Management and Finance	237.5	270.9	237.5	372.6	475.0	643.5	54.62	99.7	52.7	20.1
GRAND TOTAL	2,155.4	2,977.7	3,607.1	5,560.2	5,762.5	8,538.0	424.60	776.6	215.2	93.0

90. The proposed FY11 budget for the Administrative Unit, shows a \$2.78 million, or 48%, increase over the FY10 revised budget. This increase derives from two incremental requirements: (i) travel expenditures rising by \$1 million, or 87%, primarily to support the proposed expansion of partner country meetings to share lessons learned to include FIP and SREP countries; and (ii) staff costs rising by \$1.33 million, or 68%, as a result of the implementation of the new staffing plan.

91. A major task for the Administrative Unit in FY11 is the planning, organization and management of the *Third Partnership Forum* to be held in Tunis in March/April of 2011. It is proposed that African Development Bank (AfDB) will host the Forum, and the CIF Administrative Unit will work closely with AfDB and the MDB Committee in the planning and organization of the event. The preliminary cost estimate of \$1.35 million is based on the current best estimate of the costs of the Second Forum in Manila. These costs are included in the estimated costs for institutional relations and partnership management shown in Table 10. A more precise estimate will be provided when a detailed design proposal to the Trust Fund Committees is submitted in the fall of 2010.

92. The *Design Document for the FIP* provides for the establishment of a dedicated initiative for indigenous peoples and local communities. A proposal for the organization of a broad consultative process to prepare a design proposal for the dedicated initiative is to be considered by the FIP Sub-Committee at its meeting on March 17 (see Section I on FIP design and development). The budget associated with the proposal is in the range of \$550,000 (some of which would need to be committed in FY10). (See document FIP/SC.3/5, *Terms of Reference for the Development of a Dedicated Grant Mechanism for Indigenous Peoples and Local Communities*). The resources required to finance the consultative process are to be included in the budget of the Administrative Unit.

The Multilateral Development Banks

93. Implementation of CIF funded programs and projects are the joint responsibility of the six MDBs. Technical and country program units in the MDBs work with institutions and counterparts in recipient countries to prepare strategic programs or investment plans for use of CIF resources. The business development targets for these activities were reviewed earlier (Section III, Table 2). The incremental costs that the MDBs will incur in supporting these activities would be covered under the proposed CIF budget for country programming, presented in Part B below.

94. The MDBs' technical and operational staff will also (i) assist country partners in preparing activities, foreseen in the strategic programs and investment plans, for CIF funding, (ii) help process these opportunities through funding approval, (iii) subsequently monitor implementation, and (iv) evaluate project outcomes and impacts of these projects. The MDBs will recover their costs for these services through an MDB fee as per agreed CIF design.

Table 11 – Summary of FY10 Estimated Expenditures and Proposed FY11 Budget for MDB Administrative Services (\$ '000)

	CTF		SCF		TOTAL	
	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget
ADB	270.8	329.7	322.1	462.8	592.9	792.6
AFDB	281.4	243.6	442.1	598.5	723.5	842.1
EBRD	343.8	365.8	59.2	248.5	403.0	614.3
IADB	469.1	307.8	357.7	591.2	826.8	899.0
IBRD	521.4	525.6	773.6	1,432.5	1,295.0	1,958.1
IFC	479.2	546.9	192.0	305.2	671.2	852.1
Total	2,365.7	2,319.4	2,146.7	3,638.8	4,512.4	5,958.2

Note: FY11 External audit costs for MDBs are covered separately under the Trustee's budget.

95. The MDBs' CIF Focal Points coordinate and help guide the above activities. They inform public and private operational units of CIF's potential contributions to country programs and the global environment explain the criteria for accessing CIF resources and clarify the established CIF policies, guidelines and procedures for CIF funded projects. They provide primary inputs for each MDB's operational reporting to the TFCs and SCs on program performance and lessons learnt, present the view of the MDBs in CIF partnerships, meetings and fora, and contribute to the joint thematic work programs in the areas of private sector development, knowledge management and M&E, stakeholder relations management, and results management activities. They provide a quality control function and vet project proposals on behalf of the MDB prior to submission to the TFCs or their Sub-Committees for consideration and approval. Finally, CIF Focal Points work inter-departmentally within their respective MDBs to establish the legal, financial, and administrative arrangements required to become an effective implementing entity of the CIF.

96. The expenditures incurred by the CIF Focal Points and other units and departments in the delivery of the above services and activities are covered under CIF's administrative services budget. For FY11, the expenditures have been estimated to be \$5.96 million which is \$1.45 million, or 32%, higher than the revised estimate for FY11 (Table 11).

97. The MDBs' combined expenditures for CTF coordination in FY11 are expected to be on par with those for the previous fiscal year. This is the net effect of CTF Investment Plans now having been completed and project funding activities starting to

ramp up. This pattern holds true for all MDBs except for IFC which projects increased CTF coordination expenditures for FY11 on account of internal financial management requirements relating to the emerging IFC portfolio of CTF projects.

Table 12 - Proposed FY11 Budget for MDB Administrative Services by SCF Program (\$ '000)

	PPCR		FIP		SREP		TOTAL	
	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget	FY10 Revised Budget	FY11 Proposed Budget
ADB	142.6	209.3	89.8	126.7	89.8	126.7	322.1	462.8
AFDB	224.7	224.7	118.1	186.9	99.2	186.9	442.1	598.5
EBRD	41.9	98.1	17.3	75.2	-	75.2	59.2	248.5
IADB	128.1	191.1	135.0	187.1	94.6	213.0	357.7	591.2
IBRD	358.9	516.2	235.2	495.0	179.5	421.3	773.6	1,432.5
IFC	89.5	88.3	42.8	108.5	59.8	108.5	192.0	305.2
Total	985.7	1,327.7	638.1	1,179.5	522.9	1,131.6	2,146.7	3,638.8

Table 13 - Estimated FY11 Expenditures and Proposed Budgets for MDB Administrative Services by MDB and Service Category (\$ '000)

CTF									
	ADB	AFDB	EBRD	IADB	IBRD	IFC	Total	Total Staff weeks	Total Cons Weeks
1. Internal outreach and integration of CIF in MDB policies, procedures and systems	142.3	28.4	75.1	123.0	265.2	212.5	846.4	122.0	61.9
2. CIF operational reporting	34.9	47.3	53.3	51.5	69.0	17.6	273.6	56.0	13.2
3. Participation in CIF committees and fora	84.0	94.5	137.3	88.1	110.2	102.4	616.5	63.0	10.0
4. Financial management and relations with the CIF Trustee	68.5	73.5	100.1	45.2	81.2	214.4	582.9	112.5	27.6
Total	329.7	243.6	365.8	307.8	525.6	546.9	2,319.4	353.5	112.7
SCF									
	ADB	AFDB	EBRD	IADB	IBRD	IFC	Total	Total Staff weeks	Total Cons Weeks
1. Internal outreach and integration of CIF in MDB policies, procedures and systems	211.8	85.1	60.5	186.8	643.6	55.8	1,243.5	192.5	119.8
2. CIF operational reporting	69.4	104.0	25.9	79.2	163.6	23.5	465.6	78.0	28.0
3. Participation in CIF committees and fora	117.0	226.8	156.5	142.1	425.2	194.2	1,261.7	120.5	19.0
4. Financial management and relations with the CIF Trustee	64.6	182.7	5.6	183.2	200.1	31.7	668.0	118.5	31.2
Total	462.8	598.5	248.5	591.2	1,432.5	305.2	3,638.8	509.5	197.9

Notes: 1. Estimates for Service Category 3 include 14 staff-weeks of time for each MDB to contribute to the FY10 thematic work programs to be coordinated by the senior thematic specialists of the Administrative Unit (details in Section III of this paper). 2. FY10 External audit costs for MDBs are covered separately under the Trustee's budget.

98. In contrast, MDB coordination costs for the three SCF sub-programs are projected to increase by \$1.49 million, or 70%, from their FY10 levels as these programs, and in particular those for FIP and SREP, move into country program preparation mode. This will require substantial MDB Focal Point outreach and guidance to task teams on joint mission planning, the application of SCF programming criteria, and procedures for accessing SCF funding. For PPCR the increase is somewhat smaller reflecting its more advanced stage of program development, but nevertheless resulting in increased needs for guidance and coordination on SPCR development.

99. As elaborated in the FY10 Business Plan and Budget paper, the estimated costs of providing the required administrative services for CIF program coordination, shown in Table 12, vary across MDBs for three main reasons: differing scope of engagement across the MDBs, and different internal organizational structures, operational procedures and financial management systems, and lastly, varying staffing arrangements, unit costs, and rules for applying overhead charges or indirect costs.

Part B - MDB Support to Country Programming of CIF Resources

100. As indicated earlier, the multi-year budget for MDB support to country programming rolls over from year to year. The estimated additional funding for FY11, as shown in Table 14, amounts to \$1,464,000 million for the SCF. No additional funds are required for CTF country programming since that activity will have been completed by the end of FY10.

Table 14 Estimated Expenditures and Proposed FY11 Budget for MDB Support to Country Programming of SCF Resources. (\$'000)

	CTF	SCF
Balance available to allocate during FY11	857.9	2,028.0
Estimated costs of FY11 joint missions 1/	-	3,492.0
Additional funds requested for FY11	-	(1,464.0)

101. The SCF country programming exercise will continue during FY11 and most significantly it has been broadened to include all three sub-programs. For PPCR, the MDB support initiated under 10 pilots in FY10 will proceed and involve additional missions (the estimated costs of which have been included in allocations already approved by the MDB Committee). The joint mission for the remaining pilot country will be initiated in FY11, together with 4 joint missions each under FIP and SREP with expenditures as per the revised budget norm of \$388,000. The costs of MDB participation in joint-mission (see footnotes to Table 6) will be kept under review and, if so required, the budget norms for single and regional pilots will be adjusted.

102. The arrangements for MDBs to access CIF budget resources remain as outlined in the CIF FY09 Budget Paper with respect to CTF Investment Plans and PPCR Technical Assistance Programs (now referred to as Strategic Country Programs for Climate Resilience) i.e.

“Access by individual MDBs to this resource pool of funding will be managed by the MDB Committee based on agreed parameters. The Committee will on a continuing basis review and endorse proposals for support to individual countries for IP or TAP preparation, supported jointly by one of the regional MDBs and the WB. Such proposals will outline the scope, nature and timing of the envisaged activities for IP/TAP preparation, the role of each MDB and arrangements for collaboration between MDBs and other development partners, and the costs and funding sought, including its allocation to participating MDBs. The MDB Committee, upon its endorsement of a proposal for IP/TAP preparation will notify the TFC/PPCR-Subcommittee and AU. The latter will request the Trustee to release CTF/PPRC funds to the collaborating MDBs. The transfer will involve the endorsed sum in its entirety, which will carry over into the following year in the event work is extended beyond the current year. Unused funds at the completion of a TAP will be returned to the Trustee”. (Note: These arrangements were extended to the FIP and SREP Sub-programs upon their approval.)

Annexes:

1. CIF Joint Missions Initiated during FY09-FY10.

1a CTF joint missions

1b PPCR joint missions

2 FY10 Budget Review – Supporting Tables

2a FY10 Approved and Revised Budget for MDB Administrative Services by Fund Program and MDB.

2b FY10 Approved and Revised Budget for MDB Administrative Services by Service category

2cFY10 Approved and Revised Budget for Trustee Administrative.

2d FY10 Approved and Revised Budget for Administrative Unit Services.

Annex 1 CIF Joint Missions Initiated during FY09-FY10.

Table 1 a CTF Joint-Missions Approved and Investment Plans Endorsed FY09-10

Country	MDB Committee Approval of joint-mission proposal	CTF TFC endorsement of Investment Plan
Mexico	12/11/2008	01/29/2009
Egypt	11/25/2008	01/29/2009
Turkey	11/28/2008	01/29/2009
Morocco	01/14/2009	10/28/2009
Ukraine	01/19/2009	
South Africa	03/09/2009	10/28/2009
Kazakhstan	05/26/2009	
Philippines	06/15/2009	12/01/2009
Thailand	06/17/2009	12/01/2009
MENA CSP (Morocco, Tunisia, Egypt, Lybia, Jordan, Algeria)	08/19/2009	12/01/2009
Vietnam	08/21/2009	12/01/2009
Nigeria	09/06/2009	
Indonesia	10/14/2009	
Colombia	11/18/2009	
Chile	01/04/2010	
MENA Supplemental	(to be requested)	

Table 1 b PPCR Joint-Missions Initiated in FY10

Country	MDB Committee Approval of MDB Joint-mission proposal
Nepal	8/18/2009
Cambodia	9/21/2009
Tajikistan	9/28/2009
Yemen	11/5/2009
Zambia	11/5/2009
Mozambique	11/13/2009
Bangladesh	11/24/2009
Bolivia	12/30/2009
Niger	Put on hold
Regional Caribbean	expected
Regional Pacific	expected

Annex 2 FY10 Budget Review – Supporting Tables

2a. FY10 Approved and Revised Budget for MDB Administrative Services by Fund Program and MDB.

CTF

		Staff Costs	Consultant Costs	Contractual Services	Travel	Total Direct	Indirect Costs	TOTAL
ADB	FY10 Approved	28,590	279,000	-	45,500	353,090	6,176	359,266
	FY10 Revised	11,378	189,000	-	67,959	268,337	2,472	270,809
AFDB	FY10 Approved	174,375	82,800	-	54,000	311,175	15,559	326,734
	FY10 Revised	117,000	81,000	25,000	45,000	268,000	13,400	281,400
EBRD	FY10 Approved	175,198	24,000	12,000	80,000	291,198	52,560	343,758
	FY10 Revised	175,198	24,000	12,000	80,000	291,198	52,560	343,758
IADB	FY10 Approved	306,600	38,220	-	27,466	372,286	37,229	409,515
	FY10 Revised	344,400	54,600	-	27,466	426,466	42,647	469,113
IBRD	FY10 Approved	401,288	15,000	-	46,867	463,155	69,540	532,695
	FY10 Revised	342,673	15,000	-	102,867	460,540	60,873	521,413
IFC	FY10 Approved	423,373	15,475	-	30,000	468,848	32,819	501,668
	FY10 Revised	400,712	15,475	-	45,000	461,187	18,000	479,187
TOTAL	FY10 Approved	1,509,424	454,495	12,000	283,833	2,259,752	213,883	2,473,635
	FY10 Revised	1,391,361	379,075	37,000	368,292	2,175,728	189,952	2,365,680

SCF

		Staff Costs	Consultant Costs	Contractual Services	Travel	Total Direct	Indirect Costs	TOTAL
ADB	FY10 Approved	27,418	279,001	-	97,500	403,919	5,919	409,838
	FY10 Revised	3,350	241,800	-	76,209	321,359	736	322,095
AFDB	FY10 Approved	248,625	54,600	-	117,000	420,225	21,011	441,236
	FY10 Revised	189,000	90,000	25,000	117,000	421,000	21,050	442,050
EBRD	FY10 Approved	26,700	-	-	16,000	42,700	16,500	59,200
	FY10 Revised	26,700	-	-	16,000	42,700	16,500	59,200
IADB	FY10 Approved	264,600	80,080	-	34,836	379,516	37,952	417,468
	FY10 Revised	239,400	50,960	-	34,836	325,196	32,520	357,716
IBRD	FY10 Approved	903,420	-	-	86,601	990,021	166,530	1,156,551
	FY10 Revised	559,214	25,970	-	86,601	671,785	101,849	773,634
IFC	FY10 Approved	199,071	8,250	-	69,750	277,071	19,395	296,466
	FY10 Revised	123,734	8,250	-	51,000	182,984	9,000	191,984
TOTAL	FY10 Approved	1,669,834	421,931	-	421,687	2,513,451	267,307	2,780,758
	FY10 Revised	1,141,398	416,980	25,000	381,646	1,965,024	181,655	2,146,678

TOTAL

		Staff Costs	Consultant Costs	Contractual	Travel	Total Direct	Indirect Costs	TOTAL
ADB	FY10 Approved	56,008	558,001	-	143,000	757,009	12,095	769,104
	FY10 Revised	14,728	430,800	-	144,168	589,696	3,208	592,904
AFDB	FY10 Approved	423,000	137,400	-	171,000	731,400	36,570	767,970
	FY10 Revised	306,000	171,000	50,000	162,000	689,000	34,450	723,450
EBRD	FY10 Approved	201,898	24,000	12,000	96,000	333,898	69,060	402,958
	FY10 Revised	201,898	24,000	12,000	96,000	333,898	69,060	402,958
IADB	FY10 Approved	571,200	118,300	-	62,302	751,802	75,180	826,982
	FY10 Revised	583,800	105,560	-	62,302	751,662	75,166	826,828
IBRD	FY10 Approved	1,304,708	15,000	-	133,468	1,453,176	236,070	1,689,246
	FY10 Revised	901,887	40,970	-	189,468	1,132,325	162,722	1,295,047
IFC	FY10 Approved	622,444	23,725	-	99,750	745,919	52,214	798,133
	FY10 Revised	524,446	23,725	-	96,000	644,171	27,000	671,171
TOTAL	FY10 Approved	3,179,258	876,426	12,000	705,520	4,773,204	481,190	5,254,393
	FY10 Revised	2,532,759	796,055	62,000	749,938	4,140,752	371,606	4,512,358

2b. FY10 Approved and Revised Budget for MDB Administrative Services by Service category.

CTF	ADB		AFDB		EBRD		IADB		IBRD		IFC		TOTAL	
	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised
1. Internal outreach and integration of CIF in MDB policies, procedures and systems	166,950	158,579	95,340	28,350	75,110	75,110	136,136	136,136	285,075	266,828	203,447	220,137	962,058	885,140
2. CIF operational reporting	18,020	5,086	66,790	66,150	53,285	53,285	43,582	43,582	58,029	40,080	45,647	20,000	285,343	228,183
3. Participation in CIF committees and fora	50,082	57,459	107,494	94,500	137,270	137,270	122,514	122,514	111,503	145,113	102,357	95,661	631,220	652,517
4. Financial management and relations with the CIF Trustee	124,213	49,685	57,120	92,400	78,003	78,003	107,283	166,881	78,088	69,392	150,216	143,389	595,014	599,841
Grand Total	359,266	270,809	326,734	281,400	343,758	343,758	409,515	469,113	532,695	521,413	501,668	479,187	2,473,635	2,365,680

SCF	ADB		AFDB		EBRD		IADB		IBRD		IFC		TOTAL	
	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised
1. Internal outreach and integration of CIF in MDB policies, procedures and systems	165,207	187,651	57,225	47,250	17,280	17,280	158,928	226,226	500,188	334,785	55,822	69,000	954,650	882,193
2. CIF operational reporting	17,938	22,329	61,845	47,250	17,280	17,280	41,580	-	128,737	49,284	23,529	9,330	290,910	145,473
3. Participation in CIF committees and fora	102,082	65,709	275,231	245,700	24,640	24,640	129,389	131,490	371,015	284,706	194,151	90,000	1,096,508	842,244
4. Financial management and relations with the CIF Trustee	124,610	46,405	46,935	101,850	-	-	87,571	-	156,611	104,859	22,963	23,654	438,690	276,768
Grand Total	409,838	322,095	441,236	442,050	59,200	59,200	417,468	357,716	1,156,551	773,634	296,466	191,984	2,780,758	2,146,678

2c. FY10 Approved and Revised Budget for Trustee Administrative.

Budgetary Requirements for Services Provided by the Trustee FY10 (in USD)						
Trustee Services	CTF		SCF		Total	
	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised
Financial Management and Relationship Management	228,000	228,000	152,000	152,000	380,000	380,000
Investment Management a/	385,000	180,000	85,000	107,000	470,000	287,000
Accounting and Reporting	181,800	181,800	121,200	121,200	303,000	303,000
Legal Services	119,800	120,000	79,900	80,000	199,700	200,000
One-time Trust Fund Fee	125,000	125,000	125,000	125,000	250,000	250,000
External Audit c/	675,000	50,000	675,000	50,000	1,350,000	100,000
Total	1,714,600	884,800	1,238,100	635,200	2,952,700	1,520,000

a/ Investment Management fees are calculated based on a cost of 3.5 basis points against the average annual balance of the portfolio; the projected average portfolio size is \$515 million for the CTF trust fund and \$306 million for the SCF trust fund for FY10.

b/ One-time Trust Fund fee of \$250,000 per fund to be charged over two years. This charge is to recover IBRD long-term costs of trust fund administration, including but not limited to, quality control and compliance, internal audit, human resources, and institutional integrity.

c/ During FY10, the CY09 Financial Statements for the CTF and SCF Trust Funds will be audited. The MDBs did not have sufficient financial transactions during CY09 to warrant separate audits.

2d. FY10 Approved and Revised Budget for Administrative Unit Services.

	CTF		SCF		TOTAL	
	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised	FY10 Approved	FY10 Revised
1. Facilitating the work of TFCs and Sub-Committees	353,491	342,700	353,491	342,700	706,982	685,400
2. Managing Institutional Relations and Partnership building (incl Partnership Forum)	1,111,415	1,198,292	1,672,399	1,729,467	2,783,814	2,927,759
3. Policy and Program Development	356,570	376,908	1,367,475	1,297,414	1,724,045	1,674,323
4. Management and Finance	308,275	237,522	308,275	237,522	616,549	475,045
GRAND TOTAL	2,129,751	2,155,423	3,701,640	3,607,103	5,831,391	5,762,526